

**STATE OF NEW MEXICO
CITY OF CLOVIS
INDEPENDENT AUDITORS' REPORT
AND AUDITED FINANCIAL STATEMENTS
For The Year Ended June 30, 2009**

INTRODUCTORY SECTION

STATE OF NEW MEXICO

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STATE OF NEW MEXICO

City of Clovis

Official Roster

June 30, 2009

City Officials

Name	Title
Gayla Brumfield	Mayor
Chris Bryant	City Commissioner – District 4
Randy Crowder	Mayor Pro-Tem, City Commissioner – District 1
Ron Edwards	City Commissioner – District 4
Isidro Garcia	City Commissioner – District 3
Juan F. Garza	City Commissioner – District 1
Robert Sandoval	City Commissioner – District 3
Fred Van Soelen	City Commissioner – District 2
Len Vohs	City Commissioner – District 2

Administrative Officials

Joe Thomas	City Manager
Don Clifton	Director of Budget and Internal Operations
Leigh Ann Melancon	Finance Director

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, 2009, 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, 2009 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, 2009, 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, 2009, 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 December 1, 2009 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 4 through 9 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 "other supplemental information" 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.

The image shows a handwritten signature in black ink that reads "Hinkle & Landers, P.C.". The signature is written in a cursive, flowing style.

Hinkle & Landers, PC
Albuquerque, New Mexico
December 1, 2009

STATE OF NEW MEXICO
City of Clovis
Management's Discussion and Analysis
For the Year Ended June 30, 2009

As management of the City of Clovis, we offer the 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, 2009. 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 \$123,047,429 (*net assets*). Of this amount, \$16,298,543 (*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 \$15,247,085. The majority of this increase is due to the increase in investment in capital assets. This includes restatements of beginning fund balance totaling \$526,794. The total net change in funds balances related to activities was an increase of \$14,720,291.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$20,390,271, a decrease of \$83,256 in comparison with the prior year. This includes restatements of beginning fund balance totaling \$620,084. The total net change in funds balances related to activities was a decrease of \$703,340.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$8,182,668 or 42 percent of total general fund expenditures.
- The City of Clovis' total debt decreased by \$862,491 (4 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, 2009.

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).

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 on pages 10 and 11 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

STATE OF NEW MEXICO
City of Clovis
Management's Discussion and Analysis
For the Year Ended June 30, 2009

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* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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, 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 the 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 statement of the remaining governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found on pages 13 thru 16 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 on pages 19 thru 22 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 24 thru 45 of this report.

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 46 thru 104 of the 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 \$123,047,429 at the close of the most recent fiscal year.

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City of Clovis
Management's Discussion and Analysis
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The largest portion of the City of Clovis' net assets (77 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)**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Current and other assets	\$ 24,755	24,844	10,530	8,822	35,285	33,666
Capital assets, net of accumulated depreciation	<u>67,619</u>	<u>58,492</u>	<u>42,286</u>	<u>38,764</u>	<u>109,905</u>	<u>97,256</u>
Total assets	<u>92,374</u>	<u>83,336</u>	<u>52,816</u>	<u>47,586</u>	<u>145,190</u>	<u>130,922</u>
Long-term Liabilities outstanding	5,151	5,203	11,752	12,543	16,903	17,746
Other Liabilities	<u>2,149</u>	<u>2,599</u>	<u>3,090</u>	<u>2,777</u>	<u>5,239</u>	<u>5,376</u>
Total liabilities	<u>7,300</u>	<u>7,802</u>	<u>14,842</u>	<u>15,320</u>	<u>22,142</u>	<u>23,122</u>
Net assets	<u>\$ 85,074</u>	<u>75,534</u>	<u>37,974</u>	<u>32,266</u>	<u>123,048</u>	<u>107,800</u>

An additional portion of the City of Clovis' net assets of \$11,809,632 (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$16,298,543 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 \$17,221,758 in capital assets reported. The majority of this increase resulted from the 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 \$9,013,181. Key elements of this increase are as follows:

- The total expenses for governmental activities increased by \$204,877 due primarily to an increase in capital outlay expenditures, while revenues increased \$6,612,510 due mainly to additional state and federal grants.
- The gross receipts tax revenue increased \$191,472.

Business-type activities. Business-type activities increased the City of Clovis' net assets by \$5,707,110.

- Revenue increased \$4,623,058 due to an increase in grant revenues. Expenses experienced an increase of \$981,838 during the year primarily due to increase in cost of operations and capital outlay in Solid Waste.

STATE OF NEW MEXICO
City of Clovis
Management's Discussion and Analysis
For the Year Ended June 30, 2009

**City of Clovis
Comparison of Key Elements
(In thousands)**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Revenues						
Taxes	\$ 24,816	24,405	436	509	25,252	24,914
Intergovernmental	11,167	6,556	5,188	731	16,355	7,287
Charges for services	2,709	2,493	5,972	5,746	8,681	8,239
Other	3,502	2,263	536	523	4,038	2,786
Total revenue	42,194	35,717	12,132	7,509	54,326	43,226
Expenses						
General government	6,965	4,340	-	-	6,965	4,340
Public safety	13,371	15,312	-	-	13,371	15,312
Public works	4,396	4,233	-	-	4,396	4,233
Culture and recreation	4,598	5,374	-	-	4,598	5,374
Health and welfare	1,960	1,801	-	-	1,960	1,801
Interest on long-term debt	238	263	-	-	238	263
Solid waste	-	-	4,328	3,619	4,328	3,619
Wastewater	-	-	3,025	2,755	3,025	2,755
Airport	-	-	725	721	725	721
Total expenses	31,528	31,323	8,078	7,095	39,606	38,418
Transfers	(1,653)	(137)	1,653	137	-	-
Change in net assets	\$ 9,013	4,257	5,707	551	14,720	4,808

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 \$20,390,271, a decrease of \$83,256 in comparison with the prior year. This includes restatements of beginning fund balance totaling \$620,084. The total net change in funds balances related to activities was a decrease of \$703,340. Approximately 98 percent of this total amount, \$19,992,300, constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. Of the remainder, \$397,971 is reserved for inventory and prepaid expenses.

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City of Clovis
Management's Discussion and Analysis
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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 \$8,182,668 and represents 42 percent of total general fund expenditures.

The fund balance of the City of Clovis' general fund increased by \$217,631 during the current fiscal year. This includes a restate of the prior year ending fund balance of \$524,032. The actual results of activities in the general fund was a decrease in fund balance of \$306,401.

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.

Detailed budget performance is examined through the Statement of Revenues, Expenditures and Changes in Fund Balance for the general fund found on page 17. Actual general fund expenditures were \$2,760,116 less than the final budget amount (favorable variance). This was due primarily to the police department (public safety component) favorable variance of \$1,278,693.

Capital Asset and Debt Administration

Capital assets. The City of Clovis' amount invested in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$109,904,507 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, computers, equipment, furniture and fixtures, vehicles, infrastructure and zoo.

**City of Clovis
Capital Assets
(In thousands)**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Land	\$ 3,017	3,007	4,147	4,147	7,164	7,154
Land improvements	7,406	5,689	6,319	6,574	13,725	12,263
Buildings and improvements	18,859	17,333	7,161	7,495	26,020	24,828
Equipment and vehicles	6,502	7,259	3,940	4,430	10,442	11,689
Infrastructure	29,721	23,341	15,577	14,673	45,298	38,014
Construction in progress	2,113	1,863	5,142	1,446	7,255	3,309
Net capital assets	<u>\$ 67,618</u>	<u>58,492</u>	<u>42,286</u>	<u>38,765</u>	<u>109,904</u>	<u>97,257</u>

Additional information on the City of Clovis' capital assets can be found in Note 6 on pages 34-35 of this report.

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City of Clovis
Management's Discussion and Analysis
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Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$13,124,728 and loans and notes outstanding of \$2,695,249.

**City of Clovis
Long-term Debt
(In thousands)**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Revenue bonds	\$ 4,745	5,265	8,380	8,739	13,125	14,004
Notes payable	558	-	2,137	2,604	2,695	2,604
	<u>\$ 5,303</u>	<u>5,265</u>	<u>10,517</u>	<u>11,343</u>	<u>15,820</u>	<u>16,608</u>

Additional information on the City of Clovis' long-term debt can be found in Note 7 on pages 36-40 of this report.

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 68 percent of its annual operating budget for general fund 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 for information in the separate financial statements of the component unit.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Clovis

Statement of Net Assets

As of June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and investments	\$ 17,007,965	7,870,346	24,878,311	1,045,628
Receivables:				
Property taxes receivable	343,186	-	343,186	-
Intergovernmental	6,741,068	147,013	6,888,081	-
Other receivables	183,172	60,625	243,797	1,435
Customer receivables	-	702,840	702,840	-
Notes receivable	-	1,637,270	1,637,270	-
Prepays	398,221	84,748	482,969	42,907
Inventory	15,927	27,004	42,931	11,883
Internal balances	-	-	-	-
Total current assets	<u>24,689,539</u>	<u>10,529,846</u>	<u>35,219,385</u>	<u>1,101,853</u>
Noncurrent assets				
Restricted cash and investments	-	-	-	200,324
Bond discounts, net of amortization of \$1,343	21,480	-	21,480	-
Bond issuance costs, net of amortization of \$2,756	44,094	-	44,094	-
Capital assets	114,205,476	73,351,330	187,556,806	6,672,496
Less: accumulated depreciation	<u>(46,586,816)</u>	<u>(31,065,483)</u>	<u>(77,652,299)</u>	<u>(4,956,155)</u>
Total noncurrent assets	<u>67,684,234</u>	<u>42,285,847</u>	<u>109,970,081</u>	<u>1,916,665</u>
Total assets	<u>\$ 92,373,773</u>	<u>52,815,693</u>	<u>145,189,466</u>	<u>3,018,518</u>

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

STATE OF NEW MEXICO
City of Clovis
Statement of Net Assets (continued)
As of June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 523,103	373,095	896,198	41,234
Accrued payroll expenses	195,275	29,532	224,807	27,106
Accrued compensated absences	773,260	176,971	950,231	11,540
Accrued interest	16,310	18,877	35,187	-
Meter and other refundable deposits	72,636	-	72,636	60,652
Deferred revenue	-	1,637,270	1,637,270	-
Current portion of bonds and notes payable	540,000	803,464	1,343,464	-
Current portion of capital leases payable	28,718	50,914	79,632	-
Total current liabilities	2,149,302	3,090,123	5,239,425	140,532
Noncurrent liabilities				
Accrued compensated absences	416,371	-	416,371	1,611
Landfill closure liability	-	2,089,360	2,089,360	-
Bonds payable	4,205,000	9,416,789	13,621,789	-
Notes payable and capital leases	529,396	245,696	775,092	-
Total noncurrent liabilities	5,150,767	11,751,845	16,902,612	1,611
Total liabilities	7,300,069	14,841,968	22,142,037	142,143
Net Assets				
Invested in capital assets, net of related debt	62,873,660	32,065,594	94,939,254	1,916,665
Restricted for:				
Debt service	220,501	-	220,501	-
Capital projects and improvements	1,930,575	-	1,930,575	-
Other purposes	9,658,556	-	9,658,556	200,324
Unrestricted	10,390,412	5,908,131	16,298,543	759,386
Total net assets	85,073,704	37,973,725	123,047,429	2,876,375
Total liabilities and net assets	\$ 92,373,773	52,815,693	145,189,466	3,018,518

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

STATE OF NEW MEXICO
City of Clovis
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business Type Activities	Total	
Primary Government								
General government	\$ 6,965,344	2,687,906	3,101,124	-	(1,176,314)	-	(1,176,314)	-
Public safety	13,370,906	-	430,098	-	(12,940,808)	-	(12,940,808)	-
Public works	4,395,683	-	58,415	7,313,939	2,976,671	-	2,976,671	-
Culture and recreation	4,597,603	20,752	224,296	-	(4,352,555)	-	(4,352,555)	-
Health and welfare	1,960,517	-	39,433	-	(1,921,084)	-	(1,921,084)	-
Interest on long-term debt	237,769	-	-	-	(237,769)	-	(237,769)	-
<i>Total governmental activities</i>	<u>31,527,822</u>	<u>2,708,658</u>	<u>3,853,366</u>	<u>7,313,939</u>	<u>(17,651,859)</u>	<u>-</u>	<u>(17,651,859)</u>	<u>-</u>
Business-type Activities:								
Solid Waste	4,327,736	3,400,339	-	-	-	(927,397)	(927,397)	-
Wastewater	3,024,802	2,450,260	-	256,225	-	(318,317)	(318,317)	-
Airport	724,617	121,298	-	4,931,468	-	4,328,149	4,328,149	-
<i>Total business type activities</i>	<u>8,077,155</u>	<u>5,971,897</u>	<u>-</u>	<u>5,187,693</u>	<u>-</u>	<u>3,082,435</u>	<u>3,082,435</u>	<u>-</u>
<i>Total Primary Government</i>	<u>39,604,977</u>	<u>8,680,555</u>	<u>3,853,366</u>	<u>12,501,632</u>	<u>(17,651,859)</u>	<u>3,082,435</u>	<u>(14,569,424)</u>	<u>-</u>
Component Units:								
Housing Authority	\$ <u>3,182,769</u>	<u>304,439</u>	<u>2,830,680</u>	<u>221,102</u>	-	-	-	173,452
General Revenues:								
Taxes								
Property taxes, levied for general purposes					\$ 1,577,270	-	1,577,270	-
Gross receipts taxes					21,226,740	436,136	21,662,876	-
Gasoline and motor vehicle taxes					549,639	-	549,639	-
Franchise taxes					995,685	-	995,685	-
Cigarette and lodger's taxes					466,832	-	466,832	-
Licenses and fees					805,322	-	805,322	-
Fines, forfeitures, and penalties					162,242	-	162,242	-
Investment income					331,023	298,526	629,549	44
Miscellaneous income					2,463,348	237,153	2,700,501	68,121
Gain/(loss) on sale of capital assets					(260,201)	-	(260,201)	(188)
Transfers					(1,652,860)	1,652,860	-	-
Total general revenues and transfers					<u>26,665,040</u>	<u>2,624,675</u>	<u>29,289,715</u>	<u>241,429</u>
Change in net assets					9,013,181	5,707,110	14,720,291	241,429
Beginning net assets					75,533,729	32,266,615	107,800,344	2,634,946
Restatement					526,794	-	526,794	-
Beginning net assets as restated					<u>76,060,523</u>	<u>32,266,615</u>	<u>108,327,138</u>	<u>2,634,946</u>
Ending net assets					<u>\$ 85,073,704</u>	<u>37,973,725</u>	<u>123,047,429</u>	<u>2,876,375</u>

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

STATE OF NEW MEXICO
City of Clovis
Balance Sheet
Governmental Funds
As of June 30, 2009

	01, 18	Major Funds 36+38+93 94+97+99 Spec Revenue	87 Cap Projects	Other Non-Major Governmental Funds	Total
	General Fund	Eastern NM Rural Water	Street Construction		
<i>Assets</i>					
Cash and investments	\$ 3,650,515	204,265	-	9,964,191	13,818,971
Restricted cash and investments	-	-	-	-	-
Receivables:					
Property taxes	343,186	-	-	-	343,186
Intergovernmental	2,904,061	532,231	1,781,781	1,480,643	6,698,716
Other receivables	153,172	-	-	72,354	225,526
Inventory	4,749	-	-	11,178	15,927
Prepaid insurance	339,103	-	-	58,868	397,971
Due from other funds	1,746,439	-	-	-	1,746,439
<i>Total assets</i>	<u>\$ 9,141,225</u>	<u>736,496</u>	<u>1,781,781</u>	<u>11,587,234</u>	<u>23,246,736</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 64,277	126,621	332,206	-	523,104
Accrued payroll expenses	162,738	-	-	31,745	194,483
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deposits held in trust	72,636	-	-	-	72,636
Deferred property tax revenue	319,803	-	-	-	319,803
Other deferred revenue	-	-	-	-	-
Due to other funds	-	1,260,300	405,138	81,001	1,746,439
<i>Total liabilities</i>	<u>619,454</u>	<u>1,386,921</u>	<u>737,344</u>	<u>112,746</u>	<u>2,856,465</u>
<i>Fund balances</i>					
Reserved:					
Prepaid insurance	339,103	-	-	58,868	397,971
Unreserved, reported in:					
General	8,182,668	-	-	-	8,182,668
Special revenue	-	(650,425)	-	10,308,981	9,658,556
Debt service	-	-	-	220,501	220,501
Capital projects	-	-	1,044,437	886,138	1,930,575
<i>Total fund balances</i>	<u>8,521,771</u>	<u>(650,425)</u>	<u>1,044,437</u>	<u>11,474,488</u>	<u>20,390,271</u>
<i>Total liabilities and fund balances</i>	<u>\$ 9,141,225</u>	<u>736,496</u>	<u>1,781,781</u>	<u>11,587,234</u>	<u>23,246,736</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET ASSETS
As of June 30, 2009**

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

Fund balances - total governmental funds	\$	20,390,271
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		67,608,496
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		319,803
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		21,480
Bond issuance costs		44,094
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest		(16,310)
Internal service funds assets and liabilities included governmental activities in the statement of net assets		3,196,934
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		(771,575)
Noncurrent accrued compensated absences		(416,371)
Current bonds and notes payable		(568,718)
Bonds payable		(4,734,396)
Differences due to rounding		(4)
Net assets of governmental activities	\$	85,073,704

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

STATE OF NEW MEXICO
City of Clovis Audit FY09
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds				Total
	01, 18	36+38+93 94+97+99	87		
	General Fund	Eastern NM Rural Water	Spec Revenue	Cap Projects Street Construction	Other Non-major Governmental Funds
<i>Revenues:</i>					
Taxes:					
Property	\$ 1,257,467	-	-	-	1,257,467
Gross receipts	12,881,717	-	-	8,345,024	21,226,741
Gasoline and motor vehicle	22,900	-	-	526,739	549,639
Other	1,058,726	-	-	403,791	1,462,517
Intergovernmental:					
Federal operating grants	319,916	-	-	35,928	355,844
Federal capital grants	-	-	802,413	715,565	1,517,978
State operating grants	18,771	2,199,125	-	534,723	2,752,619
State capital grants	-	-	6,511,526	-	6,511,526
Charges for services	1,880,302	-	-	820,639	2,700,941
Fines, forfeitures, and penalties	145,085	-	-	17,157	162,242
Licenses and fees	334,495	-	-	478,565	813,060
Investment income	51,128	-	15,421	181,565	248,114
Miscellaneous	134,380	50,560	46,369	116,891	348,200
<i>Total revenues</i>	<u>18,104,887</u>	<u>2,249,685</u>	<u>7,375,729</u>	<u>12,176,587</u>	<u>39,906,888</u>
<i>Expenditures:</i>					
Current:					
General government	3,626,325	-	-	821,463	4,447,788
Public safety	12,287,260	-	-	285,213	12,572,473
Public works	299,222	3,628,830	284,594	2,158,524	6,371,170
Culture and recreation	1,901,577	-	-	2,489,579	4,391,156
Health and welfare	336,427	-	-	295,478	631,905
Capital outlay	811,508	-	8,357,425	1,156,192	10,325,125
Debt service:					
Principal	-	21,166	-	520,000	541,166
Interest	-	1,070	-	216,292	217,362
<i>Total expenditures</i>	<u>19,262,319</u>	<u>3,651,066</u>	<u>8,642,019</u>	<u>7,942,741</u>	<u>39,498,145</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,157,432)</u>	<u>(1,401,381)</u>	<u>(1,266,290)</u>	<u>4,233,846</u>	<u>408,743</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	848,705	171,676	2,459,725	(5,173,795)	(1,693,689)
Proceeds from sale of capital asset	2,326	-	-	-	2,326
Proceeds from debt issuance	-	579,280	-	-	579,280
<i>Total other financing sources (uses)</i>	<u>851,031</u>	<u>750,956</u>	<u>2,459,725</u>	<u>(5,173,795)</u>	<u>(1,112,083)</u>
<i>Net change in fund balance</i>	(306,401)	(650,425)	1,193,435	(939,949)	(703,340)
<i>Beginning fund balance</i>	8,304,140	-	(148,998)	12,318,385	20,473,527
<i>Restatement</i>	524,032	-	-	96,052	620,084
<i>Beginning fund balance as restated</i>	<u>8,828,172</u>	<u>-</u>	<u>(148,998)</u>	<u>12,414,437</u>	<u>21,093,611</u>
<i>Ending fund balance</i>	<u>\$ 8,521,771</u>	<u>(650,425)</u>	<u>1,044,437</u>	<u>11,474,488</u>	<u>20,390,271</u>

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

STATE OF NEW MEXICO
City of Clovis
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, 2009

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

Net change in fund balances - total governmental funds	\$	(703,340)
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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		11,028,683
Capital expenditures recorded in other expense lines		2,195,775
Depreciation expense		(3,770,457)
Loss on disposal of capital assets		(260,201)

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		(276,234)
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The net profit of the internal service fund is reported with the governmental activities

391,193

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		(1,342)
Amortization of bond issuance costs		(2,755)
Decrease in accrued interest		1,714
Increase in noncurrent and current accrued compensated absences		(131,021)
Principal payments on bonds and notes payable		541,166
Due to rounding		-

Change in net assets of governmental activities	\$	9,013,181
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 1,391,370	1,391,370	1,441,287	49,917
Gross receipts	11,908,000	11,943,000	12,926,500	983,500
Gasoline and motor vehicle	30,000	30,000	28,583	(1,417)
Other	996,300	996,300	1,059,218	62,918
Intergovernmental income:				
Federal operating grants	674,343	1,208,744	486,415	(722,329)
Federal capital grants	-	-	-	-
State operating grants	16,079	16,079	6,920	(9,159)
State capital grants	-	-	-	-
Charges for services	1,597,000	1,597,000	1,971,782	374,782
Licenses and fees	280,525	280,525	334,495	53,970
Fines, forfeitures and penalties	155,000	155,000	145,085	(9,915)
Investment income	150,000	150,000	71,049	(78,951)
Miscellaneous	90,000	102,760	2,233,185	2,130,425
<i>Total revenues</i>	17,288,617	17,870,778	20,704,519	2,833,741
<i>Expenditures:</i>				
Current:				
General government	4,015,183	4,279,994	3,750,743	529,251
Public safety	13,052,337	13,438,376	12,159,683	1,278,693
Public Works	350,000	350,000	299,222	50,778
Culture and recreation	2,017,956	2,214,826	1,901,930	312,896
Health and welfare	359,236	424,608	332,325	92,283
Capital outlay	756,079	1,443,286	947,071	496,215
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	20,550,791	22,151,090	19,390,974	2,760,116
<i>Excess (deficiency) of revenues over expenditures</i>	(3,262,174)	(4,280,312)	1,313,545	5,593,857
<i>Other financing sources (uses)</i>				
Designated cash	3,262,174	4,280,312	-	(4,280,312)
Transfers in	-	-	3,191,268	3,191,268
Transfers out	-	-	(2,342,563)	(2,342,563)
<i>Total other financing sources (uses)</i>	3,262,174	4,280,312	848,705	(3,431,607)
<i>Net change in fund balance</i>	-	-	2,162,250	2,162,250
<i>Fund balance - beginning of year</i>	-	-	5,355,785	5,355,785
<i>Fund balance - end of year</i>	\$ -	-	7,518,035	7,518,035
Net change in fund balance (GAAP)				\$ (306,401)
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				(2,597,306)
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				128,655
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,162,250

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

STATE OF NEW MEXICO
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, 2009

	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	2,935,870	6,792,782	2,480,048	(4,312,734)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	50,560	50,560	50,560	-
<i>Total revenues</i>	<u>2,986,430</u>	<u>6,843,342</u>	<u>2,530,608</u>	<u>(4,312,734)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,803,505	7,559,333	3,663,694	3,895,639
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,803,505</u>	<u>7,559,333</u>	<u>3,663,694</u>	<u>3,895,639</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>182,925</u>	<u>(715,991)</u>	<u>(1,133,086)</u>	<u>(417,095)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(182,925)	715,991	-	(715,991)
Transfers in	-	-	182,279	182,279
Transfers out	-	-	(10,603)	(10,603)
Proceeds from debt issuance	-	-	579,280	579,280
<i>Total other financing sources (uses)</i>	<u>(182,925)</u>	<u>715,991</u>	<u>750,956</u>	<u>(544,315)</u>
<i>Net change in fund balance</i>	-	-	(382,130)	(382,130)
<i>Fund balance - beginning of year</i>	-	-	(647,976)	(647,976)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(1,030,106)</u>	<u>(1,030,106)</u>
Net change in fund balance (GAAP)			\$	(650,425)
Adjustments to revenue for applicable accruals and deferrals				(284,616)
Adjustments to expenditures for applicable accruals and payments				16,321
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(382,130)</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
As of June 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Funds				
	2	10	12		48, 53, 54
	Solid Waste	Wastewater	Airport	Total	Internal Service Funds
<i>Assets</i>					
<i>Current assets</i>					
Cash and investments	\$ 4,281,877	3,301,297	287,172	7,870,346	3,188,995
Receivables:					
Intergovernmental	74,907	-	72,106	147,013	-
Other receivables	-	60,625	-	60,625	-
Customer receivables, net of allowance	383,623	319,217	-	702,840	-
Notes receivable	-	1,637,270	-	1,637,270	-
Inventory	5,009	21,995	-	27,004	-
Prepays	43,371	18,920	22,457	84,748	252
<i>Total current assets</i>	<u>4,788,787</u>	<u>5,359,324</u>	<u>381,735</u>	<u>10,529,846</u>	<u>3,189,247</u>
<i>Noncurrent assets</i>					
Capital assets	16,134,887	39,016,159	18,200,284	73,351,330	45,541
Less: accumulated depreciation	<u>(5,939,381)</u>	<u>(19,252,057)</u>	<u>(5,874,045)</u>	<u>(31,065,483)</u>	<u>(35,377)</u>
<i>Total noncurrent assets</i>	<u>10,195,506</u>	<u>19,764,102</u>	<u>12,326,239</u>	<u>42,285,847</u>	<u>10,164</u>
<i>Total Assets</i>	<u>\$ 14,984,293</u>	<u>25,123,426</u>	<u>12,707,974</u>	<u>52,815,693</u>	<u>3,199,411</u>
<i>Liabilities and Net Assets</i>					
<i>Liabilities:</i>					
<i>Current liabilities</i>					
Accounts payable	\$ 307,107	-	65,988	373,095	-
Accrued payroll expenses	19,223	8,306	2,003	29,532	792
Accrued compensated absences	135,839	13,998	27,134	176,971	1,685
Accrued interest	13,415	5,462	-	18,877	-
Deferred revenue	-	1,637,270	-	1,637,270	-
Current portion of bonds and notes payable	427,852	366,879	8,733	803,464	-
Current portion of capital leases	50,914	-	-	50,914	-
<i>Total current liabilities</i>	<u>954,350</u>	<u>2,031,915</u>	<u>103,858</u>	<u>3,090,123</u>	<u>2,477</u>
<i>Noncurrent liabilities</i>					
Landfill closure	2,089,360	-	-	2,089,360	-
Bonds and notes payable	1,403,940	8,012,849	-	9,416,789	-
Capital leases	245,696	-	-	245,696	-
<i>Total noncurrent liabilities</i>	<u>3,738,996</u>	<u>8,012,849</u>	<u>-</u>	<u>11,751,845</u>	<u>-</u>
<i>Total liabilities</i>	<u>4,693,346</u>	<u>10,044,764</u>	<u>103,858</u>	<u>14,841,968</u>	<u>2,477</u>
<i>Net Assets:</i>					
Invested in capital assets, net of related debt	9,898,896	11,384,374	12,326,239	33,609,509	10,164
Restricted net assets	-	-	-	-	-
Unrestricted net assets	392,051	3,694,288	277,877	4,364,216	3,186,770
<i>Total net assets</i>	<u>10,290,947</u>	<u>15,078,662</u>	<u>12,604,116</u>	<u>37,973,725</u>	<u>3,196,934</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 14,984,293</u>	<u>25,123,426</u>	<u>12,707,974</u>	<u>52,815,693</u>	<u>3,199,411</u>

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

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, 2009

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Major Funds			48, 53, 54 Internal Service Funds	
	2 Solid Waste	10 Wastewater	12 Airport	Total	
<i>Operating revenues:</i>					
Charges for services	\$ 3,400,339	2,450,260	121,298	5,971,897	678,903
<i>Total operating revenues</i>	<u>3,400,339</u>	<u>2,450,260</u>	<u>121,298</u>	<u>5,971,897</u>	<u>678,903</u>
<i>Operating expenses:</i>					
General and administrative	62,134	42,963	-	105,097	356,932
Personnel services	1,709,364	748,936	178,347	2,636,647	67,390
Contractual services	-	-	6,113	6,113	-
Supplies and purchased power	854,756	126,200	-	980,956	-
Maintenance and materials	662,431	485,186	146,584	1,294,201	-
Utilities	15,356	270,748	40,570	326,674	-
Depreciation	923,921	1,170,519	353,003	2,447,443	1,040
Miscellaneous	-	-	-	-	-
<i>Total operating expenses</i>	<u>4,227,962</u>	<u>2,844,552</u>	<u>724,617</u>	<u>7,797,131</u>	<u>425,362</u>
<i>Operating income (loss)</i>	<u>(827,623)</u>	<u>(394,292)</u>	<u>(603,319)</u>	<u>(1,825,234)</u>	<u>253,541</u>
<i>Non-operating revenues (expenses):</i>					
State nonoperating grants	-	-	4,907,031	4,907,031	-
Interest income	164,781	131,264	2,481	298,526	94,092
Interest expense	(99,774)	(180,250)	-	(280,024)	-
Gross receipts and other taxes	436,136	-	-	436,136	-
Miscellaneous	(100,758)	337,307	604	237,153	2,730
<i>Total non-operating revenues (expenses)</i>	<u>400,385</u>	<u>288,321</u>	<u>4,910,116</u>	<u>5,598,822</u>	<u>96,822</u>
Federal capital grants	-	256,225	24,437	280,662	-
Transfers in	936,596	1,230,189	537,267	2,704,052	50,000
Transfers out	(725,193)	(325,999)	-	(1,051,192)	(9,170)
<i>Net capital grants and transfers</i>	<u>211,403</u>	<u>1,160,415</u>	<u>561,704</u>	<u>1,933,522</u>	<u>40,830</u>
<i>Change in net assets</i>	<u>(215,835)</u>	<u>1,054,444</u>	<u>4,868,501</u>	<u>5,707,110</u>	<u>391,193</u>
<i>Net assets, beginning of year</i>	<u>10,506,782</u>	<u>14,024,218</u>	<u>7,735,615</u>	<u>32,266,615</u>	<u>2,805,741</u>
<i>Net assets, end of year</i>	<u>\$ 10,290,947</u>	<u>15,078,662</u>	<u>12,604,116</u>	<u>37,973,725</u>	<u>3,196,934</u>

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

STATE OF NEW MEXICO
City of Clovis
Proprietary Funds
Statement of Cash Flows
For The Year Ended June 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Funds				
	2	10	12		48, 53, 54
	Solid Waste	Wastewater	Airport	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 3,366,442	2,439,860	61,692	5,867,994	-
Receipts from interfund services provided	-	-	-	-	678,903
Payments to suppliers and employees	<u>(2,871,042)</u>	<u>(1,756,541)</u>	<u>(298,561)</u>	<u>(4,926,144)</u>	<u>(424,350)</u>
Net cash provided (used) by operating activities	<u>495,400</u>	<u>683,319</u>	<u>(236,869)</u>	<u>941,850</u>	<u>254,553</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	936,596	1,230,189	537,267	2,704,052	50,000
Operating transfers to other funds	(725,193)	(325,999)	-	(1,051,192)	(9,170)
Payments received from note receivable	-	119,366	-	119,366	-
Tax receipts	436,136	-	-	436,136	-
Intergovernmental receipts	-	256,225	4,931,468	5,187,693	-
Miscellaneous income	<u>3,850</u>	<u>238,227</u>	<u>604</u>	<u>242,681</u>	<u>3,044</u>
Net cash provided (used) by noncapital financing activities	<u>651,389</u>	<u>1,518,008</u>	<u>5,469,339</u>	<u>7,638,736</u>	<u>43,874</u>
Cash flows from capital and related financing activities:					
Acquisitions and construction of capital assets	(482,205)	(737,685)	(4,873,322)	(6,093,212)	-
Principal paid on notes payable	(458,481)	(359,686)	(8,478)	(826,645)	-
Interest paid on notes payable	(99,774)	(180,250)	-	(280,024)	-
Interfund payable	-	-	(65,983)	(65,983)	-
Long-term debt proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(1,040,460)</u>	<u>(1,277,621)</u>	<u>(4,947,783)</u>	<u>(7,265,864)</u>	<u>-</u>
Cash flows from investing activities:					
Interest income	<u>164,781</u>	<u>131,264</u>	<u>2,481</u>	<u>298,526</u>	<u>94,092</u>
Net cash provided by investing activities	<u>164,781</u>	<u>131,264</u>	<u>2,481</u>	<u>298,526</u>	<u>94,092</u>
Net increase in cash and temporary investments	<u>\$ 271,110</u>	<u>1,054,970</u>	<u>287,168</u>	<u>1,613,248</u>	<u>392,519</u>

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

STATE OF NEW MEXICO
City of Clovis
Proprietary Funds
Statement of Cash Flows
For The Year Ended June 30, 2009

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Major Funds				48, 53, 54
	2	10	12		Internal
	Solid				Service
	Waste	Wastewater	Airport	Total	Funds
Net increase in cash and cash equivalents-previous page	\$ 271,110	1,054,970	287,168	1,613,248	392,519
Cash and investments June 30, 2008	<u>4,010,767</u>	<u>2,246,327</u>	<u>4</u>	<u>6,257,098</u>	<u>2,796,476</u>
Cash and investments June 30, 2009	<u>\$ 4,281,877</u>	<u>3,301,297</u>	<u>287,172</u>	<u>7,870,346</u>	<u>3,188,995</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (827,623)	(394,292)	(603,319)	(1,825,234)	253,541
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	923,921	1,170,519	353,003	2,447,443	1,040
(Increase) decrease in:					
Accounts receivable	(33,897)	(10,400)	(59,606)	(103,903)	-
Inventory	30,658	28,528	-	59,186	-
Prepays	8,619	4,299	4,162	17,080	97
(Decrease) increase in:					
Accounts payable	307,107	-	65,988	373,095	-
Accrued payroll	13,516	5,423	1,333	20,272	488
Deferred revenue	-	(119,366)	-	(119,366)	-
Compensated absences	13,339	(6,854)	1,570	8,055	(613)
Accrued interest	(2,840)	5,462	-	2,622	-
Estimated landfill postclosure costs	<u>62,600</u>	<u>-</u>	<u>-</u>	<u>62,600</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 495,400</u>	<u>683,319</u>	<u>(236,869)</u>	<u>941,850</u>	<u>254,553</u>

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

STATE OF NEW MEXICO
City of Clovis
Statement of Fiduciary Assets and Liabilities
Agency Funds
As of June 30, 2009

Cash and investments	\$ <u>45,115</u>
<i>Total assets</i>	\$ <u><u>45,115</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ <u>45,115</u>
<i>Total liabilities</i>	\$ <u><u>45,115</u></u>

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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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.

Discretely Presented Component Unit

City of Clovis Housing and Redevelopment Agency, Inc. (The Agency) – This component unit has a separately 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 pages 10 thru 12 in the City's financial reports.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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 non-fiduciary 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.

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, if applicable. 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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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.

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.

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.

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 account for workers compensation, unemployment insurance services, and property and liability self-insurance 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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes

D. Assets, Liabilities and Net Assets or Fund Equity

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 non-operating 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.

E. 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 Local Government 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.

F. Receivables and Payables

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

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

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.

G. 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,

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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.

H. 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.

I. 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 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>Asset Type</u>	<u>Years</u>
Land	Perpetuity
Construction in progress	Perpetuity
Land improvements	40
Buildings and improvements	40
Infrastructure	25
Equipment and vehicles	3-10

J. Accrued Expenses

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2009, along with applicable PERA and Retiree Health Care.

K. 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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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.

L. 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 workweek 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 accrues 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.

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.

M. Long-term Obligations

In the government-wide financial statements and proprietary 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.

N. 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:

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.

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.

Unrestricted Net Assets:

All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

O. 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.

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 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, 2009 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.

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, 2009.

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.

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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 \$250,000 in aggregate and separate from the \$250,000 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, 2009, \$7,546,617 of the City's bank balances of \$10,150,581 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, 2009, \$1,520,937 was exposed to custodial credit risk because it was not collateralized or insured.

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, 2009, the City's investment balances were exposed to custodial credit risk as follows. A total of \$3,527,678 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. The local short-term investment fund, along with other public monies in the State Treasurer's investment account including amounts held by the NM Self Insurer's fund, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collateral at 102% of investment balances for the City. All investing is performed in accordance with State Statutes and the City Charter. For more information, refer to separately issued financial statements for the State Treasurer, which disclose the collateral pledged to secure the State Treasurer's cash and investments. For 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 \$1,612,213 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.

The US Treasury Mutual Funds are all backed by the full faith and credit of the U.S. government and are therefore insured against loss.

The City's cash, cash equivalents, and collateral pledged is listed on pages 109-110 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.

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. In addition, the City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in the State LGIP, NMFA debt service funds, and repurchase agreements. These investments are 67%, 9%, and 21%, respectively, of the City's total investments. The City's investments at June 30, 2009 include the following:

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<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
New Mexico Self Insurer's	<90 days	\$ 72,958
New MexiGROW LGIP	43 days	11,925,000
U.S. Government Obligations:		
State Treasurer's Debt Service Fund	<90 days	1,612,213
US Treasury Mutual Fund #0052	<90 days	476,665
Repurchase agreements	<90 days	<u>3,694,651</u>
Total		<u>\$ 17,781,487</u>

The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates. The LGIP portfolio's weighted average maturity (WAM) was 43 days as of June 30, 2009.

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, 2009, 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

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NOTE 4 – Receivables

Receivables as of June 30, 2009, including the applicable allowances for uncollectible accounts, are as follows:

	(36, 38, 93)				
	(01)	(94, 97, 99)	(87)	Nonmajor	Total
	General	Eastern NM	Street	Funds	Governmental
	Fund	Rural Water	Repair		
Accounts	\$ 2,092,647	-	-	-	2,092,647
Taxes	2,890,710	-	-	1,481,773	4,372,483
Grants:					-
State	11,851	532,231	1,692,595	-	2,236,677
Federal	344,685	-	89,186	41,224	475,095
Other	-	-	-	30,000	30,000
Subtotal	<u>5,339,893</u>	<u>532,231</u>	<u>1,781,781</u>	<u>1,552,997</u>	<u>9,206,902</u>
Less: Allowance for uncollectibles	<u>(1,939,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,939,474)</u>
Net receivables	<u>\$ 3,400,419</u>	<u>532,231</u>	<u>1,781,781</u>	<u>1,552,997</u>	<u>7,267,428</u>

	(02)			(10)	(12)	Total
	Solid	Wastewater	Airport	Proprietary		
	Waste					
Accounts	\$ 497,042	429,494	151			926,687
Taxes	74,907	-	-			74,907
Grants:						-
State	-	60,625	12,618			73,243
Federal	-	-	59,488			59,488
Other	-	-	-			-
Subtotal	<u>571,949</u>	<u>490,119</u>	<u>72,257</u>			<u>1,134,325</u>
Less: Allowance for uncollectibles	<u>(113,419)</u>	<u>(110,277)</u>	<u>(151)</u>			<u>(223,847)</u>
Net receivables	<u>\$ 458,530</u>	<u>379,842</u>	<u>72,106</u>			<u>910,478</u>

In accordance with GASB No. 33, the property tax revenues totaling \$319,803 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

NOTE 5 – Interfund Balances and Transfers

The City recorded interfund receivable/payable to reflect a temporary loan between funds. The purpose of the loans were to cover cash shortages until grant reimbursements could be obtained. All interfund receivables/payables are expected to repaid within one year. Interfund balances as of June 30, 2009, are as follows:

Due from other funds	Fund Number	Due to other funds	Fund Number	Amount
General Fund	01	Capital Projects Fund - Major Fund - Capital Projects Fund	87	\$ 405,138
General Fund	01	ENMR Water Grant - Major Fund - Special Revenue Fund	38	798,227
General Fund	01	ENMRWA State WTB Grant - Major Fund - Spec Rev Fund	36	462,072
General Fund	01	Clovis Recycling Fund - Non-major Spec Rev Fund	76	6,534
General Fund	01	Drug Control Fund - Non-major Spec Rev Fund	98	74,467
				<u>\$ 1,746,439</u>

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The City recorded interfund transfers to reflect transfers of cash in accordance with the budget. Transfers and payments within the City are substantially for the purpose of subsidizing operating functions and funding capital projects, primarily street projects. All transfers made during the year were considered routine and were consistent with the general characteristics of the City's transfer policy. The composition of interfund transfers during the year ended June 30, 2009 is as follows:

	Transfers In								
	01 General	36, 38, 99 Eastern NM Water	87 Street Const.	02 Solid Waste	10 Waste- water	12 Airport	Non-Major Govern- mental	48, 53, 54 Internal Service	Total
General	\$ -	-	-	-	-	537,267	1,755,296	50,000	2,342,563
Eastern NM Rural Water	-	-	-	-	-	-	-	-	-
Street Construct	-	-	-	-	-	-	460,245	-	460,245
Solid Waste	259,000	-	-	-	-	-	-	-	259,000
Wastewater	150,000	-	-	-	-	-	-	-	150,000
Airport	-	-	-	-	-	-	-	-	-
Non-Major Governmental	2,773,098	171,676	2,919,970	470,403	1,054,190	-	-	-	7,389,337
Internal Service	9,170	-	-	-	-	-	-	-	9,170
Total	\$ 3,191,268	171,676	2,919,970	470,403	1,054,190	537,267	2,215,541	50,000	10,610,315

NOTE 6 – Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

<i>Governmental Activities includes</i>	Balance	Additions and	Deletions and		Balance
<i>Internal Service Funds</i>	June 30, 2008	Transfers In	Transfers Out	Adjustments	June 30, 2009
Capital assets not being depreciated:					
Land	\$ 3,007,438	10,000	-	-	3,017,438
Construction in progress	1,862,987	3,655,112	-	(3,405,161)	2,112,938
Total capital assets not being depreciated	4,870,425	3,665,112	-	(3,405,161)	5,130,376
Capital assets being depreciated:					
Land improvements	8,291,932	32,420	(11,500)	2,035,974	10,348,826
Buildings and improvements	23,472,190	1,400,520	(211,157)	725,915	25,387,468
Equipment and vehicles	17,759,099	1,126,215	(1,156,511)	135,554	17,864,357
Infrastructure	48,032,398	7,027,623	-	414,428	55,474,449
Total capital assets being depreciated	97,555,619	9,586,778	(1,379,168)	3,311,871	109,075,100
Total capital assets	102,426,044	13,251,890	(1,379,168)	(93,290)	114,205,476
Less accumulated depreciation:					
Land improvements	(2,603,441)	(350,295)	10,925	-	(2,942,811)
Buildings and improvements	(6,138,617)	(562,314)	172,353	-	(6,528,578)
Equipment and vehicles	(10,499,798)	(1,797,937)	935,371	-	(11,362,364)
Infrastructure	(24,692,113)	(1,060,950)	-	-	(25,753,063)
Total accumulated depreciation	(43,933,969)	(3,771,496)	1,118,649	-	(46,586,816)
Total capital assets net of depreciation	\$ 58,492,075	9,480,394	(260,519)	(93,290)	67,618,660

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<i>Business-Type Activities</i>	Balance June 30, 2008	Additions and Transfers In	Deletions and Transfers Out	Adjustments	Balance June 30, 2009
Capital assets not being depreciated:					
Land	\$ 4,146,544	500	-	-	4,147,044
Construction in progress	1,446,418	5,086,701	-	(1,391,029)	5,142,090
Total capital assets not being depreciated	<u>5,592,962</u>	<u>5,087,201</u>	<u>-</u>	<u>(1,391,029)</u>	<u>9,289,134</u>
Capital assets being depreciated:					
Land improvements	8,478,228	-	-	-	8,478,228
Buildings and improvements	10,531,205	37,292	-	-	10,568,497
Equipment and vehicles	10,182,337	482,204	(650,885)	-	10,013,656
Infrastructure	33,124,272	486,514	-	1,391,029	35,001,815
Total capital assets being depreciated	<u>62,316,042</u>	<u>1,006,010</u>	<u>(650,885)</u>	<u>1,391,029</u>	<u>64,062,196</u>
Total capital assets	<u>67,909,004</u>	<u>6,093,211</u>	<u>(650,885)</u>	<u>-</u>	<u>73,351,330</u>
Less accumulated depreciation:					
Land improvements	(1,903,809)	(255,042)	-	-	(2,158,851)
Buildings and improvements	(3,036,030)	(371,721)	-	-	(3,407,751)
Equipment and vehicles	(5,752,444)	(847,630)	525,992	-	(6,074,082)
Infrastructure	(18,451,749)	(973,050)	-	-	(19,424,799)
Total accumulated depreciation	<u>(29,144,032)</u>	<u>(2,447,443)</u>	<u>525,992</u>	<u>-</u>	<u>(31,065,483)</u>
Total capital assets net of depreciation	<u>\$ 38,764,972</u>	<u>3,645,768</u>	<u>(124,893)</u>	<u>-</u>	<u>42,285,847</u>

Depreciation expense for the year ended June 30, 2009 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 199,509
Public safety	672,649
Public works	2,178,293
Culture and recreation	255,658
Health and welfare	464,347
Total	<u>3,770,456</u>
Internal Service Fund	1,040
Total governmental activities	<u>3,771,496</u>
Business type activities:	
Solid Waste	923,921
Wastewater	1,170,519
Airport	353,003
Total business-type activities	<u>\$ 2,447,443</u>

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NOTE 7 – Long-term Debt

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 1999	\$ 2,070,000	-	(380,000)	1,690,000	395,000
Series 2005	3,195,000		(140,000)	3,055,000	145,000
Total bonds payable	<u>5,265,000</u>	<u>-</u>	<u>(520,000)</u>	<u>4,745,000</u>	<u>540,000</u>
NMFA Notes payable					
2009 ENMRWUA No 84-WTB	-	454,280	(16,599)	437,681	22,521
2009 ENMRWUA No 56-WTB	-	125,000	(4,567)	120,433	6,197
Total notes payable	<u>-</u>	<u>579,280</u>	<u>(21,166)</u>	<u>558,114</u>	<u>28,718</u>
Compensated Absences	<u>1,058,609</u>	<u>686,558</u>	<u>(555,536)</u>	<u>1,189,631</u>	<u>773,260</u>
Governmental-activities long-term liabilities	<u>\$ 6,323,609</u>	<u>1,845,118</u>	<u>(1,117,868)</u>	<u>7,050,859</u>	<u>1,341,978</u>
	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Due Within One Year
Business-type Activities:					
Notes Payable					
Series 2007	\$ 8,739,413	-	(359,685)	8,379,728	366,879
NM Finance Authority	2,241,636	-	(409,844)	1,831,792	427,852
State Environment Improvement Division	17,211	-	(8,478)	8,733	8,733
Total notes payable	<u>10,998,260</u>	<u>-</u>	<u>(778,007)</u>	<u>10,220,253</u>	<u>803,464</u>
Capital Leases:					
Wagner Equipment Co.	345,247	-	(48,637)	296,610	50,914
Total capital leases	<u>345,247</u>	<u>-</u>	<u>(48,637)</u>	<u>296,610</u>	<u>50,914</u>
Compensated Absences	<u>168,916</u>	<u>99,528</u>	<u>(91,473)</u>	<u>176,971</u>	<u>176,971</u>
Business-type-activities long-term liabilities	<u>\$ 11,512,423</u>	<u>99,528</u>	<u>(918,117)</u>	<u>10,693,834</u>	<u>1,031,349</u>

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

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Bonds payable at June 30, 2009 are comprised of the following:

	<u>Sales Tax Revenue Bonds Series February 1, 1999</u>	<u>Sales Tax Revenue Bonds Series June 1, 2005</u>
Original issue:	1-Jun	1-Jun
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 buildings 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 bonds mature on June 1, 2013.

The annual requirements to amortize the 1999 Bond Issue outstanding as of June 30, 2009, including interest payments are as follows:

	<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
	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
	2014	-	-	-
		<u>\$ 1,690,000</u>	<u>182,578</u>	<u>1,872,578</u>

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 bonds mature on June 1, 2025.

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The annual requirements to amortize the 2004 Bond Issue outstanding as of June 30, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	165,000	100,819	265,819
2015-2019	920,000	397,094	1,317,094
2020-2024	1,110,000	195,633	1,305,633
2025-2029	250,000	10,625	260,625
	<u>\$ 3,055,000</u>	<u>1,168,721</u>	<u>4,223,721</u>

The annual requirements to amortize the combined revenue bond issues outstanding at June 30, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	165,000	100,819	265,819
2015-2019	920,000	397,094	1,317,094
2020-2024	1,110,000	195,633	1,305,633
2025-2029	250,000	10,625	260,625
	<u>\$ 4,745,000</u>	<u>1,351,299</u>	<u>6,096,299</u>

The City of Clovis as fiscal agent for the Eastern New Mexico Rural Water Authority (ENMRWA) entered into two separate loan/grant agreements with the NM Finance Authority in September 2008 for the planning, design and engineering of a regional water supply project to provide potable water from Ute Reservoir on the Canadian River to the participating entities of the ENMRWA for municipal and industrial purposes. The terms of the first agreement call for a grant from the NMFA for \$1,125,000 along with a loan totaling \$125,000. The terms of the second agreement call for a grant from the NMFA for \$1,817,120 along with a loan totaling \$454,280. The interest/administrative fee on both notes is .25%. Both notes mature on June 1, 2028. The note principal, interest, and administrative fees will be paid for with pledged revenues from the net utility revenues or the City of Clovis's wastewater utility system.

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The annual requirements to amortize the combined NMFA notes outstanding at June 30, 2009, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest &</u> <u>Admin Fees</u>	<u>Total Debt</u> <u>Service</u>
2010	\$ 28,718	1,325	30,043
2011	28,789	1,339	30,128
2012	28,865	1,267	30,132
2013	28,933	1,195	30,128
2014	29,006	1,123	30,129
2015-2019	146,126	4,522	150,648
2020-2024	147,966	2,688	150,654
2025-2029	<u>119,711</u>	<u>830</u>	<u>120,541</u>
	<u>\$ 558,114</u>	<u>14,289</u>	<u>572,403</u>

The notes payable of the proprietary funds as of June 30, 2009 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.	\$ 1,831,792
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.	8,379,727
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.	8,733
Capital lease with Wagner Equipment Co. dated January 21, 2009, 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.	<u>296,610</u>
Less current portion	<u>10,516,862</u> <u>(854,378)</u>
Total outstanding long-term debt - proprietary funds	<u>\$ 9,662,484</u>

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The annual requirements to amortize the proprietary fund loans outstanding as of June 30, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	397,122	107,437	504,559
2015-2019	2,107,971	659,963	2,767,934
2020-2024	2,327,371	269,858	2,597,229
2025-2029	2,035,131	80,382	2,115,513
	<u>\$ 10,516,862</u>	<u>1,866,654</u>	<u>12,383,516</u>

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.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

Changes in the balances of claims liabilities during the year are as follows:

	<u>Workers Compensation</u>	<u>Unemployment Reserve</u>	<u>Total</u>
Estimated unpaid claims, beginning of fiscal year	\$ 24,503	7,637	32,140
Incurred claims (including IBNR's)	179,962	33,812	213,774
Claims payments	<u>(124,471)</u>	<u>(33,028)</u>	<u>(157,499)</u>
Estimated unpaid claims, end of fiscal year	<u>\$ 79,994</u>	<u>8,421</u>	<u>88,415</u>

The City continues to carry commercial insurance for all other risks. The City is in the process of establishing a fund for property and liability self-insurance. As of June 30, 2009, no claims activity had taken place in the fund. The only activity for the year ended June 30, 2009 consisted of an operating transfer from the general fund to establish the fund.

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, 2009, 2008 and 2007 were approximately \$476,156, \$464,651, and \$478,604, 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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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

During the years ended June 30, 2009 and 2008, the City's required and actual contributions amounted to \$1,365,178 and \$1,319,926, respectively.

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 \$827,543 and \$849,789 for the years ended June 30, 2009 and 2008, 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.

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.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

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, 2009, 2008, and 2007, City of Clovis remitted \$144,619, \$141,553, and \$141,648 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, 2009, 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.

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:

Deficit fund balances of individual funds.

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
098 - Drug Control Fund	Special Revenue Fund	\$ (51,515)
036, 038, 093, 094, 097 & 099 - Eastern NM Rural Water Fund	Special Revenue Fund	\$ (650,425)

Excess of expenditures over appropriations

None

Designated cash appropriation in excess of available balances. The following funds exceeded approved budgetary authority for the year ended June 30, 2009.

None

NOTE 15 – Landfill Closure and Post-closure 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 post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The total estimated liability for landfill closure costs is \$2,089,360 as of June 30, 2009, 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 \$40,900 from the prior year. It is estimated that an additional \$605,872 will be recognized

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

as closure and post-closure 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 76% of the landfill capacity has been used to date and the estimated remaining landfill life is four years. The estimated total current cost of the landfill closure and post-closure 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, 2009. However, the actual cost of closure and post-closure 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 post-closure costs. The City of Clovis obtained permanent financing from the NM Finance Authority for landfill expansion, closure, and post-closure care. The agreement establishes terms for use of the proceeds, and repayment of amounts loaned that are more fully discussed in Note 7.

NOTE 16 – Leases in the Financial Statements of Lessors

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, 2009 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, 2009 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– Capital and Operating Leases

Capital leases

The City has entered into a lease agreement for financing the acquisition of a bulldozer. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The capitalized value of the asset is \$395,000. The interest rate associated with the lease is 5.169% per annum. The future minimum lease payments and the associated interest are:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 50,914	13,886	64,800
2011	53,298	11,502	64,800
2012	55,793	9,007	64,800
2013	136,605	6,395	143,000
	\$ 296,610	40,790	337,400

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2009

Operating leases

The reporting entity has entered into a number of operating leases, which contain cancellation provisions and are subject to annual appropriations. The rent expenditures for these leases were primarily from the General Fund. Future minimum lease payments are:

Fiscal Year		
<u>Ending June 30,</u>	<u>Amount</u>	
2010	\$	57,680
2011		50,960
2012		46,384
2013		22,984
2014		-
	\$	<u>178,008</u>

NOTE 18 – Commitments

Commitments for engineering and construction projects relating to construction or major repairs in progress aggregated approximately \$7,301,460 as of June 30, 2009. The estimated total cost of the projects is \$9,053,014 and as of the year ended June 30, 2009, the percentage of completion of the existing projects varies. These projects will be paid in future periods as work is performed. Payment will be made with proceeds remaining from past bond issues, operating revenues, and future grants to be received.

NOTE 19 – Restricted Net Assets

The government-wide statement of net assets reports \$11,876,908 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 schedules in the supplementary information section of this report.

NOTE 20 – Surety Bonds

The City maintains surety bonds for the following employees in the amounts of coverage listed below:

Employee Position	Coverage
Finance Director/City Clerk	\$ 50,000

NOTE 21 – Restatements

The following restatements were made for the fiscal year ended June 30, 2009.

<u>Description</u>	<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Government-wide statements	N/A	To adjust capital assets for costs capitalized from prior years	\$ 135,563
Government-wide statements	N/A	To adjust beginning capital assets to actual.	<u>(228,853)</u>
		Total governmental activities	<u>(93,290)</u>
General Fund	01	To correct receivables from prior year	524,032
Fire Equipment - Special Revenue	07	To correct grant receivables from prior year	4,930
Special Street - Special Revenue	75	To correct grant receivables from prior year	34,847
Department of Justice - Special Revenue	96	To correct grant receivables from prior year	2,972
Drug Control - Special Revenue	98	To correct grant receivables from prior year	53,303
		Total governmental funds	<u>620,084</u>
		Total restatements	<u>\$ 526,794</u>

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Clovis
Nonmajor Funds
For the Year Ended June 30, 2009

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.

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 receipts taxes. Expenditures are restricted to street maintenance.

STATE OF NEW MEXICO
City of Clovis
Nonmajor Funds
For the Year Ended June 30, 2009

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.

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.

NONMAJOR CAPITAL PROJECTS FUND

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
As of June 30, 2009**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Assets</i>				
Cash and investments	\$ 8,933,350	220,501	810,340	9,964,191
Restricted Cash and investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	1,404,845	-	75,798	1,480,643
Other receivables	72,354	-	-	72,354
Inventory	11,178	-	-	11,178
Prepaid insurance	58,868	-	-	58,868
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>10,480,595</u>	<u>220,501</u>	<u>886,138</u>	<u>11,587,234</u>
<i>Liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	31,745	-	-	31,745
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred property tax revenue	-	-	-	-
Other deferred revenue	-	-	-	-
Due to other funds	81,001	-	-	81,001
<i>Total liabilities</i>	<u>112,746</u>	<u>-</u>	<u>-</u>	<u>112,746</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	58,868	-	-	58,868
Unreserved, reported in:				
Special revenue	10,308,981	-	-	10,308,981
Debt service	-	220,501	-	220,501
Capital projects	-	-	886,138	886,138
<i>Total fund balances</i>	<u>10,367,849</u>	<u>220,501</u>	<u>886,138</u>	<u>11,474,488</u>
<i>Total liabilities and fund balances</i>	<u>\$ 10,480,595</u>	<u>220,501</u>	<u>886,138</u>	<u>11,587,234</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2009**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	7,903,906	-	441,118	8,345,024
Gasoline and motor vehicle	526,739	-	-	526,739
Other	403,791	-	-	403,791
<i>Intergovernmental:</i>				
Federal operating grants	35,928	-	-	35,928
Federal capital grants	715,565	-	-	715,565
State operating grants	534,723	-	-	534,723
State capital grants	-	-	-	-
Charges for services	820,639	-	-	820,639
Fines, forfeitures & penalties	17,157	-	-	17,157
Licenses and fees	478,565	-	-	478,565
Investment income	147,710	10,111	23,744	181,565
Miscellaneous	116,891	-	-	116,891
<i>Total revenues</i>	<u>11,701,614</u>	<u>10,111</u>	<u>464,862</u>	<u>12,176,587</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	821,463	-	-	821,463
Public safety	285,213	-	-	285,213
Public works	2,151,034	7,490	-	2,158,524
Culture and recreation	2,489,579	-	-	2,489,579
Health and welfare	295,478	-	-	295,478
Capital outlay	972,317	-	183,875	1,156,192
<i>Debt service:</i>				
Principal	-	520,000	-	520,000
Interest	-	216,292	-	216,292
<i>Total expenditures</i>	<u>7,015,084</u>	<u>743,782</u>	<u>183,875</u>	<u>7,942,741</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,686,530</u>	<u>(733,671)</u>	<u>280,987</u>	<u>4,233,846</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(5,447,971)	704,117	(429,941)	(5,173,795)
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(5,447,971)</u>	<u>704,117</u>	<u>(429,941)</u>	<u>(5,173,795)</u>
<i>Net change in fund balances</i>	(761,441)	(29,554)	(148,954)	(939,949)
<i>Fund balances - beginning of year</i>	11,033,238	250,055	1,035,092	12,318,385
<i>Restatement</i>	<u>96,052</u>	<u>-</u>	<u>-</u>	<u>96,052</u>
<i>Fund balance - beginning of year, as restated</i>	<u>11,129,290</u>	<u>250,055</u>	<u>1,035,092</u>	<u>12,414,437</u>
<i>Fund balances - end of year</i>	<u>\$ 10,367,849</u>	<u>220,501</u>	<u>886,138</u>	<u>11,474,488</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
As of June 30, 2009

	3	4	5	6	7	8
	Municipal Road	Recreation	Older Adults Division	Environmental Tax	Fire Equipment	Sanitary Sewer Improvement
<i>Assets</i>						
Cash and investments	\$ 2	28,569	50,105	1,540,157	35,960	460,004
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	74,938	-	-
Other receivables	8,378	1,037	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	4,868	6,603	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>8,380</u>	<u>34,474</u>	<u>56,708</u>	<u>1,615,095</u>	<u>35,960</u>	<u>460,004</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	-	2,177	1,860	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>2,177</u>	<u>1,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	-	4,868	6,603	-	-	-
Unreserved, reported in:						
Special revenue	8,380	27,429	48,245	1,615,095	35,960	460,004
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>8,380</u>	<u>32,297</u>	<u>54,848</u>	<u>1,615,095</u>	<u>35,960</u>	<u>460,004</u>
<i>Total liabilities and fund balances</i>	<u>\$ 8,380</u>	<u>34,474</u>	<u>56,708</u>	<u>1,615,095</u>	<u>35,960</u>	<u>460,004</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
As of June 30, 2009

	13	14+95	60	61	62	63
	Ned Houk Park	Carver Library	Infrastructure Improvement	Special Parks Improvement	Civic Center	Special Designated
<i>Assets</i>						
Cash and investments	\$ 12,130	43,537	101,539	131,092	135,534	619,026
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	75,798	75,798	75,798	-
Other receivables	-	-	-	-	30,000	-
Inventory	1,962	-	-	-	-	-
Prepaid insurance	3,565	8,980	-	-	3,142	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>17,657</u>	<u>52,517</u>	<u>177,337</u>	<u>206,890</u>	<u>244,474</u>	<u>619,026</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	1,410	6,111	-	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>1,410</u>	<u>6,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	3,565	8,980	-	-	3,142	-
Unreserved, reported in:						
Special revenue	12,682	37,426	177,337	206,890	241,332	619,026
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>16,247</u>	<u>46,406</u>	<u>177,337</u>	<u>206,890</u>	<u>244,474</u>	<u>619,026</u>
<i>Total liabilities and fund balances</i>	<u>\$ 17,657</u>	<u>52,517</u>	<u>177,337</u>	<u>206,890</u>	<u>244,474</u>	<u>619,026</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
As of June 30, 2009

	64	65	72	75	76	77+78
	Economic Development	Capital Outlay Gross Receipts Tax	Emergency Medical Services	Special Steet	Recycling	Lodger's Tax
<i>Assets</i>						
Cash and investments	\$ 2,579,455	1,846,297	203	423,862	33,568	595,365
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	149,814	299,141	-	340,847	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	9,216	-	-
Prepaid insurance	-	-	-	21,441	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>2,729,269</u>	<u>2,145,438</u>	<u>203</u>	<u>795,366</u>	<u>33,568</u>	<u>595,365</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	-	-	-	14,402	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	6,534	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,402</u>	<u>6,534</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	-	-	-	21,441	-	-
Unreserved, reported in:						
Special revenue	2,729,269	2,145,438	203	759,523	27,034	595,365
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>2,729,269</u>	<u>2,145,438</u>	<u>203</u>	<u>780,964</u>	<u>27,034</u>	<u>595,365</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,729,269</u>	<u>2,145,438</u>	<u>203</u>	<u>795,366</u>	<u>33,568</u>	<u>595,365</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
As of June 30, 2009

	86	89	90	91	92	96
	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging	Clovis Area Transit System	Department of Justice
<i>Assets</i>						
Cash and investments	\$ 125,351	36	25,802	-	130,087	1,002
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	304,426	-	-	-	-	-
Other receivables	-	-	-	-	32,939	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	10,269	-
Due from other funds	-	-	-	-	-	-
Total assets	429,777	36	25,802	-	173,295	1,002
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	-	-	-	-	5,785	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	5,785	-
<i>Fund balances</i>						
Reserved						
Prepaid insurance	-	-	-	-	10,269	-
Unreserved, reported in:						
Special revenue	429,777	36	25,802	-	157,241	1,002
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total fund balances	429,777	36	25,802	-	167,510	1,002
Total liabilities and fund balances	\$ 429,777	36	25,802	-	173,295	1,002

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
As of June 30, 2009

	98		Drug Control	Total Special Revenue Funds
<i>Assets</i>				
Cash and investments	\$	14,667		8,933,350
Restricted Cash and investments		-		-
Receivables:				-
Property taxes		-		-
Intergovernmental		8,285		1,404,845
Other receivables		-		72,354
Inventory		-		11,178
Prepaid insurance		-		58,868
Due from other funds		-		-
<i>Total assets</i>		22,952		10,480,595
<i>Liabilities</i>				
Accounts payable		-		-
Accrued payroll expenses		-		31,745
Other accrued expenses		-		-
Accrued compensated absences		-		-
Deferred property tax revenue		-		-
Other deferred revenue		-		-
Due to other funds		74,467		81,001
<i>Total liabilities</i>		74,467		112,746
<i>Fund balances</i>				
Reserved				
Prepaid insurance		-		58,868
Unreserved, reported in:				
Special revenue		(51,515)		10,308,981
Debt service		-		-
Capital projects		-		-
<i>Total fund balances</i>		(51,515)		10,367,849
<i>Total liabilities and fund balances</i>	\$	22,952		10,480,595

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Debt Service Funds
Combining Balance Sheet
As of June 30, 2009

	45	46	47	
	Drainage Improvement	Civic Center	Parks & Infrastructure	Total Debt Service Funds
<i>Assets</i>				
Cash and investments	\$ -	65,388	155,113	220,501
Restricted Cash and investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>65,388</u>	<u>155,113</u>	<u>220,501</u>
<i>Liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	-	-	-	-
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred property tax revenue	-	-	-	-
Other deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	-	-	-	-
Unreserved, reported in:				
Special revenue	-	-	-	-
Debt service	-	65,388	155,113	220,501
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>65,388</u>	<u>155,113</u>	<u>220,501</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>65,388</u>	<u>155,113</u>	<u>220,501</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Capital Project Funds
Combining Balance Sheet
As of June 30, 2009

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Assets</i>		
Cash and investments	\$ 810,340	810,340
Restricted Cash and investments	-	-
Receivables:		
Property taxes	-	-
Intergovernmental	75,798	75,798
Other receivables	-	-
Inventory	-	-
Prepaid insurance	-	-
Due from other funds	-	-
<i>Total assets</i>	886,138	886,138
<i>Liabilities</i>		
Accounts payable	-	-
Accrued payroll expenses	-	-
Other accrued expenses	-	-
Accrued compensated absences	-	-
Deferred property tax revenue	-	-
Other deferred revenue	-	-
Due to other funds	-	-
<i>Total liabilities</i>	-	-
<i>Fund balances</i>		
Reserved		
Prepaid insurance	-	-
Unreserved, reported in:		
Special revenue	-	-
Debt service	-	-
Capital projects	886,138	886,138
<i>Total fund balances</i>	886,138	886,138
<i>Total liabilities and fund balances</i>	\$ 886,138	886,138

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	3	4	5	6	7	8
	Municipal Road	Recreation	Older Adults Division	Environmental Tax	Fire Equipment	Sanitary Sewer Improvement
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	-	436,316	-	-
Gasoline and motor vehicle	97,942	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	296,942	-
State capital grants	-	-	-	-	-	-
Charges for services	-	34,795	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	47,892
Investment income	351	261	940	21,529	2,320	12,425
Miscellaneous	-	184	41,602	-	-	-
<i>Total revenues</i>	<u>98,293</u>	<u>35,240</u>	<u>42,542</u>	<u>457,845</u>	<u>299,262</u>	<u>60,317</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	54,675	-
Public works	-	-	-	-	-	-
Culture and recreation	-	240,574	-	-	-	-
Health and welfare	-	-	270,810	-	-	-
Capital outlay	-	-	-	-	213,557	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>240,574</u>	<u>270,810</u>	<u>-</u>	<u>268,232</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>98,293</u>	<u>(205,334)</u>	<u>(228,268)</u>	<u>457,845</u>	<u>31,030</u>	<u>60,317</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(109,887)	213,058	206,939	(438,172)	-	(364,886)
<i>Total other financing sources (uses)</i>	<u>(109,887)</u>	<u>213,058</u>	<u>206,939</u>	<u>(438,172)</u>	<u>-</u>	<u>(364,886)</u>
<i>Net change in fund balances</i>	(11,594)	7,724	(21,329)	19,673	31,030	(304,569)
<i>Fund balance - beginning of year</i>	19,974	24,573	76,177	1,595,422	-	764,573
<i>Restatement</i>	-	-	-	-	4,930	-
<i>Fund balance - beginning of year, as restated</i>	<u>19,974</u>	<u>24,573</u>	<u>76,177</u>	<u>1,595,422</u>	<u>4,930</u>	<u>764,573</u>
<i>Fund balances - end of year</i>	<u>\$ 8,380</u>	<u>32,297</u>	<u>54,848</u>	<u>1,615,095</u>	<u>35,960</u>	<u>460,004</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	13	14+95	60	61	62	63
	Ned Houk Park	Carver Library	Infrastructure Improvement	Special Parks Improvement	Civic Center	Special Designated
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	441,118	441,118	441,118	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	55,831	-	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	20,753	-	-	694,291	26,285
Fines, forfeitures & penalties	-	17,157	-	-	-	-
Licenses and fees	-	-	-	-	-	293,396
Investment income	183	467	4,519	1,623	3,593	6,629
Miscellaneous	-	289	-	-	6,856	19,718
<i>Total revenues</i>	<u>183</u>	<u>94,497</u>	<u>445,637</u>	<u>442,741</u>	<u>1,145,858</u>	<u>346,028</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	236,537	743,816	-	-	1,019,501	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	22,000	-	-	14,000	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>236,537</u>	<u>765,816</u>	<u>-</u>	<u>-</u>	<u>1,033,501</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(236,354)</u>	<u>(671,319)</u>	<u>445,637</u>	<u>442,741</u>	<u>112,357</u>	<u>346,028</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	<u>230,112</u>	<u>681,004</u>	<u>(863,407)</u>	<u>(443,708)</u>	<u>(83,394)</u>	<u>(244,095)</u>
<i>Total other financing sources (uses)</i>	<u>230,112</u>	<u>681,004</u>	<u>(863,407)</u>	<u>(443,708)</u>	<u>(83,394)</u>	<u>(244,095)</u>
<i>Net change in fund balances</i>	(6,242)	9,685	(417,770)	(967)	28,963	101,933
<i>Fund balances - beginning of year</i>	22,489	36,721	595,107	207,857	215,511	517,093
<i>Restatement</i>	-	-	-	-	-	-
<i>Fund balance - beginning of year, as restated</i>	<u>22,489</u>	<u>36,721</u>	<u>595,107</u>	<u>207,857</u>	<u>215,511</u>	<u>517,093</u>
<i>Fund balances - end of year</i>	<u>\$ 16,247</u>	<u>46,406</u>	<u>177,337</u>	<u>206,890</u>	<u>244,474</u>	<u>619,026</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	64	65	72	75	76	77+78
	Economic Development	Capital Outlay Gross Receipts Tax	Emergency Medical Services	Special Steet	Recycling	Lodger's Tax
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	872,270	1,740,550	-	1,765,708	-	-
Gasoline and motor vehicle	-	-	-	428,797	-	-
Other	-	-	-	-	-	403,791
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	20,000	58,415	8,678	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Investment income	40,638	38,201	-	5,086	-	6,012
Miscellaneous	-	-	-	18,776	18,588	-
<i>Total revenues</i>	<u>912,908</u>	<u>1,778,751</u>	<u>20,000</u>	<u>2,276,782</u>	<u>27,266</u>	<u>409,803</u>
<i>Expenditures:</i>						
Current:						
General government	144,301	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	2,151,034	-	-
Culture and recreation	-	-	-	-	-	249,087
Health and welfare	-	-	3,700	-	20,968	-
Capital outlay	10,514	-	17,842	336,614	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>154,815</u>	<u>-</u>	<u>21,542</u>	<u>2,487,648</u>	<u>20,968</u>	<u>249,087</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>758,093</u>	<u>1,778,751</u>	<u>(1,542)</u>	<u>(210,866)</u>	<u>6,298</u>	<u>160,716</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	<u>(229,059)</u>	<u>(1,953,862)</u>	<u>-</u>	<u>(112,835)</u>	<u>-</u>	<u>(200,000)</u>
<i>Total other financing sources (uses)</i>	<u>(229,059)</u>	<u>(1,953,862)</u>	<u>-</u>	<u>(112,835)</u>	<u>-</u>	<u>(200,000)</u>
<i>Net change in fund balances</i>	529,034	(175,111)	(1,542)	(323,701)	6,298	(39,284)
<i>Fund balances - beginning of year</i>	2,200,235	2,320,549	1,745	1,069,818	20,736	634,649
<i>Restatement</i>	-	-	-	34,847	-	-
<i>Fund balance - beginning of year, as restated</i>	<u>2,200,235</u>	<u>2,320,549</u>	<u>1,745</u>	<u>1,104,665</u>	<u>20,736</u>	<u>634,649</u>
<i>Fund balances - end of year</i>	<u>\$ 2,729,269</u>	<u>2,145,438</u>	<u>203</u>	<u>780,964</u>	<u>27,034</u>	<u>595,365</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	86	89	90	91	92	96
	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging	Clovis Area Transit System	Dept of Justice
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	1,765,708	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	8,026
Federal capital grants	-	-	-	-	715,565	-
State operating grants	-	-	60,000	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	44,515	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	137,277	-	-	-	-
Investment income	1,590	450	708	-	-	4
Miscellaneous	-	-	542	-	6,802	249
<i>Total revenues</i>	<u>1,767,298</u>	<u>137,727</u>	<u>61,250</u>	<u>-</u>	<u>766,882</u>	<u>8,279</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	677,162	-
Public safety	-	-	49,157	-	-	10,249
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	64	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	357,790	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>49,157</u>	<u>64</u>	<u>1,034,952</u>	<u>10,249</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,767,298</u>	<u>137,727</u>	<u>12,093</u>	<u>(64)</u>	<u>(268,070)</u>	<u>(1,970)</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	<u>(1,773,811)</u>	<u>(170,478)</u>	<u>-</u>	<u>-</u>	<u>208,510</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(1,773,811)</u>	<u>(170,478)</u>	<u>-</u>	<u>-</u>	<u>208,510</u>	<u>-</u>
<i>Net change in fund balances</i>	(6,513)	(32,751)	12,093	(64)	(59,560)	(1,970)
<i>Fund balances - beginning of year</i>	436,290	32,787	13,709	64	227,070	-
<i>Restatement</i>	-	-	-	-	-	2,972
<i>Fund balance - beginning of year, as restated</i>	<u>436,290</u>	<u>32,787</u>	<u>13,709</u>	<u>64</u>	<u>227,070</u>	<u>2,972</u>
<i>Fund balances - end of year</i>	<u>\$ 429,777</u>	<u>36</u>	<u>25,802</u>	<u>-</u>	<u>167,510</u>	<u>1,002</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	98	
	Drug Control	Total Special Revenue Funds
<i>Revenues:</i>		
Taxes:		
Property	\$ -	-
Gross receipts	-	7,903,906
Gasoline and motor vehicle	-	526,739
Other	-	403,791
Intergovernmental:		
Federal operating grants	27,902	35,928
Federal capital grants	-	715,565
State operating grants	34,857	534,723
State capital grants	-	-
Charges for services	-	820,639
Fines, forfeitures & penalties	-	17,157
Licenses and fees	-	478,565
Investment income	181	147,710
Miscellaneous	3,285	116,891
<i>Total revenues</i>	66,225	11,701,614
<i>Expenditures:</i>		
Current:		
General government	-	821,463
Public safety	171,132	285,213
Public works	-	2,151,034
Culture and recreation	-	2,489,579
Health and welfare	-	295,478
Capital outlay	-	972,317
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	171,132	7,015,084
<i>Excess (deficiency) of revenues over expenditures</i>	(104,907)	4,686,530
<i>Other financing sources (uses)</i>		
Transfers in/(out)	-	(5,447,971)
Proceeds from debt issuance	-	-
<i>Total other financing sources (uses)</i>	-	(5,447,971)
<i>Net change in fund balances</i>	(104,907)	(761,441)
<i>Fund balances - beginning of year</i>	89	11,033,238
<i>Restatement</i>	53,303	96,052
<i>Fund balance - beginning of year, as restated</i>	53,392	11,129,290
<i>Fund balances - end of year</i>	\$ (51,515)	10,367,849

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	45	46	47	
	Drainage Improvement	Civic Center	Parks & Infrastructure	Total Debt Service Funds
<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	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	1,741	8,370	10,111
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,741</u>	<u>8,370</u>	<u>10,111</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	7,490	-	-	7,490
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	140,000	380,000	520,000
Interest	-	129,394	86,898	216,292
<i>Total expenditures</i>	<u>7,490</u>	<u>269,394</u>	<u>466,898</u>	<u>743,782</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,490)</u>	<u>(267,653)</u>	<u>(458,528)</u>	<u>(733,671)</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	<u>(32,175)</u>	<u>269,394</u>	<u>466,898</u>	<u>704,117</u>
<i>Total other financing sources (uses)</i>	<u>(32,175)</u>	<u>269,394</u>	<u>466,898</u>	<u>704,117</u>
<i>Net change in fund balances</i>	(39,665)	1,741	8,370	(29,554)
<i>Fund balances - beginning of year</i>	<u>39,665</u>	<u>63,647</u>	<u>146,743</u>	<u>250,055</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>65,388</u>	<u>155,113</u>	<u>220,501</u>

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

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds - Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Revenues:</i>		
Taxes:		
Property	\$ -	-
Gross receipts	441,118	441,118
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	23,744	23,744
Miscellaneous	-	-
<i>Total revenues</i>	464,862	464,862
<i>Expenditures:</i>		
Current:		
General government	-	-
Public safety	-	-
Public works	-	-
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	183,875	183,875
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	183,875	183,875
<i>Excess (deficiency) of revenues over expenditures</i>	280,987	280,987
<i>Other financing sources (uses)</i>		
Transfers in/(out)	(429,941)	(429,941)
Proceeds from debt issuance	-	-
<i>Total other financing sources (uses)</i>	(429,941)	(429,941)
<i>Net change in fund balances</i>	(148,954)	(148,954)
<i>Fund balances - beginning of year</i>	1,035,092	1,035,092
<i>Fund balances - end of year</i>	\$ 886,138	886,138

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

STATE OF NEW MEXICO
City of Clovis
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 35,501	3,450	-	38,951
Municipal Court				
Cash and cash equivalents	<u>10,856</u>	<u>1,480</u>	<u>(6,172)</u>	<u>6,164</u>
<i>Total assets</i>	<u>\$ 46,357</u>	<u>4,930</u>	<u>(6,172)</u>	<u>45,115</u>
 LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 35,501	3,450	-	38,951
Municipal Court				
Deposits held in trust for others	<u>10,856</u>	<u>1,480</u>	<u>(6,172)</u>	<u>6,164</u>
<i>Total liabilities</i>	<u>\$ 46,357</u>	<u>4,930</u>	<u>(6,172)</u>	<u>45,115</u>

See independent auditor's report.

STATE OF NEW MEXICO
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, 2009

	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	95,000	95,000	92,141	(2,859)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	100	100	351	251
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>95,100</u>	<u>95,100</u>	<u>92,492</u>	<u>(2,608)</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>95,100</u>	<u>95,100</u>	<u>92,492</u>	<u>(2,608)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(95,100)	(95,100)	-	95,100
Transfers in	-	-	-	-
Transfers out	-	-	(109,887)	(109,887)
<i>Total other financing sources (uses)</i>	<u>(95,100)</u>	<u>(95,100)</u>	<u>(109,887)</u>	<u>(14,787)</u>
<i>Net change in fund balance</i>	-	-	(17,395)	(17,395)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,397</u>	<u>17,397</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net change in fund balance (GAAP)			\$	(11,594)
Adjustments to revenue for applicable accruals and deferrals				5,801
No adjustments to expenditures				-
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
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, 2009

	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	30,000	30,000	33,759	3,759
Licenses and fees	-	-	-	-
Investment income	700	700	261	(439)
Miscellaneous	-	-	184	184
<i>Total revenues</i>	<u>30,700</u>	<u>30,700</u>	<u>34,204</u>	<u>3,504</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	255,423	263,196	239,130	24,066
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>255,423</u>	<u>263,196</u>	<u>239,130</u>	<u>24,066</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(224,723)</u>	<u>(232,496)</u>	<u>(204,926)</u>	<u>27,570</u>
<i>Other financing sources (uses)</i>				
Designated cash	224,723	232,496	-	(232,496)
Transfers in	-	-	213,058	213,058
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>224,723</u>	<u>232,496</u>	<u>213,058</u>	<u>(19,438)</u>
<i>Net change in fund balance</i>	-	-	8,132	8,132
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,438</u>	<u>20,438</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>28,570</u>	<u>28,570</u>
Net change in fund balance (GAAP)			\$	7,724
Adjustments to revenue for applicable accruals and deferrals				1,035
Adjustments to expenditures for applicable accruals and payments				<u>(1,443)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>8,132</u>

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

STATE OF NEW MEXICO
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, 2009

	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	750	750	940	190
Miscellaneous	-	3,347	41,602	38,255
Total revenues	750	4,097	42,542	38,445
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	304,187	281,502	270,087	11,415
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	304,187	281,502	270,087	11,415
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(303,437)</i>	<i>(277,405)</i>	<i>(227,545)</i>	<i>49,860</i>
<i>Other financing sources (uses)</i>				
Designated cash	303,437	277,405	-	(277,405)
Transfers in	-	-	-	-
Transfers out	-	-	206,939	206,939
Total other financing sources (uses)	303,437	277,405	206,939	(70,466)
<i>Net change in fund balance</i>	<i>-</i>	<i>-</i>	<i>(20,606)</i>	<i>(20,606)</i>
<i>Fund balance - beginning of year</i>	<i>-</i>	<i>-</i>	<i>20,438</i>	<i>20,438</i>
<i>Fund balance - end of year</i>	<i>\$ -</i>	<i>-</i>	<i>(168)</i>	<i>(168)</i>
Net change in fund balance (GAAP)			\$	(21,329)
Adjustments to revenue due to rounding				1
Adjustments to expenditures for applicable accruals and payments				(724)
Net change in fund balance (non-GAAP budgetary basis)			\$	(20,606)

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	412,000	438,172	438,172	-
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	65,000	65,000	21,672	(43,328)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>477,000</u>	<u>503,172</u>	<u>459,844</u>	<u>(43,328)</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>477,000</u>	<u>503,172</u>	<u>459,844</u>	<u>(43,328)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(477,000)	(503,172)	-	503,172
Transfers in	-	-	-	-
Transfers out	-	-	(438,172)	(438,172)
<i>Total other financing sources (uses)</i>	<u>(477,000)</u>	<u>(503,172)</u>	<u>(438,172)</u>	<u>65,000</u>
<i>Net change in fund balance</i>	-	-	21,672	21,672
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,518,628</u>	<u>1,518,628</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,540,300</u>	<u>1,540,300</u>
Net change in fund balance (GAAP)			\$	19,673
Adjustments to revenue for applicable accruals and deferrals				(1,999)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>21,672</u>

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

STATE OF NEW MEXICO
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, 2009

	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	416,209	416,209	416,209	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	10,100	10,100	2,320	(7,780)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>426,309</u>	<u>426,309</u>	<u>418,529</u>	<u>(7,780)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	84,820	84,820	54,675	30,145
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	272,222	272,222	213,557	58,665
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>357,042</u>	<u>357,042</u>	<u>268,232</u>	<u>88,810</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>69,267</u>	<u>69,267</u>	<u>150,297</u>	<u>81,030</u>
<i>Other financing sources (uses)</i>				
Designated cash	(69,267)	(69,267)	-	69,267
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(69,267)</u>	<u>(69,267)</u>	<u>-</u>	<u>69,267</u>
<i>Net change in fund balance</i>	-	-	150,297	150,297
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(119,267)</u>	<u>(119,267)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>31,030</u>	<u>31,030</u>
Net change in fund balance (GAAP)			\$	31,030
Adjustments to revenue for applicable accruals and deferrals				(119,267)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>150,297</u>

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

STATE OF NEW MEXICO
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, 2009

	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	55,000	55,000	47,891	(7,109)
Investment income	29,050	29,050	16,494	(12,556)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	84,050	84,050	64,385	(19,665)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	84,050	84,050	64,385	(19,665)
<i>Other financing sources (uses)</i>				
Designated cash	(84,050)	(84,050)	-	84,050
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(364,886)	(364,886)
<i>Total other financing sources (uses)</i>	(84,050)	(84,050)	(364,886)	(280,836)
<i>Net change in fund balance</i>	-	-	(300,501)	(300,501)
<i>Fund balance - beginning of year</i>	-	-	764,573	764,573
<i>Fund balance - end of year</i>	\$ -	-	464,072	464,072
Net change in fund balance (GAAP)			\$	(304,569)
Adjustments to revenue for applicable accruals and deferrals				(4,068)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(300,501)

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

STATE OF NEW MEXICO
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, 2009

	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	1,500	1,500	183	(1,317)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>183</u>	<u>(1,317)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	197,110	247,183	234,592	12,591
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>197,110</u>	<u>247,183</u>	<u>234,592</u>	<u>12,591</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(195,610)</u>	<u>(245,683)</u>	<u>(234,409)</u>	<u>11,274</u>
<i>Other financing sources (uses)</i>				
Designated cash	195,610	245,683	-	(245,683)
Transfers in	-	-	230,112	230,112
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>195,610</u>	<u>245,683</u>	<u>230,112</u>	<u>(15,571)</u>
<i>Net change in fund balance</i>	-	-	(4,297)	(4,297)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,024</u>	<u>14,024</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>9,727</u>	<u>9,727</u>
Net change in fund balance (GAAP)			\$	(6,242)
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>(1,945)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(4,297)</u>

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

STATE OF NEW MEXICO
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, 2009

	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	59,002	67,798	55,831	(11,967)
State capital grants	-	-	-	-
Charges for services	24,700	24,700	20,753	(3,947)
Fines, forfeitures & penalties	15,000	15,000	17,157	2,157
Licenses and fees	-	-	-	-
Investment income	2,730	2,730	467	(2,263)
Miscellaneous	2,000	3,089	289	(2,800)
<i>Total revenues</i>	<u>103,432</u>	<u>113,317</u>	<u>94,497</u>	<u>(18,820)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	760,762	777,632	737,816	39,816
Health and welfare	-	-	-	-
Capital outlay	-	22,000	22,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>760,762</u>	<u>799,632</u>	<u>759,816</u>	<u>39,816</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(657,330)</u>	<u>(686,315)</u>	<u>(665,319)</u>	<u>20,996</u>
<i>Other financing sources (uses)</i>				
Designated cash	657,330	686,315	-	(686,315)
Transfers in	-	-	-	-
Transfers out	-	-	681,004	681,004
<i>Total other financing sources (uses)</i>	<u>657,330</u>	<u>686,315</u>	<u>681,004</u>	<u>(5,311)</u>
<i>Net change in fund balance</i>	-	-	15,685	15,685
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>27,820</u>	<u>27,820</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>43,505</u>	<u>43,505</u>
Net change in fund balance (GAAP)			\$	9,685
No adjustments to expenditures				-
Adjustments to expenditures for applicable accruals and payments				<u>(6,000)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>15,685</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	-	-	-	-
Gross receipts	\$ 412,000	412,000	442,940	30,940
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	6,504	(3,496)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>422,000</u>	<u>422,000</u>	<u>449,444</u>	<u>27,444</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>422,000</u>	<u>422,000</u>	<u>449,444</u>	<u>27,444</u>
<i>Other financing sources (uses)</i>				
Designated cash	(422,000)	(422,000)	-	422,000
Transfers in	-	-	-	-
Transfers out	-	-	(863,407)	(863,407)
<i>Total other financing sources (uses)</i>	<u>(422,000)</u>	<u>(422,000)</u>	<u>(863,407)</u>	<u>(441,407)</u>
<i>Net change in fund balance</i>	-	-	(413,963)	(413,963)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>517,487</u>	<u>517,487</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>103,524</u>	<u>103,524</u>
Net change in fund balance (GAAP)				\$ (417,770)
Adjustments to revenue for applicable accruals and deferrals				(3,807)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (413,963)</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	412,000	412,000	442,940	30,940
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	1,800	1,800	2,185	385
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>413,800</u>	<u>413,800</u>	<u>445,125</u>	<u>31,325</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>413,800</u>	<u>413,800</u>	<u>445,125</u>	<u>31,325</u>
<i>Other financing sources (uses)</i>				
Designated cash	(413,800)	(413,800)	-	413,800
Transfers in	-	-	-	-
Transfers out	-	-	(443,708)	(443,708)
<i>Total other financing sources (uses)</i>	<u>(413,800)</u>	<u>(413,800)</u>	<u>(443,708)</u>	<u>(29,908)</u>
<i>Net change in fund balance</i>	-	-	1,417	1,417
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>130,237</u>	<u>130,237</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>131,654</u>	<u>131,654</u>
Net change in fund balance (GAAP)			\$	(967)
Adjustments to revenue for applicable accruals and deferrals				(2,384)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>1,417</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	412,000	412,000	442,940	30,940
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	783,536	783,536	694,291	(89,245)
Licenses and fees	-	-	-	-
Investment income	2,700	2,700	3,593	893
Miscellaneous	-	-	6,856	6,856
<i>Total revenues</i>	<u>1,198,236</u>	<u>1,198,236</u>	<u>1,147,680</u>	<u>(50,556)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,040,004	1,059,960	1,031,812	28,148
Health and welfare	-	-	-	-
Capital outlay	-	14,000	14,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,040,004</u>	<u>1,073,960</u>	<u>1,045,812</u>	<u>28,148</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>158,232</u>	<u>124,276</u>	<u>101,868</u>	<u>(22,408)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(158,232)	(124,276)	-	124,276
Transfers in	-	-	-	-
Transfers out	-	-	(83,394)	(83,394)
<i>Total other financing sources (uses)</i>	<u>(158,232)</u>	<u>(124,276)</u>	<u>(83,394)</u>	<u>40,882</u>
<i>Net change in fund balance</i>	-	-	18,474	18,474
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>109,060</u>	<u>109,060</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>127,534</u>	<u>127,534</u>
Net change in fund balance (GAAP)			\$	28,963
Adjustments to revenue for applicable accruals and deferrals				(1,822)
Adjustments to expenditures for applicable accruals and payments				12,311
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>18,474</u>

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

STATE OF NEW MEXICO
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, 2009

	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	26,300	26,300	26,285	(15)
Licenses and fees	219,000	219,000	293,396	74,396
Investment income	5,500	5,500	6,629	1,129
Miscellaneous	350	350	19,657	19,307
<i>Total revenues</i>	<u>251,150</u>	<u>251,150</u>	<u>345,967</u>	<u>94,817</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>251,150</u>	<u>251,150</u>	<u>345,967</u>	<u>94,817</u>
<i>Other financing sources (uses)</i>				
Designated cash	(251,150)	(251,150)	-	251,150
Transfers in	-	-	14,000	14,000
Transfers out	-	-	(258,095)	(258,095)
<i>Total other financing sources (uses)</i>	<u>(251,150)</u>	<u>(251,150)</u>	<u>(244,095)</u>	<u>7,055</u>
<i>Net change in fund balance</i>	-	-	101,872	101,872
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>517,093</u>	<u>517,093</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>618,965</u>	<u>618,965</u>
Net change in fund balance (GAAP)			\$	101,933
Adjustments to revenue for applicable accruals and deferrals				61
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>101,872</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	824,000	824,000	875,977	51,977
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	80,000	80,000	40,638	(39,362)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>904,000</u>	<u>904,000</u>	<u>916,615</u>	<u>12,615</u>
<i>Expenditures:</i>				
Current:				
General government	1,440,000	1,440,000	194,301	1,245,699
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	187,604	187,604	10,514	177,090
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,627,604</u>	<u>1,627,604</u>	<u>204,815</u>	<u>1,422,789</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(723,604)</u>	<u>(723,604)</u>	<u>711,800</u>	<u>1,435,404</u>
<i>Other financing sources (uses)</i>				
Designated cash	723,604	723,604	-	(723,604)
Transfers in	-	-	(229,059)	(229,059)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>723,604</u>	<u>723,604</u>	<u>(229,059)</u>	<u>(952,663)</u>
<i>Net change in fund balance</i>	-	-	482,741	482,741
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,756,959</u>	<u>2,756,959</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3,239,700</u>	<u>3,239,700</u>
Net change in fund balance (GAAP)			\$	529,034
Adjustments to revenue for applicable accruals and deferrals				(3,706)
Adjustments to expenditures for applicable accruals and payments				49,999
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>482,741</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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,648,000	1,648,000	1,747,026	99,026
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	54,394	34,394
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,668,000	1,668,000	1,801,420	133,420
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	1,668,000	1,668,000	1,801,420	133,420
<i>Other financing sources (uses)</i>				
Designated cash	(1,668,000)	(1,668,000)	-	1,668,000
Transfers in	-	-	(1,953,862)	(1,953,862)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	(1,668,000)	(1,668,000)	(1,953,862)	(285,862)
<i>Net change in fund balance</i>	-	-	(152,442)	(152,442)
<i>Fund balance - beginning of year</i>	-	-	1,641,365	1,641,365
<i>Fund balance - end of year</i>	\$ -	-	1,488,923	1,488,923
Net change in fund balance (GAAP)			\$	(175,111)
Adjustments to revenue for applicable accruals and deferrals				(22,669)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(152,442)

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	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>	20,000	20,000	20,000	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,745	3,796	3,700	96
Capital outlay	18,000	17,949	17,842	107
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	21,745	21,745	21,542	203
<i>Excess (deficiency) of revenues over expenditures</i>	(1,745)	(1,745)	(1,542)	203
<i>Other financing sources (uses)</i>				
Designated cash	1,745	1,745	-	(1,745)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	1,745	1,745	-	(1,745)
<i>Net change in fund balance</i>	-	-	(1,542)	(1,542)
<i>Fund balance - beginning of year</i>	-	-	1,745	1,745
<i>Fund balance - end of year</i>	\$ -	-	203	203
Net change in fund balance (GAAP)			\$	(1,542)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(1,542)

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,648,000	1,648,000	1,771,761	123,761
Gasoline and motor vehicle	550,000	550,000	427,223	(122,777)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	58,415	58,415	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	8,500	8,500	5,086	(3,414)
Miscellaneous	-	25,525	18,776	(6,749)
<i>Total revenues</i>	<u>2,206,500</u>	<u>2,290,440</u>	<u>2,281,261</u>	<u>(9,179)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,261,439	2,419,526	2,124,362	295,164
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	15,857	449,190	336,614	112,576
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,277,296</u>	<u>2,868,716</u>	<u>2,460,976</u>	<u>407,740</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(70,796)</u>	<u>(578,276)</u>	<u>(179,715)</u>	<u>398,561</u>
<i>Other financing sources (uses)</i>				
Designated cash	70,796	578,276	-	(578,276)
Transfers in	-	-	326,134	326,134
Transfers out	-	-	(438,969)	(438,969)
<i>Total other financing sources (uses)</i>	<u>70,796</u>	<u>578,276</u>	<u>(112,835)</u>	<u>(691,111)</u>
<i>Net change in fund balance</i>	-	-	(292,550)	(292,550)
<i>Fund balance - beginning of year</i>	-	-	716,413	716,413
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>423,863</u>	<u>423,863</u>
Net change in fund balance (GAAP)			\$	(323,701)
Adjustments to revenue for applicable accruals and deferrals				(4,480)
Adjustments to expenditures for applicable accruals and payments				(26,671)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(292,550)</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, 2009

	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	19,700	19,700	8,678	(11,022)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	8,000	8,000	18,588	10,588
<i>Total revenues</i>	<u>27,700</u>	<u>27,700</u>	<u>27,266</u>	<u>(434)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	21,000	21,000	20,968	32
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>21,000</u>	<u>21,000</u>	<u>20,968</u>	<u>32</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,700</u>	<u>6,700</u>	<u>6,298</u>	<u>(402)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(6,700)	(6,700)	-	6,700
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(6,700)</u>	<u>(6,700)</u>	<u>-</u>	<u>6,700</u>
<i>Net change in fund balance</i>	-	-	6,298	6,298
<i>Fund balance - beginning of year</i>	-	-	20,736	20,736
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>27,034</u>	<u>27,034</u>
Net change in fund balance (GAAP)			\$	6,298
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>6,298</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, 2009

	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	470,000	470,000	417,348	(52,652)
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	18,300	18,300	6,012	(12,288)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>488,300</u>	<u>488,300</u>	<u>423,360</u>	<u>(64,940)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	251,300	320,550	297,051	23,499
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>251,300</u>	<u>320,550</u>	<u>297,051</u>	<u>23,499</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>237,000</u>	<u>167,750</u>	<u>126,309</u>	<u>(41,441)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(237,000)	(167,750)	-	167,750
Transfers in	-	-	292,143	292,143
Transfers out	-	-	(492,143)	(492,143)
<i>Total other financing sources (uses)</i>	<u>(237,000)</u>	<u>(167,750)</u>	<u>(200,000)</u>	<u>(32,250)</u>
<i>Net change in fund balance</i>	-	-	(73,691)	(73,691)
<i>Fund balance - beginning of year</i>	-	-	669,056	669,056
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>595,365</u>	<u>595,365</u>
Net change in fund balance (GAAP)			\$	(39,284)
Adjustments to revenue for applicable accruals and deferrals				(13,558)
Adjustments to expenditures for applicable accruals and payments				47,965
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(73,691)</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, 2009

	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	1,648,000	1,648,000	1,771,761	123,761
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	1,000	1,000	1,591	591
<i>Total revenues</i>	<u>1,649,000</u>	<u>1,649,000</u>	<u>1,773,352</u>	<u>124,352</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>1,649,000</u>	<u>1,649,000</u>	<u>1,773,352</u>	<u>124,352</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1,649,000)	(1,649,000)	-	1,649,000
Transfers in	-	-	-	-
Transfers out	-	-	(1,773,811)	(1,773,811)
<i>Total other financing sources (uses)</i>	<u>(1,649,000)</u>	<u>(1,649,000)</u>	<u>(1,773,811)</u>	<u>(124,811)</u>
<i>Net change in fund balance</i>	-	-	(459)	(459)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>125,811</u>	<u>125,811</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>125,352</u>	<u>125,352</u>
Net change in fund balance (GAAP)			\$	(6,513)
Adjustments to revenue for applicable accruals and deferrals				(6,054)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(459)</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	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	153,600	153,600	137,258	(16,342)
Investment income	1,700	1,700	450	(1,250)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	155,300	155,300	137,708	(17,592)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	155,300	155,300	137,708	(17,592)
<i>Other financing sources (uses)</i>				
Designated cash	(155,300)	(155,300)	-	155,300
Transfers in	-	-	(170,478)	(170,478)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	(155,300)	(155,300)	(170,478)	(15,178)
<i>Net change in fund balance</i>	-	-	(32,770)	(32,770)
<i>Fund balance - beginning of year</i>	-	-	32,787	32,787
<i>Fund balance - end of year</i>	\$ -	-	17	17
Net change in fund balance (GAAP)			\$	(32,751)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				19
Net change in fund balance (non-GAAP budgetary basis)			\$	(32,770)

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

STATE OF NEW MEXICO
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, 2009

	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	60,000	60,000	60,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,150	2,150	708	(1,442)
Miscellaneous	-	-	542	542
<i>Total revenues</i>	<u>62,150</u>	<u>62,150</u>	<u>61,250</u>	<u>(900)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	75,859	75,859	49,157	26,702
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,859</u>	<u>75,859</u>	<u>49,157</u>	<u>26,702</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(13,709)</u>	<u>(13,709)</u>	<u>12,093</u>	<u>25,802</u>
<i>Other financing sources (uses)</i>				
Designated cash	13,709	13,709	-	(13,709)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>13,709</u>	<u>13,709</u>	<u>-</u>	<u>(13,709)</u>
<i>Net change in fund balance</i>	-	-	12,093	12,093
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,709</u>	<u>13,709</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>25,802</u>	<u>25,802</u>
Net change in fund balance (GAAP)			\$	12,093
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>12,093</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, 2009

	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	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (GAAP)			\$	(64)
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>(64)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>-</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, 2009

	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	912,585	912,585	682,626	(229,959)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	44,000	44,000	44,515	515
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>956,585</u>	<u>956,585</u>	<u>733,943</u>	<u>(222,642)</u>
<i>Expenditures:</i>				
Current:				
General government	931,027	950,265	673,369	276,896
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	426,264	433,069	357,790	75,279
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,357,291</u>	<u>1,383,334</u>	<u>1,031,159</u>	<u>352,175</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(400,706)</u>	<u>(426,749)</u>	<u>(297,216)</u>	<u>129,533</u>
<i>Other financing sources (uses)</i>				
Designated cash	400,706	426,749	-	(426,749)
Transfers in	-	-	208,510	208,510
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>400,706</u>	<u>426,749</u>	<u>208,510</u>	<u>(218,239)</u>
<i>Net change in fund balance</i>	-	-	(88,706)	(88,706)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>218,766</u>	<u>218,766</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>130,060</u>	<u>130,060</u>
Net change in fund balance (GAAP)			\$	(59,560)
Adjustments to revenue for applicable accruals and deferrals				32,939
Adjustments to expenditures for applicable accruals and payments				(3,793)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(88,706)</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	51,581	51,581	34,930	(16,651)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	4	4
Miscellaneous	-	250	(249)	(499)
<i>Total revenues</i>	51,581	51,831	34,685	(17,146)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	38,608	38,858	10,249	28,609
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	38,608	38,858	10,249	28,609
<i>Excess (deficiency) of revenues over expenditures</i>	12,973	12,973	24,436	11,463
<i>Other financing sources (uses)</i>				
Designated cash	(12,973)	(12,973)	-	12,973
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	(12,973)	(12,973)	-	12,973
<i>Net change in fund balance</i>	-	-	24,436	24,436
<i>Fund balance - beginning of year</i>	-	-	(11,974)	(11,974)
<i>Fund balance - end of year</i>	\$ -	-	12,462	12,462
Net change in fund balance (GAAP)			\$	(1,970)
Adjustments to revenue for applicable accruals and deferrals				(26,406)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	24,436

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

STATE OF NEW MEXICO
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, 2009

	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	167,714	264,978	135,137	(129,841)
Federal capital grants	-	-	-	-
State operating grants	22,570	114,124	57,381	(56,743)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	181	181
Miscellaneous	22,735	31,076	3,285	(27,791)
<i>Total revenues</i>	<u>213,019</u>	<u>410,178</u>	<u>195,984</u>	<u>(214,194)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	110,497	227,968	168,508	59,460
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>110,497</u>	<u>227,968</u>	<u>168,508</u>	<u>59,460</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>102,522</u>	<u>182,210</u>	<u>27,476</u>	<u>(154,734)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(102,522)	(182,210)	-	182,210
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(102,522)</u>	<u>(182,210)</u>	<u>-</u>	<u>182,210</u>
<i>Net change in fund balance</i>	-	-	27,476	27,476
<i>Fund balance - beginning of year</i>	-	-	(87,278)	(87,278)
<i>Fund balance - end of year</i>	\$ -	-	(59,802)	(59,802)
Net change in fund balance (GAAP)			\$	(104,907)
Adjustments to revenue for applicable accruals and deferrals				(129,758)
Adjustments to expenditures for applicable accruals and payments				(2,625)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>27,476</u>

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	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	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	-	-	(32,175)	(32,175)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(32,175)</u>	<u>(32,175)</u>
<i>Net change in fund balance</i>	-	-	(32,175)	(32,175)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>39,665</u>	<u>39,665</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>7,490</u>	<u>7,490</u>
Net change in fund balance (GAAP)			\$	(39,665)
Adjustments to revenue for applicable accruals and deferrals				(7,490)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(32,175)</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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	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	6,000	6,000	1,740	(4,260)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,000	6,000	1,740	(4,260)
<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	129,394	129,394	129,394	-
<i>Total expenditures</i>	269,394	269,394	269,394	-
<i>Excess (deficiency) of revenues over expenditures</i>	(263,394)	(263,394)	(267,654)	(4,260)
<i>Other financing sources (uses)</i>				
Designated cash	263,394	263,394	-	(263,394)
Transfers in	-	-	269,394	269,394
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	263,394	263,394	269,394	6,000
<i>Net change in fund balance</i>	-	-	1,740	1,740
<i>Fund balance - beginning of year</i>	-	-	63,647	63,647
<i>Fund balance - end of year</i>	\$ -	-	65,387	65,387
Net change in fund balance (GAAP)			\$	1,741
No adjustments to revenues				-
Adjustments to expenditures due to rounding				1
Net change in fund balance (non-GAAP budgetary basis)			\$	1,740

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

STATE OF NEW MEXICO
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, 2009

	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	12,000	12,000	10,995	(1,005)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	12,000	12,000	10,995	(1,005)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	86,898	86,898	86,898	-
<i>Total expenditures</i>	466,898	466,898	466,898	-
<i>Excess (deficiency) of revenues over expenditures</i>	(454,898)	(454,898)	(455,903)	(1,005)
<i>Other financing sources (uses)</i>				
Designated cash	454,898	454,898	-	(454,898)
Transfers in	-	-	466,898	466,898
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	454,898	454,898	466,898	12,000
<i>Net change in fund balance</i>	-	-	10,995	10,995
<i>Fund balance - beginning of year</i>	-	-	146,743	146,743
<i>Fund balance - end of year</i>	\$ -	-	157,738	157,738
Net change in fund balance (GAAP)			\$	8,370
Adjustments to revenue for applicable accruals and deferrals				(2,625)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	10,995

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

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	1,318,000	(713,226)	(2,031,226)
State operating grants	-	-	-	-
State capital grants	10,435,968	10,879,843	4,967,780	(5,912,063)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	15,421	15,421
Miscellaneous	-	46,160	46,370	210
<i>Total revenues</i>	<u>10,435,968</u>	<u>12,244,003</u>	<u>4,316,345</u>	<u>(7,927,658)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	11,458,752	14,809,202	9,017,671	5,791,531
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,458,752</u>	<u>14,809,202</u>	<u>9,017,671</u>	<u>5,791,531</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,022,784)</u>	<u>(2,565,199)</u>	<u>(4,701,326)</u>	<u>(2,136,127)</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,022,784	2,565,199	-	(2,565,199)
Transfers in	-	-	2,459,725	2,459,725
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,022,784</u>	<u>2,565,199</u>	<u>2,459,725</u>	<u>(105,474)</u>
<i>Net change in fund balance</i>	-	-	(2,241,601)	(2,241,601)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(250,233)</u>	<u>(250,233)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(2,491,834)</u>	<u>(2,491,834)</u>
Net change in fund balance (GAAP)			\$	1,193,435
Adjustments to revenue for applicable accruals and deferrals				3,059,385
Adjustments to expenditures for applicable accruals and payments				375,651
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(2,241,601)</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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	412,000	412,000	442,940	30,940
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	52,260	32,260
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>432,000</u>	<u>432,000</u>	<u>495,200</u>	<u>63,200</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	910,000	921,400	198,875	722,525
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>910,000</u>	<u>921,400</u>	<u>198,875</u>	<u>722,525</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(478,000)</u>	<u>(489,400)</u>	<u>296,325</u>	<u>785,725</u>
<i>Other financing sources (uses)</i>				
Designated cash	478,000	489,400	-	(489,400)
Transfers in	-	-	-	-
Transfers out	-	-	(429,941)	(429,941)
<i>Total other financing sources (uses)</i>	<u>478,000</u>	<u>489,400</u>	<u>(429,941)</u>	<u>(919,341)</u>
<i>Net change in fund balance</i>	-	-	(133,616)	(133,616)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>957,472</u>	<u>957,472</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>823,856</u>	<u>823,856</u>
Net change in fund balance (GAAP)			\$	(148,954)
Adjustments to revenue for applicable accruals and deferrals				(30,338)
Adjustments to expenditures for applicable accruals and payments				15,000
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(133,616)</u>

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

STATE OF NEW MEXICO
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, 2009

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 3,442,500	3,442,500	3,364,588	(77,912)
<i>Total operating revenues</i>	<u>3,442,500</u>	<u>3,442,500</u>	<u>3,364,588</u>	<u>(77,912)</u>
<i>Operating expenses:</i>				
General and administrative	537,794	543,009	531,814	11,195
Personnel services	1,695,370	1,739,079	1,682,524	56,555
Contractual services	-	-	-	-
Supplies and purchased power	713,822	1,707,639	627,791	1,079,848
Maintenance and materials	1,026,674	1,274,291	973,043	301,248
Utilities	25,383	25,383	15,356	10,027
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>3,999,043</u>	<u>5,289,401</u>	<u>3,830,528</u>	<u>1,458,873</u>
<i>Operating income (loss)</i>	<u>(556,543)</u>	<u>(1,846,901)</u>	<u>(465,940)</u>	<u>1,380,961</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	-	3,652	3,850	198
Interest income	203,000	203,000	214,267	11,267
Interest expense	(102,614)	(102,615)	(102,614)	1
Gross receipts and other taxes	412,000	437,989	437,988	(1)
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>512,386</u>	<u>542,026</u>	<u>553,491</u>	<u>11,465</u>
Capital grants	-	-	-	-
Transfers in	-	-	936,596	936,596
Transfers out	-	-	(725,193)	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>211,403</u>	<u>936,596</u>
<i>Change in net assets</i>	(44,157)	(1,304,875)	298,954	2,329,022
Designated cash	44,157	1,304,875	-	(1,304,875)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,037,402</u>	<u>4,037,402</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>4,336,356</u>	<u>5,061,549</u>
Net change in net assets (GAAP)				\$ (215,835)
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				(120,196)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				529,328
Depreciation				<u>(923,921)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 298,954</u>

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

STATE OF NEW MEXICO
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, 2009

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 2,285,100	2,285,100	2,381,120	96,020
<i>Total operating revenues</i>	<u>2,285,100</u>	<u>2,285,100</u>	<u>2,381,120</u>	<u>96,020</u>
<i>Operating expenses:</i>				
General and administrative	64,224	64,224	44,241	19,983
Personnel services	832,711	846,282	750,894	95,388
Contractual services	-	975,374	14,532	960,842
Supplies and purchased power	1,384,561	1,459,340	429,480	1,029,860
Maintenance and materials	629,623	1,024,373	639,169	385,204
Utilities	314,422	314,422	270,748	43,674
Miscellaneous	359,686	359,686	359,686	-
<i>Total operating expenses</i>	<u>3,585,227</u>	<u>5,043,701</u>	<u>2,508,750</u>	<u>2,534,951</u>
<i>Operating income (loss)</i>	<u>(1,300,127)</u>	<u>(2,758,601)</u>	<u>(127,630)</u>	<u>2,630,971</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	159,580	397,593	238,013
Interest income	53,000	53,000	91,264	38,264
Interest expense	(174,788)	(174,789)	(174,788)	1
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>37,578</u>	<u>37,791</u>	<u>314,069</u>	<u>276,278</u>
Capital grants	1,005,198	1,005,198	195,599	(809,599)
Transfers in	-	-	1,230,189	1,230,189
Transfers out	-	-	(325,999)	(325,999)
<i>Capital grants and net transfers</i>	<u>1,005,198</u>	<u>1,005,198</u>	<u>1,099,789</u>	<u>94,591</u>
<i>Change in net assets</i>	(257,351)	(1,715,612)	1,286,228	3,001,840
Designated cash	257,351	1,715,612	-	(1,715,612)
<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>1,761,985</u>	<u>3,001,840</u>
Net change in net assets (GAAP)				\$ 1,054,444
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				109,479
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				829,256
Depreciation				<u>(1,170,519)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 1,286,228</u>

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

STATE OF NEW MEXICO
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, 2009

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 128,893	128,893	121,298	(7,595)
<i>Total operating revenues</i>	<u>128,893</u>	<u>128,893</u>	<u>121,298</u>	<u>(7,595)</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	178,525	185,486	175,443	10,043
Contractual services	505,960	684,666	335,189	349,477
Supplies and purchased power	-	-	-	-
Maintenance and materials	5,177,695	5,762,502	4,629,158	1,133,344
Utilities	41,080	41,080	40,570	510
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>5,903,260</u>	<u>6,673,734</u>	<u>5,180,360</u>	<u>1,493,374</u>
<i>Operating income (loss)</i>	<u>(5,774,367)</u>	<u>(6,544,841)</u>	<u>(5,059,062)</u>	<u>1,485,779</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	5,299,920	6,032,366	4,847,425	(1,184,941)
Miscellaneous income	-	-	604	604
Interest income	600	600	2,481	1,881
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>5,300,520</u>	<u>6,032,966</u>	<u>4,850,510</u>	<u>(1,182,456)</u>
Capital grants	41,587	41,587	24,437	(17,150)
Transfers in	-	-	537,267	537,267
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>41,587</u>	<u>41,587</u>	<u>561,704</u>	<u>520,117</u>
<i>Change in net assets</i>	(432,260)	(470,288)	353,152	823,440
Designated cash	432,260	470,288	-	(470,288)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>58,373</u>	<u>58,373</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>353,152</u>	<u>353,152</u>
Net change in net assets (GAAP)			\$	4,868,501
Adjustments to revenue for charges for services and miscellaneous revenue accruals				59,606
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				4,808,746
Depreciation				<u>(353,003)</u>
Net change in net assets (non-GAAP budgetary basis)			\$	<u>353,152</u>

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

STATE OF NEW MEXICO
City of Clovis
For the Year Ended June 30, 2009

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.

Property and Liability Self-Insurance Fund – To account for property and liability self-insurance costs for the City.

STATE OF NEW MEXICO
City of Clovis
Combining Balance Sheet
Internal Service Funds
As of June 30, 2009

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash and investments	\$ 2,709,368	429,521	50,106	3,188,995
Prepays	252	-	-	252
<i>Total current assets</i>	<u>2,709,620</u>	<u>429,521</u>	<u>50,106</u>	<u>3,189,247</u>
<i>Noncurrent assets</i>				
Restricted Cash and investments	-	-	-	-
Capital assets	45,541	-	-	45,541
Less: accumulated depreciation	(35,377)	-	-	(35,377)
<i>Total noncurrent assets</i>	<u>10,164</u>	<u>-</u>	<u>-</u>	<u>10,164</u>
<i>Total Assets</i>	<u><u>2,719,784</u></u>	<u><u>429,521</u></u>	<u><u>50,106</u></u>	<u><u>3,199,411</u></u>
<i>Liabilities and Net Assets</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	792	-	-	792
Accrued compensated absences	1,685	-	-	1,685
<i>Total current liabilities</i>	<u>2,477</u>	<u>-</u>	<u>-</u>	<u>2,477</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	10,164	-	-	10,164
Restricted net assets	-	-	-	-
Unrestricted net assets	<u>2,707,143</u>	<u>429,521</u>	<u>50,106</u>	<u>3,186,770</u>
<i>Total net assets</i>	<u>2,717,307</u>	<u>429,521</u>	<u>50,106</u>	<u>3,196,934</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ <u>2,719,784</u></u>	<u><u>429,521</u></u>	<u><u>50,106</u></u>	<u><u>3,199,411</u></u>

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

STATE OF NEW MEXICO
City of Clovis
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 615,942	62,961	-	678,903
<i>Total operating revenues</i>	<u>615,942</u>	<u>62,961</u>	<u>-</u>	<u>678,903</u>
<i>Operating expenses:</i>				
General and administrative	323,907	33,025	-	356,932
Personnel services	67,390	-	-	67,390
Depreciation	1,040	-	-	1,040
<i>Total operating expenses</i>	<u>392,337</u>	<u>33,025</u>	<u>-</u>	<u>425,362</u>
<i>Operating income (loss)</i>	<u>223,605</u>	<u>29,936</u>	<u>-</u>	<u>253,541</u>
<i>Non-operating revenues (expenses):</i>				
Interest income	89,376	4,610	106	94,092
Miscellaneous	2,565	165	-	2,730
<i>Total non-operating revenues (expenses)</i>	<u>91,941</u>	<u>4,775</u>	<u>106</u>	<u>96,822</u>
Transfers in	-	-	50,000	50,000
Transfers out	(9,170)	-	-	(9,170)
<i>Net transfers</i>	<u>(9,170)</u>	<u>-</u>	<u>50,000</u>	<u>40,830</u>
<i>Change in net assets</i>	306,376	34,711	50,106	391,193
<i>Net assets, beginning of year</i>	<u>2,410,931</u>	<u>394,810</u>	<u>-</u>	<u>2,805,741</u>
<i>Net assets, end of year</i>	<u>\$ 2,717,307</u>	<u>429,521</u>	<u>50,106</u>	<u>3,196,934</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, 2009

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 615,942	62,961	-	678,903
Payments to suppliers and employees	(391,325)	(33,025)	-	(424,350)
Net cash provided by operating activities	224,617	29,936	-	254,553
Cash flows from noncapital financing activities:				
Transfers in (out)	(9,170)	-	50,000	40,830
Miscellaneous income	2,879	165	-	3,044
Net cash provided (used) by noncapital financing activities	(6,291)	165	50,000	43,874
Cash flows from investing activities:				
Interest income	89,376	4,610	106	94,092
Net cash provided by investing activities	89,376	4,610	106	94,092
Net increase in Cash and investments	\$ 307,702	34,711	50,106	392,519
Balances-beginning of year	2,401,666	394,810	-	2,796,476
Balances-end of year	\$ 2,709,368	429,521	50,106	3,188,995
Reconciliation of operating income (loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ 223,605	29,936	-	253,541
Adjustments:				
Depreciation expense	1,040	-	-	1,040
(Increase) decrease in:				
Prepays	97	-	-	97
(Decrease) increase in:				
Accounts payable	-	-	-	-
Accrued payroll	488	-	-	488
Compensated absences	(613)	-	-	(613)
Net cash provided by operating activities	\$ 224,617	29,936	-	254,553

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

STATE OF NEW MEXICO
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, 2009

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable)</u>
<i>Operating revenues:</i>				
Charges for services	\$ 478,600	478,600	615,942	137,342
<i>Total operating revenues</i>	<u>478,600</u>	<u>478,600</u>	<u>615,942</u>	<u>137,342</u>
<i>Operating expenses:</i>				
General and administrative	545,252	543,982	323,783	220,199
Personnel services	83,139	87,215	67,515	19,700
<i>Total operating expenses</i>	<u>628,391</u>	<u>631,197</u>	<u>391,298</u>	<u>239,899</u>
<i>Operating income (loss)</i>	<u>(149,791)</u>	<u>(152,597)</u>	<u>224,644</u>	<u>377,241</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	2,566	2,566
Interest income	75,000	75,000	169,164	94,164
<i>Total non-operating revenues (expenses)</i>	<u>75,000</u>	<u>75,000</u>	<u>171,730</u>	<u>96,730</u>
Transfers out	-	-	(9,170)	-
<i>Change in net assets</i>	(74,791)	(77,597)	387,204	473,971
Designated cash	74,791	77,597	-	(77,597)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,303,827</u>	<u>2,303,827</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2,691,031</u>	<u>2,700,201</u>
Net change in net assets (GAAP)				\$ 306,376
Adjustments to revenue for charges for services, miscellaneous revenue and grant accruals				(79,789)
Adjustments to expenditures due to rounding				1
Depreciation				<u>(1,040)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 387,204</u>

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

STATE OF NEW MEXICO
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, 2009

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable)</u>
<i>Operating revenues:</i>				
Charges for services	\$ 62,961	62,961	62,961	-
<i>Total operating revenues</i>	<u>62,961</u>	<u>62,961</u>	<u>62,961</u>	<u>-</u>
<i>Operating expenses:</i>				
General and administrative	62,961	62,961	33,025	29,936
<i>Total operating expenses</i>	<u>62,961</u>	<u>62,961</u>	<u>33,025</u>	<u>29,936</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>29,936</u>	<u>29,936</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	165	165
Interest income	15,000	15,000	4,610	(10,390)
<i>Total non-operating revenues (expenses)</i>	<u>15,000</u>	<u>15,000</u>	<u>4,775</u>	<u>(10,225)</u>
<i>Change in net assets</i>	15,000	15,000	34,711	19,711
Designated cash	<u>(15,000)</u>	<u>(15,000)</u>	-	15,000
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>394,810</u>	<u>394,810</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>429,521</u>	<u>429,521</u>
Net change in net assets (GAAP)				\$ 34,711
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 34,711</u>

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

STATE OF NEW MEXICO
City of Clovis
Statement of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Budgetary Basis) and Actual
Property and Liability Self-Insurance Internal Service Fund
For the Year Ended June 30, 2009

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ -	-	-	-
<i>Total operating revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	-	-	-	-
<i>Total operating expenses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	-	-
Interest income	-	-	106	106
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>106</u>	<u>106</u>
Transfers in	-	-	50,000	50,000
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
<i>Change in net assets</i>	<u>-</u>	<u>-</u>	<u>50,106</u>	<u>50,106</u>
Designated cash	-	-	-	-
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>50,106</u>	<u>50,106</u>
Net change in net assets (GAAP)				\$ 50,106
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 50,106</u>

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

STATE OF NEW MEXICO
City of Clovis
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

	CFDA Number	Federal Grantors Number	Federal Expenditures
U.S. Department of Public Safety			
Passed through NM Department of Public Safety Emergency Preparedness	83.552	Unknown	\$ <u>51,829</u>
U.S. Environmental Protection Agency			
Brownfields	66.818	BF-96679501-0	<u>89,187</u>
U.S. Department of Housing and Urban Development			
Passed through NM Department of Finance Authority CDBG State Program Grant (1)	14.228	Unknown	<u>350,000</u>
U.S. Department of Justice			
Passed through NM Department of Public Safety Gang Task Force	16.503	Various	92,055
LLEBG Grant	16.738	2007-DJ-BX-0885	10,000
Bullet Proof Vests	16.607	Unknown	5,393
Passed through Children, Youth & Families Juvenile Justice	16.523	09-690-9007	<u>87,250</u>
Total U.S. Department of Justice			<u>194,698</u>
U.S. Department of the Interior			
Bureau of Reclamation Effluent Reuse	15.504	08-FG-40-2781	<u>33,717</u>
U.S. Department of Commerce			
Grants for Public Works (1)	11.300	08-01-04279	679,509
Local Growth Management (1)	11.307	RA0739-07-01-08-01	262,884
			<u>942,393</u>
U.S. Department of Transportation			
Passed through NM Department of Transportation Federal Aviation Agency (1)	20.106	3-35-0011-02X-2007	4,785,310
Operation Buckle down	20.605	09-OP-RF-023	4,656
Operation Buckle down	20.602	08-OP-RF-01-023	826
DWI Road Block	20.608	Various-AL-64-023	44,517
STEP	20.609	08-PT-DS-623	4,826
Capital Investment Grants - Urban Mass Transportation	20.507	Unknown	440,248
Formula Grant - Bus Facility	20.500	NM-03-004-00	208,000
Total U.S. Department of Transportation			<u>5,488,383</u>
Total Federal Financial Assistance			\$ <u><u>7,150,207</u></u>

(1) Denotes Major Program

See independant auditors' report.

STATE OF NEW MEXICO
City of Clovis
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

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.

SUPPORTING SCHEDULES

City of Clovis
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2009

Joint Powers Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Agency	Amount contributed by City during current fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
1 Older Adults Servies	Curry County City of Clovis	City	Provide services for older adults program	8/4/1969 indefinite	N/A	\$ -	N/A	City of Clovis
2 Emergency Override System	Cannon AFB City of Clovis	City Cos Communication	Provide Cannon AFB an Emergency Override System	7/1/1992 thru 6/30/2002 or term of franchise agree	N/A	-	N/A	City of Clovis
3 Drug Task Force	City of Clovis Curry County City of Portales Roosevelt County Quay County City of Tucumcari any other agencies involved in Region V Task Force	City	Region V Task Force for prevention, investigation control & prosecution of drugs	7/1/1992 continues with existence of task force	Federal/state funds \$299,414 No matching required	-	City	City of Clovis
4 Ute Reservoir	City of Clovis Curry County City of Portales Village of Grady Town of Elida City of Texico City of Melrose	City	Acquisition and distribution of waters from Ute Reservoir	10/13/1987 indefinite	\$440,000,000 Member share is 10% State share is 15% Fed share is 75%	225,273	City	City of Clovis
5 Fire Control	City of Clovis State of New Meixco	City	Control of fires in and adjacent to suburban areas	4/19/1979 indefinite	n/a	-	N/A	City of Clovis
6 Emergency Services	City of Clovis Clovis Comm College	City	Define conditions under which emergency services are to be provided	1/27/1982 indefinite	n/a	-	N/A	City of Clovis

City of Clovis
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2009

Joint Powers Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Agency	Amount contributed by City during current fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
7 Civil Defense	City of Clovis Curry County	City	Combining of civil defense efforts	8/29/1969 to 8/29/1970 and then continuing indefinitely.	\$0.00	-	N/A	n/a
8 Street Maintenance	City of Clovis Curry County	City	Street Maintenance through own available services	1/1/1976 to 12/31/1976 then indefinite	\$0.00	-	N/A	n/a
9 DWI Prevention	City of Clovis Curry County City of Texico	City	Funds for comprehensive community programs for DWI prevention purposes/	1/14/1992 to 1/13/1993 then as long as funding is available thru state	State funding of \$16,528 No matching funds	-	City	City of Clovis
10 Self Insurance	NMSIF City of Clovis	NMSIF	Insurance services, needs and pooling	7/1/1996 until terminated	Varies	288,473	NMSIF	NMSIF
11 Services for Community	City of Clovis Curry County	City and County	Providing or receiving services from one entity to the other	7/1/1999 to 6/30/2000 annual renewal with \$\$ negotiations	Net amount is in favor of County for jail services	\$ 100,000	City and County	County

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2009**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	NM Finance Authority	Bank of Albuquerque	Western Bank	NM Self-Insurer's Fund	First Community Bank	Reconciling Items	Book Balance
General Fund Investment	Money Market	3,415,203	-	-	-	-	-	-	-	(1,446,636)	1,968,567
Fire Account (7)	Money Market	1,085	-	-	-	-	-	-	-	-	1,085
Payroll Account (18)	Money Market	32,260	-	-	-	-	-	-	-	(2,078)	30,182
Dept of Justice	Money Market	1,002	-	-	-	-	-	-	-	-	1,002
Credit Cards Account	Money Market	5,997	-	-	-	-	-	-	-	-	5,997
EFT Account	Money Market	1,513	-	-	-	-	-	-	-	-	1,513
Municipal Court	Money Market	8,093	-	-	-	-	-	-	-	(2,010)	6,083
Drug Control Fund	Money Market	1,100	-	-	-	-	-	-	-	-	1,100
General Fund	Repurchase	-	3,694,651	-	-	-	-	-	-	(1,654,832)	2,039,819
Special Streets	Checking	-	80,442	-	-	-	-	-	-	-	80,442
NM Law Enforcement	Checking	-	2,585	-	-	-	-	-	-	-	2,585
Certificates of deposit	CD	-	-	5,714,276	-	-	-	-	-	-	5,714,276
NMFA Reserve	Reserve	-	-	-	-	476,665	-	-	-	-	476,665
Debt Service	Money Market	-	-	-	1,612,213	-	-	-	-	73,644	1,685,857
Lodgers' Tax	Money Market	-	-	-	-	-	331,238	-	-	16,190	347,428
Policy Deposit	Deposit	-	-	-	-	-	-	72,958	-	-	72,958
Certificate of deposit	CD	-	-	-	-	-	-	-	555,787	-	555,787
Total amount of deposit in bank		3,466,253	3,777,678	5,714,276	1,612,213	476,665	331,238	72,958	555,787	(3,015,722)	12,991,346
FDIC coverage		(250,000)	(250,000)	(250,000)	-	-	(250,000)	-	(250,000)	3,015,722	1,765,722
Total uninsured public funds		3,216,253	3,527,678	5,464,276	1,612,213	476,665	81,238	72,958	305,787	-	14,757,068
50% Collateral Requirement											
(Section 6-10-17 NMSA 1978)	\$	1,608,127	1,763,839	2,732,138	806,107	238,333	40,619	36,479	152,894	-	7,378,534
Pledged security at:											
FSA Guaranteed Loan 0.90 - 5112113001	\$	199,893	-	-	-	-	-	-	-	-	199,893
FSA Guaranteed Loan 0.90 - 5400056005		252,000	-	-	-	-	-	-	-	-	252,000
FSA Guaranteed Loan 0.90 - 5605796005		93,151	-	-	-	-	-	-	-	-	93,151
FSA Guaranteed Loan 0.90 - 5613885011		360,000	-	-	-	-	-	-	-	-	360,000
FSA Guaranteed Loan 0.90 - 70562		153,567	-	-	-	-	-	-	-	-	153,567
FSA Guaranteed Loan 0.90 - 5803793004		107,282	-	-	-	-	-	-	-	-	107,282
FSA Guaranteed Loan 0.90 - 450756014		162,000	-	-	-	-	-	-	-	-	162,000
FSA Guaranteed Loan 0.90 - 59343		90,007	-	-	-	-	-	-	-	-	90,007
FSA Guaranteed Loan 0.90 - 5605796001		88,217	-	-	-	-	-	-	-	-	88,217
FSA Guaranteed Loan 0.90 - 5551340001		172,077	-	-	-	-	-	-	-	-	172,077
FSA Guaranteed Loan 0.90 - 5285788009		378,000	-	-	-	-	-	-	-	-	378,000
FSA Guaranteed Loan 0.90 - 5298615005		414,000	-	-	-	-	-	-	-	-	414,000
FSA Guaranteed Loan 0.90 - 413216011		418,500	-	-	-	-	-	-	-	-	418,500
FSA Guaranteed Loan 0.90 - 75769		202,400	-	-	-	-	-	-	-	-	202,400
FSA Guaranteed Loan 0.90 - 5412678002		121,457	-	-	-	-	-	-	-	-	121,457
FSA Guaranteed Loan 0.90 - 70642		30,129	-	-	-	-	-	-	-	-	30,129
GNMA II Pool #80747 - 36225CZM1		-	294,052	-	-	-	-	-	-	-	294,052

	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	New Mexico Finance Authority	Bank of Albuquerque	Western Bank	NM Self-Insurer's Fund	First Community Bank	Reconciling Items	Book Balance
Pledged security at (continued):										
GNR 2004-76 - 38374JDN3		1,063,854	-	-	-	-	-	-	-	1,063,854
GNMA Pool #4083 - 36202ERC5		3,697,440	-	-	-	-	-	-	-	3,697,440
GNMA II Pool #4216 - 36202EVH9	-	683,903	-	-	-	-	-	-	-	683,903
GNMA II Pool #80680 - 36225CXJ0	-	201,470	-	-	-	-	-	-	-	201,470
GNMA II Pool #80900 - 36225DAA2	-	261,324	-	-	-	-	-	-	-	261,324
GNMA II Pool #81980 - 36225DF82	-	1,162,687	-	-	-	-	-	-	-	1,162,687
GNMA II Pool #81613 - 36225DYK4	-	722,578	-	-	-	-	-	-	-	722,578
MBS FHLMC 4.50% - 31282R2Y9	-	-	259,030	-	-	-	-	-	-	259,030
FHLB 7H-2012A 5.00% - 3133XC2X0	-	-	520,762	-	-	-	-	-	-	520,762
FHLB 9M-2012A 4.72% - 3133XD5F4	-	-	454,379	-	-	-	-	-	-	454,379
MBS FNMA 5.00% - 31371K4E8	-	-	740,960	-	-	-	-	-	-	740,960
MBS FHLMC 4.00% - 3128H4T66	-	-	757,311	-	-	-	-	-	-	757,311
MBS FHLMC 5.50% - 3128PPD75	-	-	694,737	-	-	-	-	-	-	694,737
MBS GNMA 4.50% - 36225DQM9	-	-	570,717	-	-	-	-	-	-	570,717
MBS GNMA 4.00% - 36295KKN2	-	-	-	-	-	-	-	264,319	-	264,319
MBS FNMA 5.50% - 31415RN67	-	-	-	-	-	-	-	68,593	-	68,593
FNMA Due 3/1/2029 - 313625AJ4	-	-	-	-	-	26,681	-	-	-	26,681
Invested in government issued bonds	-	-	-	-	476,665	-	-	-	-	476,665
See NMFA audited financials	-	-	-	1,612,213	-	-	-	-	-	1,612,213
See NMSIF audited financials	-	-	-	-	-	-	72,958	-	-	72,958
State of New Mexico LGIP Fund	-	-	-	-	-	-	-	-	-	11,616,394
State of New Mexico LGIP Reserve	-	-	-	-	-	-	-	-	-	308,606
Petty cash	-	-	-	-	-	-	-	-	-	7,080
Total collateral	<u>3,242,680</u>	<u>8,087,308</u>	<u>3,997,896</u>	<u>1,612,213</u>	<u>476,665</u>	<u>26,681</u>	<u>72,958</u>	<u>332,912</u>	<u>-</u>	<u>11,932,080</u>
Amount (over)/under collateralized	<u>\$ (1,634,554)</u>	<u>(6,323,469)</u>	<u>(1,265,758)</u>	<u>(806,107)</u>	<u>(238,333)</u>	<u>13,938</u>	<u>(36,479)</u>	<u>(180,019)</u>	<u>-</u>	
Total book balance	<u>2,015,529</u>	<u>2,122,846</u>	<u>5,714,276</u>	<u>1,685,857</u>	<u>476,665</u>	<u>347,428</u>	<u>72,958</u>	<u>555,787</u>		<u>24,923,426</u>

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, 2009 which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated December 1, 2009. 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, 2009 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 the City of Clovis, State of New Mexico'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, State of New Mexico's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Clovis, State of New Mexico'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the City of Clovis, State of New Mexico's internal control. We consider the deficiencies described in the accompanying schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07-02, 09-01, 09-02, and 09-03.

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 the City of Clovis, State of New Mexico'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, of the significant deficiencies described above, we consider items 07-02 and 09-01 to material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Clovis, State of New Mexico’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of Findings and Questioned Costs as item 09-05, 09-07, and 09-09.

We noted certain other 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 09-04, 09-06, and 09-08.

City of Clovis, State of New Mexico’s response to the findings identified in our audit is described in the accompanying schedule of Findings and Questioned Costs. We did not audit City of Clovis, State of New Mexico’s responses and, accordingly, we express no opinion on them

This report is intended solely for the information and use of management, the City Commission, Legislative Finance Committee, Department of Finance and Administration, the State Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Hinkle & Landers, P.C.
December 1, 2009

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 the City of Clovis, State of New Mexico, 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, 2009. The City of Clovis, State of New Mexico's major federal programs are identified in the summary of auditor's 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 the City of Clovis, State of New Mexico's management. Our responsibility is to express an opinion on the City of Clovis, State of New Mexico'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 the City of Clovis, State of New Mexico'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 on the City of Clovis, State of New Mexico's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of Clovis, State of New Mexico, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Clovis, State of New Mexico's internal control over compliance with 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, and accordingly we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity'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 the entity'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 than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Commission, management, Legislative Finance Committee, Department of Finance and Administration, the State Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in black ink that reads "Hinkle & Landers, P.C." in a cursive, professional style.

Hinkle & Landers, P.C.
December 1, 2009

**STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2009**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|----------------------------------------------------------------------------------|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 1. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| 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
14.228	CDBG State Program Grant
11.300	Grants for Public Works
11.307	Local Growth Management
20.106	Federal Aviation Agency

- | | |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2009

Finding	Status of Current and Prior Year Findings	Financial Statement Finding	Federal Awards Finding
Prior Year Findings			
07-01 PAYROLL - CITY	Resolved	yes	no
07-02 PREPARATION OF FINANCIAL STATEMENTS - CITY & COMPONENT UNIT	Revised/Repeated	yes	no
07-03 TRAVEL AND PER DIEM - CITY	Resolved	yes	no
07-07 BUDGETARY AUTHORITY EXCEEDED - COMPONENT UNIT	Resolved	yes	no
08-01 DISPOSITION OF COMPUTERS - CITY	Resolved	yes	no
08-02 STALE-DATED CHECKS - CITY	Resolved	yes	no
08-03 INTERNAL CONTROLS - BANK RECONCILIATIONS - CITY	Resolved	yes	no
08-04 DEFICIENCIES IN INTERNAL CONTROL STRUCTURE DESIGN, OPERATION, AND OVERSIGHT - COMPONENT UNIT	Resolved	yes	no
08-05 LACK OF PROPER SIGNATURE - COMPONENT UNIT	Resolved	yes	no
Current Year Findings			
09-01 CASH DISBURSEMENTS—LACK OF SEGREGATION OF DUTIES /INTERNAL CONTROLS WEAKNESSES - CITY	Current	yes	no
09-02 PAYROLL-INPUT CONTROLS - CITY	Current	yes	no
09-03 WEAKNESS OF CONTROLS ON MUNICIPAL COURT RECEIPTS	Current	yes	no
09-04 RECONCILIATION OF COURT BOND CASH - CITY	Current	yes	no
09-05 CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY	Current	yes	no
09-06 SAFEGUARDING OF CAPITAL ASSETS UNDER \$5,000 - CITY	Current	yes	no
09-07 UNDER COLLATERALIZED BANK ACCOUNT - CITY	Current	yes	no
09-08 CAPITAL ASSET TRACKING - CITY	Current	yes	no
09-09 AUDIT REPORT NOT SUBMITTED TIMELY – COMPONENT UNIT	Current	yes	no

PRIOR YEAR FINDINGS

07-02 – SAS 112 MATERIAL ADJUSTMENTS BY AUDITOR (Formerly - Preparation of Financial Statements) – REVISED/REPEATED

Statement of Condition

Statement of Auditing Standards (SAS) 112 effectively states that an auditor cannot serve as a part of the internal controls of the client. While conducting the audit of the City of Clovis, it was determined that the City operates on a cash basis and does not add a 13th period to the end of their accounting cycle to transition into modified accrual (the reporting basis for the fund financials). It has been common practice at the City to rely on the auditors to make that transition for them. This is potentially acceptable if the client were to provide all of the necessary information to the auditors on any and all accruals necessary in order to satisfy that they were able to identify the necessary adjustments to take the books into modified accrual.

During the audit, it was determined that while controls were in place to properly capture information for cash basis presentation, not all adjustments were identified by the City to transition into modified accrual. In particular, a total of \$2,309,919 in state grants and \$1,072,872 in federal grants were identified only after inquiry of City personnel about any potential outstanding receivables in those areas. Had that inquiry not occurred, many if not all of those receivables would have gone unreported. The fact that City personnel was able to identify the receivables even after inquiry shows that ability and knowledge is there to identify any necessary accruals and deferrals at year end, however that process was simply not completed in the current year.

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2009

Criteria

Statement of Auditing Standards (SAS) 112 was implemented as of December 15, 2006. Some of the key underlying concepts of this standard are

- The auditor cannot be part of a client's internal control. Becoming part of a client's internal control impairs the auditor's independence.
- What the auditor does is independent of the client's internal control over financial reporting. Therefore, the auditor cannot be a compensating control for the client.
- A system of internal control over the financial reporting does not stop at the general ledger; rather it includes controls over the preparation of the financial statements.

Recording these adjustments is considered a significant process that the client needs to maintain. Also since significant adjustments to the financials were made it calls into question whether the City staff has the qualifications and training to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Effect

Because these adjustments were made/identified by the auditor, and not by the City, it shows an internal control weakness in maintaining the general ledger at the modified accrual level and would potentially extend to the audit report. This significantly increases the potential for misstated financial statements.

Cause

The City's personnel and internal control procedures were not effective in identifying and correcting necessary accruals to the general ledger that would have resulted in material misstatement of the financial statements had they not been identified/corrected by the auditor.

In prior years, the City had been able to rely on the auditor for the identification of any accruals and deferrals necessary for proper presentation, however since the advent of SAS 112 and other similar standards, the City had not been adequately trained and made aware of the requirements of those standards.

Recommendation

We recommend that the City make adjustments to their general ledger in a timely manner. Asking for technical advice from the auditor or from someone else when these adjustments are needed is not considered a control deficiency as long as the staff of the City initiates/makes the adjustment and understands how and why the adjustments were made. We recommend that at year end and in the months directly after year end, the City identify those accruals and deferrals necessary to take the books into the modified-accrual basis. This information should be provided to the auditors during the annual audit for further testing.

Management Response

Management will identify and track the accruals and deferrals. Management attended one training during this audit year and will continue to work on the training process on understanding the requirements of external financial reporting.

CURRENT YEAR FINDINGS

09-01—CASH DISBURSEMENTS—LACK OF SEGREGATION OF DUTIES/INTERNAL CONTROLS WEAKNESSES

Statement of Condition

During our interviews about the organization's internal controls and subsequent testing of internal controls of cash disbursements, we determined the following weaknesses:

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2009

The Finance Director (FD) does the following:

1. Prepares checks in the accounting software
2. Has access to the check stock
3. Prints out the checks
4. Has access to all areas of the accounting software

Coupled with a bank reconciliation process that is completed in Microsoft Excel that appears to mechanically ensure that bank statement reconciles, but the reconciliation process does not appear to review the:

1. Reasonableness of Vendors
2. Signatures
3. Frequency of deposits
4. Dates of outstanding checks and deposits

There appears to be opportunity for the Finance Director to misappropriate funds if she so chose to do so.

Criteria

Professional auditing standards as illustrated in Statement on Auditing Standard (SAS) 112 and its appendix require strong internal controls and these deficiencies and weaknesses are required to be disclosed to management and the governing Council.

The combination of control deficiencies and lack of segregation of duties increases the opportunity for material misstatements in the financial statements and/or fraud has collectively resulted in a material weakness for the City of Clovis.

Improving internal controls reduces the opportunity for mistakes or errors to take place or to be identified and corrected in a timely manner or for reducing the opportunity for fraud to take place.

Effect

Because one person has control over all of the areas cited in the "Statement of Condition" above, the opportunity is significantly high to misappropriate funds and/or make errors through cash disbursements that may go undetected because of the weak control activities associated with lack of safeguarding of cash and the lack of monitoring of the bank account.

Cause

The organization has limited staff and there is a relatively high amount of turnover in the finance department due to the fact that personnel come and leave based on military base transfers.

Recommendation

Based on the staff available during the fieldwork for the audit that primarily took place in September of 2009, we recommend the following:

Improve the bank reconciliation control activities. This includes

1. The hard copy reconciliations of the bank accounts should be printed out signed and dated by the reconciler
2. The bank statement and reconciliation review should be documented with the attached checklist, which should be signed and dated by the reviewer.
3. The reconciler and reviewer of the bank statements ideally should be someone who does not handle cash.
4. The checks and deposits and other activities should be reviewed and signed off as completed as described in the example bank statement and reconciliation review checklist shown below.

We also recommend reconciliations be performed for all bank, petty cash and investment accounts regardless of the activity in those accounts.

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
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Management Response

Hard copies of the bank reconciliations are printed out and placed in each monthly folder. The Fixed Asset Accountant initializes the report and the Budget Officer reviews and initializes after verification the bank reconciliations agree with the monthly general ledger.

Finance Director no longer prints checks. All checks will require one signature be the Budget Officer or the City Manager.

Fixed Asset Accountant will begin the review checklist with the November 2009 bank reconciliation. The checklist will be reviewed by the Budget Officer. Neither of these employees handle cash.

Bank and investment accounts are reconciled each month by the Budget Officer as the final step of the monthly closing of the general ledger. Budget Officer also reviews all accounts payable checks to prepare the comp tax report. This also gives the Budget Officer the opportunity to review for reasonableness.

Petty cash reports will be reconciled on a quarterly basis with surprise counts as needed.

09-02—PAYROLL-INPUT CONTROLS

Statement of Condition

1. During our testing of controls of the payroll function we observed that the ability to set up new employees and change the pay rate of employees without anyone else's approval can be done by the .
 - A. Payroll Clerk
 - B. Finance Director
 - C. Data Collection Clerk
2. Payroll checks are picked up by a representative from each department. Those representatives take the checks back to their department where they are distributed. During this process we learned that there was not any documentation verifying that the person distributing the checks witnessed the owner of the check personally signed and received the check.

Criteria

- 1 The following duties:
 - A. ability to establish the setup of payroll for employees
 - B. the ability to change an employees pay rate
 - C. the ability to enter time for an employee

Should be segregated as follows:

The person who actually does or has the opportunity to do A and B should not be able to do C and vice versa. Therefore, Human Resources should have the ability to do A and B but not C and Payroll should have the ability to do C but not A and B.

- 2 A process should be used to ensure that paychecks are delivered to the proper employee on a regular basis.
- 3 Another important compensating control would be to require once a year when W-2s are issued, employees are required to sign for their paychecks and show a form of picture identification in front of non payroll and human resources personnel. If employees are no longer working with the organization, that list of terminated employees should be cross-checked against the W-2s that need to be mailed to former employees.

Effect

- 1 There is opportunity for payroll to change a pay rate for an employee or set up a phantom employee without any authorization from another department.

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
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2. & 3. If an employee was terminated and human resources was not notified, a paycheck scam could be perpetrated to issue a check to an employee who is no longer employed.

Cause

1. These segregation of duties may have not been considered.
2. & 3. This opportunity for a payroll scam may not have been previously considered.

Recommendation

We recommend that the guidelines under “criteria” above be followed.

Management Response

Segregation of duties will be accomplished through a programming change. A report will generate with each payroll for any change in pay rates from the previous pay period. The report will be sent directly to Human Resources. They will review and note the reason for any change in pay rate based on Personnel Action Forms that have been processed. Any discrepancies will be reported and corrected before payroll may be completed. The approved report will be imaged and maintained with the current payroll information.

Budget Officer will also review direct deposits and pay checks for reasonableness.

Beginning with the November 14, 2009 pay period, a listing of all employees will be included with the payroll checks when they are picked up by department representative. Employees will be required to initialize the report at the time they pick up their check. The report will be returned to the Human Resources office by Wednesday following payday.

Finance will work with Human Resources to develop the least disruptive method of distributing W’2s.

09-03–WEAKNESS OF CONTROLS ON MUNICIPAL COURT RECEIPTS

Statement of Condition

The municipal court employees cashiering accept cash as well as checks, money orders and credit cards. The cashiers also have access to the posting of receipts in the court software. The lack of segregation of duties leaves the court susceptible to misappropriation of revenue.

Criteria

Professional auditing standards as illustrated in Statement on Auditing Standard (SAS) 112 and its appendix require strong internal controls and these deficiencies and weaknesses are required to be disclosed to management and the governing Council

Effect

The municipal court is at a relatively high risk of misappropriation of revenue.

Cause:

The type of work the court is involved in requires employees cashiering to be able to make adjustments in the defendant’s case details in the court software, including the monetary amounts involved.

Recommendation

The Court should consider taking measures to ensure that all receipts are recorded in the court database software and not be misappropriated. Some suggestions are:

1. Post a sign for the defendants to read stating that they must received a receipt for their payment. The sign should inform the defendant that they can contact a responsible City official outside of the court if there seems to be some kind of discrepancy with their transaction with the court.

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2. Court management should review audit trail reports available in the court software and let the court staff be aware that you are reviewing these reports.
3. Reconstitute surprise counts of cash and compare to the cash register reports.

Management Response

Management will recommend Municipal Court post a sign with the information stated in the recommendation. Court Management will be instructed to review adjustments and initial monthly reports. Surprise cash counts will be conducted by Finance Department.

09-04—RECONCILIATION OF COURT BOND CASH

Statement of Condition

During our testing of cash court bond account, we noted that although the City reconciles the court bond account bank statement to the City's checkbook register, it does not consider an Outstanding Bonds Report as part of the reconciliation procedures.

Criteria

For accurate bank reconciliation of the Court Bond Cash, three documents should reconcile to each other, the Outstanding Bonds Report the general ledger and the bank statement.

Effect

Reconciliation of Court Bond Cash may differ from the Outstanding Bonds Report.

Cause

The City did not consider the Outstanding Bonds Report as part of the reconciliation procedure.

Recommendation

For accurate bank reconciliation of the Court Bond Cash, three documents should reconcile to each other, the Outstanding Bonds Report, the checkbook register, and the bank statement.

Management Response

The Court currently does not maintain an outstanding bond report. All information is submitted to Finance and spreadsheets are in place to track all outstanding bonds that have not been cashed after six month. City management will recommend to Court management the implementation of a report generated by the Courts that can be used as a third part to the reconciliation of the check register and the bank statement.

09-05—CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY

Statement of Condition

The City conducted an annual physical inventory of its capital assets approximately, but did not obtain documentation of the completion of the inventory by the personnel conducting the physical inventory nor was the inventory certified by the governing authority (City Manager) of the City as to the correctness of the report.

Criteria

NMAC 2.20.1.16 Annual Inventory requires that all state agencies, municipalities, counties and every political subdivision of the state must conduct an annual physical audit of its fixed (capital) assets with a historical cost of \$5,000 or more. Also, the results of the physical inventory shall be recorded in a written inventory report, certified as to the correctness and signed by the governing authority of the agency.

In addition, idle items should be identified in the inventory as this amount is required to be disclosed in the annual audit report.

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Effect

The controls over inventory and the ability to hold personnel accountable for inaccuracies for the inventory under their supervision is absent. It is possible for capital assets may go missing by theft or misplacement and personnel may not be held accountable for it.

Cause

The City may not have been aware of the NMAC requirement.

Recommendation

We recommend that the guidelines under “criteria” above be followed. Also, we recommend that each department heads certify to the accuracy of capital asset inventory under their watch by signing an affidavit-like statement declaring that the physical inventory has been conducted against the listed inventory and they believe it is accurate.

Management Response

The City was not aware of the requirement of NMAC. Each personnel conducting the physical inventory does sign their report and a copy of that report is maintained by the Fixed Asset Accountant. The City Manager is always informed of any discrepancies found during the annual inventory account. Beginning with the fye 2010 audit, the City Manager will certify the final inventory report.

Idle items will be listed in a separate report. This is a change from request of previous auditors.

09-06—SAFEGUARDING OF CAPITAL ASSETS UNDER \$5,000

Statement of Condition

The City does not have a written policy for safeguarding capital assets under five thousand dollars (\$5,000).

Criteria

Capital assets below the five thousand (\$5,000) threshold is a significant part of the City’s accumulated expenditures. Many of these assets may be easy to misplace or misappropriate such as computers and other electronic equipment.

Effect

Because capital assets under \$5,000 are not being inventoried there is an increased opportunity for theft or misplacement of these assets.

Cause

It may have not been considered necessary.

Recommendation

1. Capital assets under five thousand dollars \$5,000 and no lower than \$250 that are defined as “sensitive equipment” assets should be should be physically counted at least on an annual basis. Each department head should be held accountable for these assets in his or her department and the results of the physical inventory should be recorded in a written inventory report, certified as to the correctness and signed by the department heads.
2. Assets should be tagged with an identification number or tracked by their serial number on a control list.

Management Response

When the State increased the criteria of fixed assets from \$1,000.00 to \$5,000.00 each department was given a report of items and informed the Fixed Asset Accountant would no longer maintain the overall City inventory. Each department was instructed to maintain this inventory. Fixed Asset Accountant will work with each department to ensure they have a correct and current department inventory system for assets above \$1,000.00.

City Manager will inform Department Heads the maintenance of assets under \$5,000.00 will be mandatory. Procedural changes will be implemented for departments to submit paperwork to the Fixed Asset Accountant for any new purchases of

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equipment of \$1,000.00 or greater. The Fixed Asset Accountant will maintain an inventory listing that will be crosschecked with each department during the annual inventory.

Deletion and transfer sheets will also be developed and used by the departments to track the changes to this inventory.

09-07 – UNDER COLLATERALIZED BANK ACCOUNT

Statement of Condition

The City's Lodger's Tax bank account was under collateralized at June 30, 2009 as follows:

Bank balance	\$331,238
FDIC	(250,000)
	81,238
50% collateral requirement	(40,619)
	40,619
Collateral pledged	(26,681)
Under collateralized	<u>\$13,938</u>

Criteria

Section 6-10-17 NMSA requires 50% collateral requirement for municipal monies deposited in each financial institution.

Effect

The City is not following State Statutes concerning safekeeping of public monies.

Cause

The City made a large deposit into the lodger's tax bank account at Western Bank and overlooked the collateral requirement.

Recommendation

The City should monitor its bank accounts to ensure that public monies are properly collateralized.

Management Response

As part of the monthly bank reconciliation review, the Budget Officer will review the bank collateral reports for compliance. Any discrepancies will be addressed and corrected.

09-08 – CAPITAL ASSET TRACKING

Statement of Condition

While conducting the audit, it was observed that the City maintains its capital asset and accumulated depreciation listings in Excel spreadsheets. Given the size and complexity of the City's operations and the ease of modifying or corrupting formulas and other data within Excel, this seems to be a relatively weak method for tracking capital assets and calculating depreciation.

Criteria

Proper internal controls dictate that the accounting records be maintained in a secure method that minimizes the potential for input errors. As the size and complexity of the operations being accounted for increase, so to must the controls in place to ensure that the accounting data is continually maintained in a secure manner.

Effect

The City's capital asset and depreciation listings are prone to error and are at risk for potential data loss due to errors or corruption of formulas and data within the Excel spreadsheets.

Cause

The City did not consider the potential risks involved with maintaining the Excel spreadsheets and felt it was an acceptable method for maintaining the asset listings.

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Recommendation

The City should investigate other alternatives to maintaining its capital assets and depreciation schedules on Excel spreadsheets and should looking into whether purchasing a stand alone capital asset software package or a capital asset module that interfaces with the City's current accounting software might provide a more secure and standardized method for tracking capital assets and calculating depreciation.

Management Response

The Finance Department has been working with our programmer to convert the inventory and depreciation schedules to our AS400 accounting software. This has been a tedious project that we have set a goal of December, 2010 for completion.

09-09 – AUDIT REPORT NOT SUBMITTED TIMELY – COMPONENT UNIT

Statement of Condition

The Agency's audit report for the year ended June 30, 2009 was submitted to the State Auditor by the required due date, December 1, 2009, however, the report was rejected and had to be resubmitted at a date subsequent to the deadline.

Criteria

Audit reports rejected and not resubmitted before the due date are considered to be late submissions under 2.2.2.9.E of the State Audit Rule.

Effect

The result was the late submission of the Agency's audit report for the year ended June 30, 2009.

Cause

Due to a misclassification within the cash flow statement the Agency's audit report was rejected and had to be resubmitted to the State Auditor after the December 1, 2009 deadline.

Recommendation

The Agency and their auditor should ensure through thorough review that items are properly classified on financial statements.

Management Response

The Housing Agency will thoroughly review all items on financial statements with Auditor to ensure that they are properly classified so that the audit is submitted before or by the due date.

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Other Disclosures
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A. AUDITOR PREPARED FINANCIAL STATEMENTS

Presentation: The accompanying financial statements are the responsibility of the City and are based on information from the City's financial records. Assistance was provided by Hinkle & Landers, PC to the City in preparing the financial statements.

B. EXIT CONFERENCE

The contents of the report for the City of Clovis were discussed on December 1, 2009. The following individuals were in attendance.

City of Clovis Officials

Randal S. Crowder, Mayor Pro-tem Commissioner
Joe Thomas, City Manager
Don Clifton, Director of Budget and Internal Operations
LeighAnn Melancon, Finance Director

Auditors

Farley Vener, CPA, CFE
Erick Robinson, CPA