

**STATE OF NEW MEXICO
CITY OF CLOVIS
INDEPENDENT AUDITORS' REPORT
AND AUDITED FINANCIAL STATEMENTS
For The Year Ended June 30, 2010**

HINKLE & LANDERS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INTRODUCTORY SECTION

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CITY OF CLOVIS
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**STATE OF NEW MEXICO
CITY OF CLOVIS
Official Roster
As of June 30, 2010**

City Officials

Name	Title
Gayla Brumfield	Mayor
Chris Bryant	City Commissioner – District 4
Randy Crowder	City Commissioner – District 1
Juan F. Garza	City Commissioner – District 1
Fidel Madrid	City Commissioner – District 3
Robert Sandoval	City Commissioner – District 3
Fred Van Soelen	City Commissioner – District 2
Dan Stoddard	City Commissioner – District 4
Len Vohs	Mayor Pro-Tem, 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, the aggregate remaining fund information, and the budgetary comparison for the general fund and special revenue funds of the City of Clovis (City) as of and for the year ended June 30, 2010, 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, internal service funds, each fiduciary fund, and the budgetary comparisons for the major capital project fund, debt service funds, proprietary funds, and the remaining nonmajor funds presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 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 did not audit the financial statements of the City of Clovis Housing and Redevelopment Agency, Inc, a discretely presented component unit of the City, which represents 100 percent of the assets, net assets, and revenues of the discretely presented component units of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for discretely presented component units is based on the report of the other auditors.

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 and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, 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, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund and major special revenue funds 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, internal service fund and fiduciary fund of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, debt service funds, proprietary funds, and the remaining nonmajor 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, 2010 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, based on our audit and the report of the other auditors, 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 by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on it.



Hinkle & Landers, PC
Albuquerque, New Mexico
December 1, 2010

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

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, 2010. 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 \$129,334,912 (*net assets*). Of this amount, \$15,405,774 (*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 \$6,287,483. The majority of this increase is due to the increase in investment in capital assets. This increase also includes restatements of beginning fund balance totaling (\$6,264). The total net change in funds balances related to activities was an increase of \$6,293,747.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$21,371,072, an increase of \$980,801 in comparison with the prior year.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$7,031,228 or 33 percent of total general fund expenditures.
- The City of Clovis' total liabilities increased by \$33,225 (2 percent), during the current fiscal year. The key factor in this increase was a loan from the State of \$905,166 for the Ute pipeline project at June 30, 2010 along with the payment of existing long-term debt and the elimination of a capital lease that was terminated during the year.

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 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

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 46 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 47 thru 106 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 \$129,334,912 at the close of the most recent fiscal year.

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

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, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Current and other assets	\$ 26,731	24,755	9,781	10,530	36,512	35,285
Capital assets, net of accumulated depreciation	<u>72,790</u>	<u>67,619</u>	<u>42,208</u>	<u>42,286</u>	<u>114,998</u>	<u>109,905</u>
Total assets	<u><u>99,521</u></u>	<u><u>92,374</u></u>	<u><u>51,989</u></u>	<u><u>52,816</u></u>	<u><u>151,510</u></u>	<u><u>145,190</u></u>
Long-term liabilities outstanding	5,326	5,151	10,963	11,752	16,289	16,903
Other Liabilities	<u>3,341</u>	<u>2,149</u>	<u>2,546</u>	<u>3,090</u>	<u>5,887</u>	<u>5,239</u>
Total liabilities	<u><u>\$ 8,667</u></u>	<u><u>7,300</u></u>	<u><u>13,509</u></u>	<u><u>14,842</u></u>	<u><u>22,176</u></u>	<u><u>22,142</u></u>
Net assets	<u><u>\$ 90,854</u></u>	<u><u>85,074</u></u>	<u><u>38,480</u></u>	<u><u>37,974</u></u>	<u><u>129,334</u></u>	<u><u>123,048</u></u>

An additional portion of the City of Clovis' net assets of \$13,943,070 (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$15,405,774 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 \$11,023,160 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 \$5,772,733. Key elements of this increase are as follows:

- The total expenses for governmental activities increased by \$1,308,063 due primarily to an increase in public safety expenditures, while revenues decreased \$3,416,587 due mainly to reduced state and federal grants.
- The gross receipts tax revenue decreased \$57,168.
- Restatements of beginning fund balance totaling \$8,210 related to capital assets transferred in from business-type activities.

Business-type activities. Business-type activities increased the City of Clovis' net assets by \$521,014.

- Revenue decreased \$3,893,639 due to a decrease in grant revenues. Expenses experienced a decrease of \$150,466 during the year primarily due to decrease in cost of operations and capital outlay in Wastewater.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenues						
Taxes	\$ 24,495	24,816	437	436	24,932	25,252
Intergovernmental	9,208	11,167	351	5,188	9,559	16,355
Charges for services	2,205	2,709	6,525	5,972	8,730	8,681
Other	2,980	3,502	856	536	3,836	4,038
Total revenue	38,888	42,194	8,169	12,132	47,057	54,326
Expenses						
General government	5,730	6,965	-	-	5,730	6,965
Public safety	14,639	13,371	-	-	14,639	13,371
Public works	6,581	4,396	-	-	6,581	4,396
Culture and recreation	4,441	4,598	-	-	4,441	4,598
Health and welfare	1,247	1,960	-	-	1,247	1,960
Interest on long-term debt	198	238	-	-	198	238
Solid waste	-	-	4,461	4,328	4,461	4,328
Wastewater	-	-	2,807	3,025	2,807	3,025
Airport	-	-	659	725	659	725
Total expenses	32,836	31,528	7,927	8,078	40,763	39,606
Transfers	(279)	(1,653)	279	1,653	-	-
Change in net assets	\$ 5,773	9,013	521	5,707	6,294	14,720

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 \$21,371,072, an increase of \$980,801 in comparison with the prior year. Approximately 98 percent of this total amount, \$20,974,298, constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. Of the remainder, \$396,774 is reserved for inventory and prepaid expenses.

The general fund is the chief operating fund of the City of Clovis. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,031,228 which represents 33 percent of total general fund expenditures.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
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The fund balance of the City of Clovis' general fund decreased by \$1,149,628 during the current fiscal year.

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

General Fund Budgetary Highlights

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

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 \$2,328,412 less than the final budget amount (favorable variance). This was due primarily to the police department (public safety component) favorable variance of \$1,072,527.

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, 2010, amounts to \$114,998,228 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, computers, equipment, furniture and fixtures, vehicles, infrastructure and the zoo.

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Land	\$ 3,020	3,017	4,138	4,147	7,158	7,164
Land improvements	6,388	7,406	6,043	6,319	12,431	13,725
Buildings and improvements	18,435	18,859	6,868	7,161	25,303	26,020
Equipment and vehicles	7,681	6,502	3,465	3,940	11,146	10,442
Infrastructure	33,090	29,721	19,893	15,577	52,983	45,298
Construction in progress	4,176	2,113	1,801	5,142	5,977	7,255
Net capital assets	<u>\$ 72,790</u>	<u>67,618</u>	<u>42,208</u>	<u>42,286</u>	<u>114,998</u>	<u>109,904</u>

Additional information on the City of Clovis' capital assets can be found in Note 6 on pages 34-36 of this report.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$12,217,848 and loans and notes outstanding of \$2,794,312.

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenue bonds	\$ 4,205	4,745	8,013	8,380	12,218	13,125
Notes payable	1,390	558	1,404	2,137	2,794	2,695
	<u>\$ 5,595</u>	<u>5,303</u>	<u>9,417</u>	<u>10,517</u>	<u>15,012</u>	<u>15,820</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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and investments	\$ 18,926,349	7,307,290	26,233,639	1,275,147
Receivables:				
Property taxes receivable	113,088	-	113,088	-
Intergovernmental	6,778,306	117,177	6,895,483	-
Other receivables	438,313	-	438,313	20,067
Customer receivables	-	799,246	799,246	364
Notes receivable	-	85,639	85,639	-
Prepays	397,328	80,908	478,236	38,164
Inventory	16,640	48,215	64,855	9,706
Internal balances	-	-	-	-
Total current assets	<u>26,670,024</u>	<u>8,438,475</u>	<u>35,108,499</u>	<u>1,343,448</u>
Noncurrent assets				
Restricted cash and investments	-	-	-	226,230
Notes receivable, noncurrent portion	-	1,341,971	1,341,971	-
Bond discounts, net of				
amortization of \$1,343	20,138	-	20,138	-
Bond issuance costs, net of				
amortization of \$2,756	41,338	-	41,338	-
Capital assets	123,377,856	75,202,110	198,579,966	7,118,758
Less: accumulated depreciation	<u>(50,588,056)</u>	<u>(32,993,682)</u>	<u>(83,581,738)</u>	<u>(5,088,115)</u>
Total noncurrent assets	<u>72,851,276</u>	<u>43,550,399</u>	<u>116,401,675</u>	<u>2,256,873</u>
Total assets	<u>\$ 99,521,300</u>	<u>51,988,874</u>	<u>151,510,174</u>	<u>3,600,321</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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 942,748	-	942,748	23,990
Accrued payroll expenses	989,618	124,885	1,114,503	27,239
Accrued compensated absences	683,571	156,307	839,878	11,279
Accrued interest	14,632	16,139	30,771	-
Meter and other refundable deposits	72,636	-	72,636	80,368
Deferred revenue	-	1,427,610	1,427,610	-
Current portion of bonds and notes payable	638,090	821,265	1,459,355	-
Total current liabilities	3,341,295	2,546,206	5,887,501	142,876
Noncurrent liabilities				
Accrued compensated absences	368,076	-	368,076	3,055
Landfill closure liability	-	2,366,880	2,366,880	-
Bonds and notes payable	4,957,282	8,595,523	13,552,805	-
Total noncurrent liabilities	5,325,358	10,962,403	16,287,761	3,055
Total liabilities	8,666,653	13,508,609	22,175,262	145,931
Net Assets				
Invested in capital assets, net of related debt	67,194,428	32,791,640	99,986,068	2,256,873
Restricted for:				
Debt service	224,613	-	224,613	-
Capital projects and improvements	2,052,542	-	2,052,542	-
Other purposes	11,665,915	-	11,665,915	-
Unrestricted	9,717,149	5,688,625	15,405,774	1,197,517
Total net assets	90,854,647	38,480,265	129,334,912	3,454,390
Total liabilities and net assets	\$ 99,521,300	51,988,874	151,510,174	3,600,321

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, 2010**

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	\$ 5,729,791	66,062	1,372,591	-	(4,291,138)	-	(4,291,138)	-
Public safety	14,639,244	1,859,499	783,080	-	(11,996,665)	-	(11,996,665)	-
Public works	6,580,959	-	-	6,634,584	53,625	-	53,625	-
Culture and recreation	4,440,846	240,051	12,345	-	(4,188,450)	-	(4,188,450)	-
Health and welfare	1,246,858	39,334	405,559	-	(801,965)	-	(801,965)	-
Interest on long-term debt	198,187	-	-	-	(198,187)	-	(198,187)	-
<i>Total governmental activities</i>	<u>32,835,885</u>	<u>2,204,946</u>	<u>2,573,575</u>	<u>6,634,584</u>	<u>(21,422,780)</u>	<u>-</u>	<u>(21,422,780)</u>	<u>-</u>
Business-type Activities:								
Solid Waste	4,460,725	3,609,145	-	25,000	-	(826,580)	(826,580)	-
Wastewater	2,807,086	2,785,379	-	19,823	-	(1,884)	(1,884)	-
Airport	658,878	130,153	-	305,681	-	(223,044)	(223,044)	-
<i>Total business type activities</i>	<u>7,926,689</u>	<u>6,524,677</u>	<u>-</u>	<u>350,504</u>	<u>-</u>	<u>(1,051,508)</u>	<u>(1,051,508)</u>	<u>-</u>
<i>Total Primary Government</i>	<u>40,762,574</u>	<u>8,729,623</u>	<u>2,573,575</u>	<u>6,985,088</u>	<u>(21,422,780)</u>	<u>(1,051,508)</u>	<u>(22,474,288)</u>	<u>-</u>
Component Units:								
Housing Authority	\$ <u>3,373,414</u>	<u>312,895</u>	<u>3,058,157</u>	<u>464,537</u>	-	-	-	<u>462,175</u>
General Revenues:								
Taxes								
Property taxes, levied for general purposes					\$ 1,289,561	-	1,289,561	-
Gross receipts taxes					21,283,908	437,228	21,721,136	-
Gasoline and motor vehicle taxes					564,450	-	564,450	-
Franchise taxes					766,552	-	766,552	-
Cigarette and lodger's taxes					590,058	-	590,058	-
Licenses and fees					467,073	-	467,073	-
Fines, forfeitures, and penalties					452,898	-	452,898	-
Investment income					167,966	254,469	422,435	95
Miscellaneous income					2,042,206	670,888	2,713,094	115,745
Gain/(loss) on sale of capital assets					(150,141)	(69,081)	(219,222)	-
Transfers					(279,018)	279,018	-	-
Total general revenues and transfers					<u>27,195,513</u>	<u>1,572,522</u>	<u>28,768,035</u>	<u>578,015</u>
Change in net assets					5,772,733	521,014	6,293,747	578,015
Beginning net assets					85,073,704	37,973,725	123,047,429	2,876,375
Restatement					8,210	(14,474)	(6,264)	-
Beginning net assets as restated					<u>85,081,914</u>	<u>37,959,251</u>	<u>123,041,165</u>	<u>2,876,375</u>
Ending net assets					<u>\$ 90,854,647</u>	<u>38,480,265</u>	<u>129,334,912</u>	<u>3,454,390</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, 2010**

	01, 18	Major Funds 36+38+93 94+97+99 Spec Revenue	87 Cap Projects	Other Non-Major Governmental Funds	Total
	<u>General Fund</u>	<u>Eastern NM Rural Water</u>	<u>Street Construction</u>		
<i>Assets</i>					
Cash and investments	\$ 3,842,012	341,388	145,829	11,358,955	15,688,184
Restricted cash and investments	-	-	-	-	-
Receivables:					
Property taxes	113,088	-	-	-	113,088
Intergovernmental	2,625,242	329,106	2,005,034	1,818,924	6,778,306
Other receivables	173,831	234,482	-	30,000	438,313
Inventory	4,808	-	-	11,832	16,640
Prepaid insurance	340,915	-	-	55,859	396,774
Due from other funds	1,264,207	-	-	-	1,264,207
<i>Total assets</i>	<u>\$ 8,364,103</u>	<u>904,976</u>	<u>2,150,863</u>	<u>13,275,570</u>	<u>24,695,512</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 20,359	77,228	747,129	98,032	942,748
Accrued payroll expenses	840,137	-	-	145,884	986,021
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deposits held in trust	72,636	-	-	-	72,636
Deferred property tax revenue	58,828	-	-	-	58,828
Other deferred revenue	-	-	-	-	-
Due to other funds	-	550,493	470,452	243,262	1,264,207
<i>Total liabilities</i>	<u>991,960</u>	<u>627,721</u>	<u>1,217,581</u>	<u>487,178</u>	<u>3,324,440</u>
<i>Fund balances</i>					
Reserved:					
Prepaid insurance	340,915	-	-	55,859	396,774
Unreserved, reported in:					
General	7,031,228	-	-	-	7,031,228
Special revenue	-	277,255	-	11,388,660	11,665,915
Debt service	-	-	-	224,613	224,613
Capital projects	-	-	933,282	1,119,260	2,052,542
<i>Total fund balances</i>	<u>7,372,143</u>	<u>277,255</u>	<u>933,282</u>	<u>12,788,392</u>	<u>21,371,072</u>
<i>Total liabilities and fund balances</i>	<u>\$ 8,364,103</u>	<u>904,976</u>	<u>2,150,863</u>	<u>13,275,570</u>	<u>24,695,512</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, 2010**

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

Fund balances - total governmental funds	\$	21,371,072
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		72,754,312
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		58,828
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		20,138
Bond issuance costs		41,338
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(14,632)
Internal service funds assets and liabilities included governmental activities in the statement of net assets		3,267,969
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		(680,931)
Noncurrent accrued compensated absences		(368,076)
Current bonds and notes payable		(638,090)
Bonds payable		(4,957,282)
Differences due to rounding		<u>1</u>
Net assets of governmental activities	\$	<u><u>90,854,647</u></u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds				Total
	01, 18	36+38+93 94+97+99 Spec Revenue	87 Cap Projects	Other Non-major Governmental Funds	
	General Fund	Eastern NM Rural Water	Street Construction	Other Non-major Governmental Funds	Total
<i>Revenues:</i>					
Taxes:					
Property	\$ 1,550,536	-	-	-	1,550,536
Gross receipts	12,916,706	-	-	8,367,201	21,283,907
Gasoline and motor vehicle	32,842	-	-	531,607	564,449
Other	831,602	-	-	525,008	1,356,610
Intergovernmental:					
Federal operating grants	411,331	-	-	1,541,729	1,953,060
Federal capital grants	-	-	693,788	471,712	1,165,500
State operating grants	64,791	1,062,948	-	644,805	1,772,544
State capital grants	-	-	2,554,649	-	2,554,649
Charges for services	2,016,890	-	-	716,694	2,733,584
Fines, forfeitures, and penalties	168,834	-	-	16,542	185,376
Licenses and fees	369,858	-	-	511,090	880,948
Investment income	37,160	3,693	680	89,495	131,028
Miscellaneous	388,641	50,560	8,460	180,342	628,003
<i>Total revenues</i>	<u>18,789,191</u>	<u>1,117,201</u>	<u>3,257,577</u>	<u>13,596,225</u>	<u>36,760,194</u>
<i>Expenditures:</i>					
Current:					
General government	3,703,346	-	-	1,188,056	4,891,402
Public safety	13,464,434	-	-	320,659	13,785,093
Public works	272,997	1,244,128	12,466	2,692,825	4,222,416
Culture and recreation	2,109,895	-	-	2,470,367	4,580,262
Health and welfare	386,341	-	-	254,208	640,549
Capital outlay	1,205,481	-	4,394,273	1,825,192	7,424,946
Debt service:					
Principal	-	72,908	-	540,000	612,908
Interest	-	4,148	-	195,717	199,865
<i>Total expenditures</i>	<u>21,142,494</u>	<u>1,321,184</u>	<u>4,406,739</u>	<u>9,487,024</u>	<u>36,357,441</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,353,303)</u>	<u>(203,983)</u>	<u>(1,149,162)</u>	<u>4,109,201</u>	<u>402,753</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	1,203,675	226,497	1,038,007	(2,795,297)	(327,118)
Proceeds from debt issuance	-	905,166	-	-	905,166
<i>Total other financing sources (uses)</i>	<u>1,203,675</u>	<u>1,131,663</u>	<u>1,038,007</u>	<u>(2,795,297)</u>	<u>578,048</u>
<i>Net change in fund balance</i>	(1,149,628)	927,680	(111,155)	1,313,904	980,801
<i>Beginning fund balance</i>	8,521,771	(650,425)	1,044,437	11,474,488	20,390,271
<i>Ending fund balance</i>	\$ <u>7,372,143</u>	<u>277,255</u>	<u>933,282</u>	<u>12,788,392</u>	<u>21,371,072</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, 2010

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

Net change in fund balances - total governmental funds	\$	980,801
<p>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:</p>		
Capital expenditures recorded in capital outlay		7,424,946
Capital assets received as donations		1,732,480
Capital expenditures recorded in other expense lines		516,813
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds.</p>		
		(4,387,150)
<p>In the Statement of Activities, a loss is recorded for assets that are removed from service that are not fully depreciated. Thus, the change in net assets differs from the change in fund balance by the amount of loss recorded for deleted capital assets.</p>		
		(149,483)
<p>Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net change of the internal service funds resulting from transactions not recorded with governmental funds.</p>		
		71,035
<p>The issuance of long-term debt (e.g. bonds, notes, capital 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:</p>		
Amortization of bond discounts		(1,343)
Amortization of bond issuance costs		(2,756)
Decrease in accrued interest		1,677
Increase in noncurrent and current accrued compensated absences		138,939
Issuance of long-term debt		(905,166)
Principal payments on bonds and notes payable		612,908
<p>Other reclassifications are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting to show the revenue earned from the current year's tax levy.</p>		
		(260,975)
Due to rounding		7
Change in net assets of governmental activities	\$	5,772,733

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	(Unfavorable) Favorable Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 1,511,945	1,511,945	1,519,659	7,714
Gross receipts	12,265,240	12,265,240	12,875,641	610,401
Gasoline and motor vehicle	38,000	38,000	33,272	(4,728)
Other	1,067,649	1,067,649	1,045,491	(22,158)
Intergovernmental income:				
Federal operating grants	850,232	901,885	505,044	(396,841)
Federal capital grants	-	-	-	-
State operating grants	156,531	165,490	76,643	(88,847)
State capital grants	-	-	-	-
Charges for services	1,561,600	1,568,070	2,016,890	448,820
Licenses and fees	272,700	272,700	369,858	97,158
Fines, forfeitures and penalties	190,300	190,300	168,834	(21,466)
Investment income	63,000	63,000	37,160	(25,840)
Miscellaneous	130,000	237,159	367,983	130,824
<i>Total revenues</i>	18,107,197	18,281,438	19,016,475	735,037
<i>Expenditures:</i>				
Current:				
General government	3,894,435	4,229,807	3,599,400	630,407
Public safety	13,667,566	14,076,625	13,004,098	1,072,527
Public Works	375,000	375,000	272,997	102,003
Culture and recreation	2,325,343	2,420,441	2,054,294	366,147
Health and welfare	412,968	438,214	376,096	62,118
Capital outlay	804,313	1,300,691	1,205,481	95,210
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	21,479,625	22,840,778	20,512,366	2,328,412
<i>Excess (deficiency) of revenues over expenditures</i>	(3,372,428)	(4,559,340)	(1,495,891)	3,063,449
<i>Other financing sources (uses)</i>				
Designated cash	2,479,243	3,355,665	-	(3,355,665)
Transfers in	2,724,852	3,221,144	3,221,144	-
Transfers out	(1,831,667)	(2,017,469)	(2,017,469)	-
<i>Total other financing sources (uses)</i>	3,372,428	4,559,340	1,203,675	(3,355,665)
<i>Net change in fund balance</i>	-	-	(292,216)	(292,216)
<i>Fund balance - beginning of year</i>	-	-	7,518,035	7,518,035
<i>Fund balance - end of year</i>	\$ -	-	7,225,819	7,225,819
Net change in fund balance (GAAP)				\$ (1,149,628)
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				(227,284)
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				(630,128)
Net change in fund balance (non-GAAP budgetary basis)				\$ (292,216)

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, 2010**

	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	8,051,735	8,266,735	1,266,072	(7,000,663)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	50,560	50,560	50,560	-
<i>Total revenues</i>	8,102,295	8,317,295	1,316,632	(7,000,663)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	8,612,353	8,827,352	1,289,828	7,537,524
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	72,908	72,908	72,908	-
Interest	4,148	4,149	4,148	1
<i>Total expenditures</i>	8,689,409	8,904,409	1,366,884	7,537,525
<i>Excess (deficiency) of revenues over expenditures</i>	(587,114)	(587,114)	(50,252)	536,862
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	226,497	226,497	226,497	-
Transfers out	-	-	-	-
Proceeds from debt issuance	1,750,166	1,750,166	670,684	(1,079,482)
<i>Total other financing sources (uses)</i>	1,976,663	1,976,663	897,181	(1,079,482)
<i>Net change in fund balance</i>	1,389,549	1,389,549	846,929	(542,620)
<i>Fund balance - beginning of year</i>	-	-	(1,030,106)	(1,030,106)
<i>Fund balance - end of year</i>	\$ -	-	(183,177)	(1,572,726)
Net change in fund balance (GAAP)			\$	927,680
Adjustments to revenue for applicable accruals and deferrals				31,357.54
Adjustments to expenditures for applicable accruals and payments				49,393
Net change in fund balance (non-GAAP budgetary basis)			\$	846,929

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, 2010

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Funds				48, 53, 54 Internal Service Funds
	2	10	12	Total	
	Solid Waste	Wastewater	Airport		
<i>Assets</i>					
<i>Current assets</i>					
Cash and investments	\$ 3,676,758	3,475,271	155,261	7,307,290	3,238,165
Receivables:					
Intergovernmental	76,328	-	40,849	117,177	-
Other receivables	-	-	-	-	-
Customer receivables, net of allowance	465,231	334,015	-	799,246	-
Notes receivable, current portion	-	85,639	-	85,639	-
Inventory	17,718	30,497	-	48,215	-
Prepays	41,339	18,662	20,907	80,908	553
<i>Total current assets</i>	<u>4,277,374</u>	<u>3,944,084</u>	<u>217,017</u>	<u>8,438,475</u>	<u>3,238,718</u>
<i>Noncurrent assets</i>					
Notes receivable, noncurrent portion	-	1,341,971	-	1,341,971	-
Capital assets	15,937,340	40,518,020	18,746,750	75,202,110	72,165
Less: accumulated depreciation	<u>(6,504,378)</u>	<u>(20,268,950)</u>	<u>(6,220,354)</u>	<u>(32,993,682)</u>	<u>(36,677)</u>
<i>Total noncurrent assets</i>	<u>9,432,962</u>	<u>21,591,041</u>	<u>12,526,396</u>	<u>43,550,399</u>	<u>35,488</u>
<i>Total Assets</i>	<u>\$ 13,710,336</u>	<u>25,535,125</u>	<u>12,743,413</u>	<u>51,988,874</u>	<u>3,274,206</u>
<i>Liabilities and Net Assets</i>					
<i>Liabilities:</i>					
<i>Current liabilities</i>					
Accounts payable	\$ -	-	-	-	-
Accrued payroll expenses	82,811	33,129	8,945	124,885	3,597
Accrued compensated absences	118,870	16,221	21,216	156,307	2,640
Accrued interest	10,916	5,223	-	16,139	-
Deferred revenue	-	1,427,610	-	1,427,610	-
Current portion of bonds and notes payable	447,048	374,217	-	821,265	-
Current portion of capital leases	-	-	-	-	-
<i>Total current liabilities</i>	<u>659,645</u>	<u>1,856,400</u>	<u>30,161</u>	<u>2,546,206</u>	<u>6,237</u>
<i>Noncurrent liabilities</i>					
Landfill closure	2,366,880	-	-	2,366,880	-
Bonds and notes payable	956,892	7,638,631	-	8,595,523	-
Capital leases	-	-	-	-	-
<i>Total noncurrent liabilities</i>	<u>3,323,772</u>	<u>7,638,631</u>	<u>-</u>	<u>10,962,403</u>	<u>-</u>
<i>Total liabilities</i>	<u>3,983,417</u>	<u>9,495,031</u>	<u>30,161</u>	<u>13,508,609</u>	<u>6,237</u>
<i>Net Assets:</i>					
Invested in capital assets, net of related debt	9,432,962	12,236,222	12,526,396	34,195,580	35,488
Unrestricted net assets	293,957	3,803,872	186,856	4,284,685	3,232,481
<i>Total net assets</i>	<u>9,726,919</u>	<u>16,040,094</u>	<u>12,713,252</u>	<u>38,480,265</u>	<u>3,267,969</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 13,710,336</u>	<u>25,535,125</u>	<u>12,743,413</u>	<u>51,988,874</u>	<u>3,274,206</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, 2010

	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	\$ 3,609,145	2,785,379	130,153	6,524,677	770,101
<i>Total operating revenues</i>	<u>3,609,145</u>	<u>2,785,379</u>	<u>130,153</u>	<u>6,524,677</u>	<u>770,101</u>
<i>Operating expenses:</i>					
General and administrative	122,423	37,752	-	160,175	715,958
Personnel services	1,813,843	745,203	183,242	2,742,288	75,883
Contractual services	-	-	-	-	-
Supplies and purchased power	872,021	69,155	-	941,176	-
Maintenance and materials	742,138	353,174	94,150	1,189,462	-
Utilities	13,238	227,223	35,177	275,638	-
Depreciation	814,913	1,204,670	346,309	2,365,892	3,932
Miscellaneous	-	2,554	-	2,554	-
<i>Total operating expenses</i>	<u>4,378,576</u>	<u>2,639,731</u>	<u>658,878</u>	<u>7,677,185</u>	<u>795,773</u>
<i>Operating income (loss)</i>	<u>(769,431)</u>	<u>145,648</u>	<u>(528,725)</u>	<u>(1,152,508)</u>	<u>(25,672)</u>
<i>Non-operating revenues (expenses):</i>					
Gain/loss on disposal of capital assets	(26,772)	(42,309)	-	(69,081)	(658)
State nonoperating grants	25,000	-	305,681	330,681	-
Interest income	122,946	126,625	4,898	254,469	48,125
Interest expense	(82,149)	(167,355)	-	(249,504)	-
Gross receipts and other taxes	437,228	-	-	437,228	-
Miscellaneous	79,599	588,230	3,059	670,888	1,140
<i>Total non-operating revenues (expenses)</i>	<u>555,852</u>	<u>505,191</u>	<u>313,638</u>	<u>1,374,681</u>	<u>48,607</u>
Federal capital grants	-	19,823	-	19,823	-
Transfers in	871,847	621,404	258,235	1,751,486	50,000
Transfers out	(1,146,469)	(325,999)	-	(1,472,468)	(1,900)
<i>Net capital grants and transfers</i>	<u>(274,622)</u>	<u>315,228</u>	<u>258,235</u>	<u>298,841</u>	<u>48,100</u>
<i>Change in net assets</i>	<u>(488,201)</u>	<u>966,067</u>	<u>43,148</u>	<u>521,014</u>	<u>71,035</u>
<i>Net assets, beginning of year</i>	10,290,947	15,078,662	12,604,116	37,973,725	3,196,934
<i>Restatement</i>	<u>(75,827)</u>	<u>(4,635)</u>	<u>65,988</u>	<u>(14,474)</u>	<u>-</u>
<i>Beginning net assets, as restated</i>	<u>10,215,120</u>	<u>15,074,027</u>	<u>12,670,104</u>	<u>37,959,251</u>	<u>3,196,934</u>
<i>Net assets, end of year</i>	<u>\$ 9,726,919</u>	<u>16,040,094</u>	<u>12,713,252</u>	<u>38,480,265</u>	<u>3,267,969</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, 2010**

	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	\$ 3,526,117	3,040,866	161,410	6,728,393	-
Receipts from interfund services provided	-	-	-	-	770,101
Payments to suppliers and employees	<u>(3,559,808)</u>	<u>(1,626,158)</u>	<u>(375,983)</u>	<u>(5,561,949)</u>	<u>(788,382)</u>
Net cash provided (used) by operating activities	<u>(33,691)</u>	<u>1,414,708</u>	<u>(214,573)</u>	<u>1,166,444</u>	<u>(18,281)</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	871,847	621,404	258,235	1,751,486	50,000
Operating transfers to other funds	(1,146,469)	(325,999)	-	(1,472,468)	(1,900)
Payments received from note receivable	-	121,012	-	121,012	-
Tax receipts	437,228	-	-	437,228	-
Intergovernmental receipts	25,000	19,823	305,681	350,504	-
Miscellaneous income	<u>79,597</u>	<u>467,220</u>	<u>3,058</u>	<u>549,875</u>	<u>1,140</u>
Net cash provided (used) by noncapital financing activities	<u>267,203</u>	<u>903,460</u>	<u>566,974</u>	<u>1,737,637</u>	<u>49,240</u>
Cash flows from capital and related financing activities:					
Acquisitions and construction of capital assets	(400,662)	(1,736,585)	(480,477)	(2,617,724)	(29,914)
Principal paid on notes payable	(478,766)	(366,879)	(8,733)	(854,378)	-
Interest paid on notes payable	<u>(82,149)</u>	<u>(167,355)</u>	<u>-</u>	<u>(249,504)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(961,577)</u>	<u>(2,270,819)</u>	<u>(489,210)</u>	<u>(3,721,606)</u>	<u>(29,914)</u>
Cash flows from investing activities:					
Interest income	<u>122,946</u>	<u>126,625</u>	<u>4,898</u>	<u>254,469</u>	<u>48,125</u>
Net cash provided by investing activities	<u>122,946</u>	<u>126,625</u>	<u>4,898</u>	<u>254,469</u>	<u>48,125</u>
Net increase in cash and temporary investments	<u>\$ (605,119)</u>	<u>173,974</u>	<u>(131,911)</u>	<u>(563,056)</u>	<u>49,170</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, 2010**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Major Funds				48, 53, 54
	2	10	12		Internal
	Solid Waste	Wastewater	Airport	Total	Service Funds
Net increase in cash and cash equivalents-previous page	\$ (605,119)	173,974	(131,911)	(563,056)	49,170
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>
Cash and investments June 30, 2010	<u>\$ 3,676,758</u>	<u>3,475,271</u>	<u>155,261</u>	<u>7,307,290</u>	<u>3,238,165</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (769,431)	145,648	(528,725)	(1,152,508)	(25,672)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	814,913	1,204,670	346,309	2,365,892	3,932
(Increase) decrease in:					
Accounts receivable	(83,028)	255,487	31,257	203,716	-
Inventory	(12,710)	(8,501)	-	(21,211)	-
Prepays	2,032	259	1,550	3,841	(301)
(Decrease) increase in:					
Accounts payable	(307,107)	-	(65,988)	(373,095)	-
Accrued payroll	63,588	24,822	6,942	95,352	2,805
Deferred revenue	-	(209,661)	-	(209,661)	-
Compensated absences	(16,969)	2,223	(5,918)	(20,664)	955
Accrued interest	(2,499)	(239)	-	(2,738)	-
Estimated landfill postclosure costs	<u>277,520</u>	<u>-</u>	<u>-</u>	<u>277,520</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (33,691)</u>	<u>1,414,708</u>	<u>(214,573)</u>	<u>1,166,444</u>	<u>(18,281)</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, 2010

Cash and investments	\$ <u>45,094</u>
<i>Total assets</i>	\$ <u><u>45,094</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ <u>45,094</u>
<i>Total liabilities</i>	\$ <u><u>45,094</u></u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2010**

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
For the Year Ended June 30, 2010**

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

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
For the Year Ended June 30, 2010**

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 and state 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
For the Year Ended June 30, 2010

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
For the Year Ended June 30, 2010**

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, 2010, 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
For the Year Ended June 30, 2010**

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.”

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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, 2010 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.

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NOTE 3 – Deposits and Investments

The City’s cash, cash equivalents, investments, and collateral pledged are listed on pages 111-112 of this report.

A summary of the City’s cash and investments as of June 30, 2010 is as follows:

Cash and cash equivalents	
Cash on hand	\$ 6,880
Cash	4,029,328
Certificates of deposit - maturities < 90 days	558,094
NMFA Debt Service Fund	2,048,751
Subtotal cash and cash equivalents	6,643,053
Investments	
State Treasurer's Investment Pool	11,925,000
Certificates of deposit - maturities > 90 days	5,834,263
Federal Home Loan Notes - NMFA Reserve	488,554
Repurchase agreements	1,387,863
Subtotal investments	19,635,680
Total cash and investments	\$ 26,278,733
Cash and investments by fund type	Amount
Governmental funds	\$ 15,688,184
Internal service funds	3,238,165
Subtotal governmental activities	18,926,349
Enterprise funds	7,307,290
Fiduciary funds	45,094
Total cash and investments	\$ 26,278,733

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, 2010.

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

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

Excess 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.

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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, 2010, \$12,178,703 of the City’s bank balances of \$15,817,408 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, 2010, \$2,388,705 was exposed to custodial credit risk because it was not collateralized or insured.

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 \$2,048,751 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.

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, 2010, the City’s investment balances were exposed to custodial credit risk as follows. A total of \$1,426,981 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.

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 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, certificates of deposit, and repurchase agreements. These investments are 61%, 30%, and 7%, respectively, of the City’s total investments. The City’s investments at June 30, 2010 include the following:

Investments	Maturity	Fair Value
New MexiGROW LGIP	WAM - 50 days	11,925,000
Certificates of deposit	12 months	5,834,263
U.S. Government Obligations:		
Federal Home Loan Notes - NMFA Reserve	<90 days	488,554
Repurchase agreements	<90 days	1,387,863
Total		<u>\$ 19,635,680</u>

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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 50 days as of June 30, 2010.

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, 2010, the City's investments were rated as follows:

Investment Type	Rating
New MexiGROW LGIP	AAAm
Certificates of deposit	No rating
U.S. Government Obligations:	
Federal Home Loan Notes - NMFA Reserve	No rating
Repurchase agreements	No rating

NOTE 4 – Receivables

Receivables as of June 30, 2010, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds	(01) General Fund	(94, 97, 99) Eastern NM Rural Water	(87) Street Repair	Nonmajor Funds	Total Governmental
Accounts	\$ 2,177,170	-	-	-	2,177,170
Taxes (Property, GRT, etc)	2,373,745	-	-	1,566,466	3,940,211
Grants:					
State	-	329,106	1,395,530	7,646	1,732,282
Federal	364,585	-	609,504	244,812	1,218,901
Other	-	234,482	-	30,000	264,482
Subtotal	4,915,500	563,588	2,005,034	1,848,924	9,333,046
Less: Allowance for uncollectibles	(2,003,339)	-	-	-	(2,003,339)
Net receivables	\$ 2,912,161	563,588	2,005,034	1,848,924	7,329,707
Proprietary Funds	(02) Solid Waste	(10) Wastewater	(12) Airport	Total Proprietary	Internal Service Funds
Accounts	\$ 563,088	440,202	151	1,003,441	-
Taxes (Property, GRT, etc)	76,328	-	-	76,328	-
Grants:					
State	25,000	-	40,849	65,849	-
Federal	-	-	-	-	-
Subtotal	664,416	440,202	41,000	1,145,618	-
Less: Allowance for uncollectibles	(122,857)	(106,187)	(151)	(229,195)	-
Net receivables	\$ 541,559	334,015	40,849	916,423	-

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In accordance with GASB No. 33, the property tax revenues totaling \$58,828 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 be repaid within one year. Interfund balances as of June 30, 2010, are as follows:

Due from other funds	Fund Number	Due to other funds	Fund Number	Amount
General Fund	01	ENMR Water Grant - Major Fund - Special Revenue Fund	38	\$ 550,493
General Fund	01	Capital Projects Fund - Major Fund - Capital Projects Fund	87	470,452
General Fund	01	ARRA Stimulus Fund - Non-major Spec Rev Fund	83	199,324
General Fund	01	Drug Control Fund - Non-major Spec Rev Fund	98	41,344
General Fund	01	Clovis Recycling Fund - Non-major Spec Rev Fund	76	2,594
				<u>\$ 1,264,207</u>

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, 2010 is as follows:

	Transfers In								
	01 General	36, 38, 99 ENMRWA	87 Street Const.	02 Solid Waste	10, 67, 68 Waste- water	12 Airport	Non-Major Govern- mental	48, 53, 54 Internal Service	Total
General	\$ -	-	5,715	-	-	258,235	1,757,088	50,000	2,071,038
Transfers Out Solid Waste	259,000	-	-	435,807	-	-	451,662	-	1,146,469
Wastewater	150,000	-	-	-	175,999	-	-	-	325,999
Non-Major Governmental	2,863,813	226,497	1,032,292	436,040	445,405	-	2,132,109	-	7,136,156
Internal Service	1,900	-	-	-	-	-	-	-	1,900
Total	<u>\$ 3,274,713</u>	<u>226,497</u>	<u>1,038,007</u>	<u>871,847</u>	<u>621,404</u>	<u>258,235</u>	<u>4,340,859</u>	<u>50,000</u>	<u>10,681,562</u>

NOTE 6 – Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

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<i>Governmental Activities includes</i>	Balance	Additions and	Deletions and	Reclass and	Balance
<i>Internal Service Funds</i>	June 30, 2009	Transfers In	Transfers Out	Adjustments	June 30, 2010
Capital assets not being depreciated:					
Land	\$ 3,017,438	2,500	-	-	3,019,938
Construction in progress	2,112,938	3,883,471	-	(1,820,716)	4,175,693
Total capital assets not being depreciated	<u>5,130,376</u>	<u>3,885,971</u>	<u>-</u>	<u>(1,820,716)</u>	<u>7,195,631</u>
Capital assets being depreciated:					
Land improvements	10,348,826	-	-	(536,502)	9,812,324
Buildings and improvements	25,387,468	189,961	-	-	25,577,429
Equipment and vehicles	17,864,357	1,741,699	(572,825)	41,052	19,074,283
Infrastructure	55,474,449	3,886,522	-	2,357,218	61,718,189
Total capital assets being depreciated	<u>109,075,100</u>	<u>5,818,182</u>	<u>(572,825)</u>	<u>1,861,768</u>	<u>116,182,225</u>
Total capital assets	<u>114,205,476</u>	<u>9,704,153</u>	<u>(572,825)</u>	<u>41,052</u>	<u>123,377,856</u>
Less accumulated depreciation:					
Land improvements	(2,942,811)	(482,747)	-	1,716	(3,423,842)
Buildings and improvements	(6,528,578)	(613,943)	-	(26)	(7,142,547)
Equipment and vehicles	(11,362,364)	(1,156,389)	422,684	702,240	(11,393,829)
Infrastructure	(25,753,063)	(2,138,003)	-	(736,772)	(28,627,838)
Total accumulated depreciation	<u>(46,586,816)</u>	<u>(4,391,082)</u>	<u>422,684</u>	<u>(32,842)</u>	<u>(50,588,056)</u>
Total capital assets net of depreciation	<u>\$ 67,618,660</u>	<u>5,313,071</u>	<u>(150,141)</u>	<u>8,210</u>	<u>72,789,800</u>
 <i>Business-Type Activities</i>					
	Balance	Additions and	Deletions and	Reclass and	Balance
	June 30, 2009	Transfers In	Transfers Out	Adjustments	June 30, 2010
Capital assets not being depreciated:					
Land	\$ 4,147,044	-	(9,154)	-	4,137,890
Construction in progress	5,142,090	946,351	-	(4,287,573)	1,800,868
Total capital assets not being depreciated	<u>9,289,134</u>	<u>946,351</u>	<u>(9,154)</u>	<u>(4,287,573)</u>	<u>5,938,758</u>
Capital assets being depreciated:					
Land improvements	8,478,228	-	-	(21,099)	8,457,129
Buildings and improvements	10,568,497	64,194	-	-	10,632,691
Equipment and vehicles	10,013,656	658,645	(387,726)	(436,052)	9,848,523
Infrastructure	35,001,815	948,534	-	4,374,660	40,325,009
Total capital assets being depreciated	<u>64,062,196</u>	<u>1,671,373</u>	<u>(387,726)</u>	<u>3,917,509</u>	<u>69,263,352</u>
Total capital assets	<u>73,351,330</u>	<u>2,617,724</u>	<u>(396,880)</u>	<u>(370,064)</u>	<u>75,202,110</u>
Less accumulated depreciation:					
Land improvements	(2,158,851)	(254,812)	-	-	(2,413,663)
Buildings and improvements	(3,407,751)	(356,867)	-	-	(3,764,618)
Equipment and vehicles	(6,074,082)	(747,015)	327,799	109,894	(6,383,404)
Infrastructure	(19,424,799)	(1,007,198)	-	-	(20,431,997)
Total accumulated depreciation	<u>(31,065,483)</u>	<u>(2,365,892)</u>	<u>327,799</u>	<u>109,894</u>	<u>(32,993,682)</u>
Total capital assets net of depreciation	<u>\$ 42,285,847</u>	<u>251,832</u>	<u>(69,081)</u>	<u>(260,170)</u>	<u>42,208,428</u>

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Depreciation expense for the year ended June 30, 2010 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 217,314
Public safety	759,663
Public works	2,684,815
Culture and recreation	310,664
Health and welfare	414,694
Total	<u>4,387,150</u>
Internal Service Fund	<u>3,932</u>
Total governmental activities	<u><u>4,391,082</u></u>
Business type activities:	
Solid Waste	814,913
Wastewater	1,204,670
Airport	346,309
Total business-type activities	<u>\$ 2,365,892</u>

NOTE 7 – Long-term Debt

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 1999	\$ 1,690,000	-	(395,000)	1,295,000	415,000
Series 2005	<u>3,055,000</u>	-	<u>(145,000)</u>	<u>2,910,000</u>	<u>150,000</u>
Total bonds payable	4,745,000	-	(540,000)	4,205,000	565,000
NMFA Notes payable					
2009 ENMRWUA No 84-WTB	437,681	-	(22,521)	415,160	22,577
2009 ENMRWUA No 56-WTB	120,433	-	(6,197)	114,236	6,212
2010 ENMRWUA - WTB	-	905,166	(44,190)	860,976	44,301
Total notes payable	558,114	905,166	(72,908)	1,390,372	73,090
Compensated Absences	<u>1,189,631</u>	<u>727,660</u>	<u>(865,644)</u>	<u>1,051,647</u>	<u>683,571</u>
Governmental-activities long-term liabilities	<u>\$ 6,492,745</u>	<u>1,632,826</u>	<u>(1,478,552)</u>	<u>6,647,019</u>	<u>1,321,661</u>

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	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Business-type Activities:					
Notes Payable					
Series 2007	\$ 8,379,728	-	(366,880)	8,012,848	374,217
NM Finance Authority	1,831,792	-	(427,852)	1,403,940	447,048
State Environment Improvement Division	8,733	-	(8,733)	-	-
Total notes payable	<u>10,220,253</u>	<u>-</u>	<u>(803,465)</u>	<u>9,416,788</u>	<u>821,265</u>
Capital Leases:					
Wagner Equipment Co.	296,610	-	(296,610)	-	-
Total capital leases	<u>296,610</u>	<u>-</u>	<u>(296,610)</u>	<u>-</u>	<u>-</u>
Compensated Absences	176,971	107,287	(127,951)	156,307	156,307
Business-type-activities long-term liabilities	<u>\$ 10,693,834</u>	<u>107,287</u>	<u>(1,228,026)</u>	<u>9,573,095</u>	<u>977,572</u>

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

Bonds payable at June 30, 2010 are comprised of the following:

	Sales Tax Revenue Bonds Series February 1, 1999	Sales Tax Revenue Bonds Series June 1, 2005
Original issue:	1-Feb-99	1-Jun-05
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.

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The annual requirements to amortize the 1999 Bond Issue outstanding as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	\$ 415,000	54,830	469,830
2012	430,000	37,400	467,400
2013	450,000	19,125	469,125
2014	-	-	-
2015	-	-	-
	<u>\$ 1,295,000</u>	<u>111,355</u>	<u>1,406,355</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.

The annual requirements to amortize the 2004 Bond Issue outstanding as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	170,000	94,219	264,219
2016-2020	955,000	359,444	1,314,444
2021-2025	1,155,000	149,689	1,304,689
	<u>\$ 2,910,000</u>	<u>1,044,227</u>	<u>3,954,227</u>

The annual requirements to amortize the combined revenue bond issues outstanding at June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	170,000	94,219	264,219
2016-2020	955,000	359,444	1,314,444
2021-2025	1,155,000	149,689	1,304,689
	<u>\$ 4,205,000</u>	<u>1,155,582</u>	<u>5,360,582</u>

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Notes to Financial Statements
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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 0.25%. 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.

In March 2010, the City entered into an additional loan/grant agreement with the NM Finance Authority for activity associated with the ENMRWA project. The terms of the agreement call for a grant from the NMFA Water Trust Board for \$3,620,662 along with a loan totaling \$905,166. The interest/administrative fee on the note is 0.25% and the maturity date on the note is June 1, 2029. 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.

The annual requirements to amortize the combined NMFA notes outstanding at June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest & Admin Fees	Total Debt Service
2011	\$ 73,090	3,492	76,582
2012	73,277	3,309	76,586
2013	73,456	3,127	76,583
2014	73,641	2,942	76,583
2015	73,826	2,758	76,584
2016-2020	371,913	11,013	382,926
2021-2025	376,598	6,341	382,939
2026-2030	274,571	1,670	276,241
	<u>\$ 1,390,372</u>	<u>34,652</u>	<u>1,425,024</u>

The notes payable of the City's proprietary funds as of June 30, 2010 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. \$ 1,403,940

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. 8,012,848

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 was fully repaid during the year ended June 30, 2010. 9,416,788

Less current portion (821,265)

Total outstanding long-term debt - proprietary funds \$ 8,595,523

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Notes to Financial Statements
For the Year Ended June 30, 2010**

During the year, the City re-evaluated a lease with Wagner Equipment Co. This lease had been classified as a capital lease and the associated capital asset and debt were recognized. It was determined through the City's evaluation, that the agreement did not meet the requirements to be considered a capital lease. As a result, a restatement was made to the prior year's ending net assets to reflect the removal of capital assets with a book value of \$317,948 and debt totaling \$245,696 after current year payments of \$50,914 that were associated with the lease.

The annual requirements to amortize the proprietary fund loans outstanding as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	\$ 821,265	190,850	1,012,115
2012	849,222	164,570	1,013,792
2013	878,706	136,801	1,015,507
2014	397,122	107,437	504,559
2015	405,064	101,224	506,288
2016-2020	2,150,131	408,495	2,558,626
2021-2025	2,373,918	233,449	2,607,367
2026-2030	1,541,360	48,544	1,589,904
	<u>\$ 9,416,788</u>	<u>1,391,371</u>	<u>10,808,159</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 reviewed 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,

**STATE OF NEW MEXICO
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Notes to Financial Statements
For the Year Ended June 30, 2010**

are another component of the claims liability estimate. Settlements have not exceeded coverage for the current fiscal year.

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, 2010, no claims activity had taken place in the fund. The only activity for the year ended June 30, 2010 consisted of an operating transfer from the general 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 City 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, 2010, 2009 and 2008 were approximately \$547,065, \$476,156, and \$464,651, respectively, which equal the amount of the required contributions for all years.

NOTE 10 – Pension Plan

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

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

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

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

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

For the years ended June 30, 2010, 2009, and 2008, the City’s required and actual contributions totaled \$1,393,291, \$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.

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Notes to Financial Statements
For the Year Ended June 30, 2010**

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 \$16,500 per year into the plan. Eligible employees may also make catch-up contributions totaling \$5,500 per year. 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 \$825,910, \$827,543 and \$849,789 for the years ended June 30, 2010, 2009 and 2008, respectively.

NOTE 12 – Post Employment Benefits – State Retiree Healthcare Plan

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. During the fiscal year ended, June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

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Notes to Financial Statements
For the Year Ended June 30, 2010**

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	0.833%
FY12	1.834%	0.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

For the fiscal years ended June 30, 2010, 2009, and 2008, City of Clovis remitted \$154,677, \$144,619, and \$141,553 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, 2010, 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:

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2010**

Deficit fund balances of individual funds:

Fund	Fund Type	Amount
098 - Drug Control Fund	Special Revenue Fund	\$ (19,895)

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, 2010:

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 \$2,366,880 as of June 30, 2010, 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 \$277,520 from the prior year. It is estimated that an additional \$753,120 will be recognized 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 82.66% 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, 2010. 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. In addition, the City has designated funds totaling \$1,997,091 to offset the future estimated post-closure liability amounts.

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, 2010 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, 2010 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2010**

NOTE 17–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 Ending June 30,	Amount
2011	\$ 197,376
2012	191,472
2013	191,384
2014	139,600
2015	<u>69,800</u>
	<u>\$ 789,632</u>

Lease expenditures for the year ended June 30, 2010 were approximately \$57,680.

NOTE 18 – Commitments

Commitments for engineering and construction projects relating to construction or major repairs in progress aggregated approximately \$2,723,924 as of June 30, 2010. The estimated total cost of the projects is \$6,970,244 and as of the year ended June 30, 2010, 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 \$13,943,094 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 – Restatements

The following restatements were made for the fiscal year ended June 30, 2010.

<u>Description</u>	<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Government-wide statements	N/A	Residual equity transfer of capital assets from enterprise funds to governmental funds	8,210
		Total governmental activities	<u>8,210</u>
Sanitation - Major enterprise fund	02	Residual equity transfer of capital assets from enterprise funds to governmental funds	(3,575)
Sanitation - Major enterprise fund	02	Eliminate recorded debt related to capital lease no longer deemed to be a capital lease.	245,696
		Eliminate capital assets previously associated capital lease. Determined lease was not a capital lease in the current year.	(317,948)
Wastewater - Major enterprise fund	10	Residual equity transfer of capital assets from enterprise funds to governmental funds	(4,635)
Airport - Major enterprise fund	12	Prior year construction in progress was understated.	<u>65,988</u>
		Total enterprise funds	<u>(14,474)</u>
		Total restatements	<u>\$ (6,264)</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2010**

NOTE 21 – 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

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2010**

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, 2010**

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.

Stimulus Funding (Authorized by Commission at Budget Approval) – To account for American Recovery and Reinvestment Act (ARRA) grants received by the City which are to be used for specific purposes related to each grant.

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, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Assets</i>				
Cash and investments	\$ 10,092,319	224,613	1,042,023	11,358,955
Restricted Cash and investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	1,741,687	-	77,237	1,818,924
Other receivables	30,000	-	-	30,000
Inventory	11,832	-	-	11,832
Prepaid insurance	55,859	-	-	55,859
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>11,931,697</u>	<u>224,613</u>	<u>1,119,260</u>	<u>13,275,570</u>
<i>Liabilities</i>				
Accounts payable	98,032	-	-	98,032
Accrued payroll expenses	145,884	-	-	145,884
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred property tax revenue	-	-	-	-
Other deferred revenue	-	-	-	-
Due to other funds	243,262	-	-	243,262
<i>Total liabilities</i>	<u>487,178</u>	<u>-</u>	<u>-</u>	<u>487,178</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	55,859	-	-	55,859
Unreserved, reported in:				
Special revenue	11,388,660	-	-	11,388,660
Debt service	-	224,613	-	224,613
Capital projects	-	-	1,119,260	1,119,260
<i>Total fund balances</i>	<u>11,444,519</u>	<u>224,613</u>	<u>1,119,260</u>	<u>12,788,392</u>
<i>Total liabilities and fund balances</i>	<u>\$ 11,931,697</u>	<u>224,613</u>	<u>1,119,260</u>	<u>13,275,570</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, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	7,924,624	-	442,577	8,367,201
Gasoline and motor vehicle	531,607	-	-	531,607
Other	525,008	-	-	525,008
<i>Intergovernmental:</i>				
Federal operating grants	1,541,729	-	-	1,541,729
Federal capital grants	471,712	-	-	471,712
State operating grants	644,805	-	-	644,805
State capital grants	-	-	-	-
Charges for services	716,694	-	-	716,694
Fines, forfeitures & penalties	16,542	-	-	16,542
Licenses and fees	511,090	-	-	511,090
Investment income	63,181	11,601	14,713	89,495
Miscellaneous	180,342	-	-	180,342
<i>Total revenues</i>	<u>13,127,334</u>	<u>11,601</u>	<u>457,290</u>	<u>13,596,225</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	1,188,056	-	-	1,188,056
Public safety	320,659	-	-	320,659
Public works	2,524,042	7,490	161,293	2,692,825
Culture and recreation	2,470,367	-	-	2,470,367
Health and welfare	254,208	-	-	254,208
Capital outlay	1,762,317	-	62,875	1,825,192
<i>Debt service:</i>				
Principal	-	540,000	-	540,000
Interest	-	195,717	-	195,717
<i>Total expenditures</i>	<u>8,519,649</u>	<u>743,207</u>	<u>224,168</u>	<u>9,487,024</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,607,685</u>	<u>(731,606)</u>	<u>233,122</u>	<u>4,109,201</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(3,531,015)	735,718	-	(2,795,297)
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,531,015)</u>	<u>735,718</u>	<u>-</u>	<u>(2,795,297)</u>
<i>Net change in fund balances</i>	1,076,670	4,112	233,122	1,313,904
<i>Fund balances - beginning of year</i>	<u>10,367,849</u>	<u>220,501</u>	<u>886,138</u>	<u>11,474,488</u>
<i>Fund balances - end of year</i>	<u>\$ 11,444,519</u>	<u>224,613</u>	<u>1,119,260</u>	<u>12,788,392</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, 2010**

	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
	Municipal Road	Recreation	Older Adults Division	Environmental Tax	Fire Equipment	Sanitary Sewer Improvement
<i>Assets</i>						
Cash and investments	\$ 2	41,790	61,237	1,997,091	380,037	545,775
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	7,011	2,614	-	76,343	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	4,363	6,175	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>7,013</u>	<u>48,767</u>	<u>67,412</u>	<u>2,073,434</u>	<u>380,037</u>	<u>545,775</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	-	8,551	7,607	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>8,551</u>	<u>7,607</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	-	4,363	6,175	-	-	-
Unreserved, reported in:						
Special revenue	7,013	35,853	53,630	2,073,434	380,037	545,775
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>7,013</u>	<u>40,216</u>	<u>59,805</u>	<u>2,073,434</u>	<u>380,037</u>	<u>545,775</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,013</u>	<u>48,767</u>	<u>67,412</u>	<u>2,073,434</u>	<u>380,037</u>	<u>545,775</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, 2010**

	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	\$ 35,835	43,170	146,974	169,566	68,115	678,876
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	7,646	77,237	77,237	77,237	-
Other receivables	-	-	-	-	30,000	-
Inventory	680	-	-	-	-	-
Prepaid insurance	3,725	8,220	-	-	5	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>40,240</u>	<u>59,036</u>	<u>224,211</u>	<u>246,803</u>	<u>175,357</u>	<u>678,876</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	34,644	-
Accrued payroll expenses	6,764	27,983	-	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>6,764</u>	<u>27,983</u>	<u>-</u>	<u>-</u>	<u>34,644</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	3,725	8,220	-	-	5	-
Unreserved, reported in:						
Special revenue	29,751	22,833	224,211	246,803	140,708	678,876
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>33,476</u>	<u>31,053</u>	<u>224,211</u>	<u>246,803</u>	<u>140,713</u>	<u>678,876</u>
<i>Total liabilities and fund balances</i>	<u>\$ 40,240</u>	<u>59,036</u>	<u>224,211</u>	<u>246,803</u>	<u>175,357</u>	<u>678,876</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, 2010

	64	65	72	75	76	77+78
	Economic Development	Capital Outlay Gross Receipts Tax	Emergency Medical Services	Special Street	Recycling	Lodger's Tax
<i>Assets</i>						
Cash and investments	\$ 2,848,622	1,786,390	30	293,833	33,139	746,175
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	152,655	304,899	-	353,113	-	51,933
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	11,152	-	-
Prepaid insurance	-	-	-	21,178	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>3,001,277</u>	<u>2,091,289</u>	<u>30</u>	<u>679,276</u>	<u>33,139</u>	<u>798,108</u>
<i>Liabilities</i>						
Accounts payable	63,388	-	-	-	-	-
Accrued payroll expenses	-	-	-	68,126	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	2,594	-
<i>Total liabilities</i>	<u>63,388</u>	<u>-</u>	<u>-</u>	<u>68,126</u>	<u>2,594</u>	<u>-</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	-	-	-	21,178	-	-
Unreserved, reported in:						
Special revenue	2,937,889	2,091,289	30	589,972	30,545	798,108
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>2,937,889</u>	<u>2,091,289</u>	<u>30</u>	<u>611,150</u>	<u>30,545</u>	<u>798,108</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,001,277</u>	<u>2,091,289</u>	<u>30</u>	<u>679,276</u>	<u>33,139</u>	<u>798,108</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, 2010**

	83	86	89	90	91	92
	Stimulus Funding	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging	Clovis Area Transit System
<i>Assets</i>						
Cash and investments	\$ -	66,874	622	15,294	-	119,264
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	199,324	308,949	-	-	-	37,531
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	653	-	-	-	-	10,646
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>199,977</u>	<u>375,823</u>	<u>622</u>	<u>15,294</u>	<u>-</u>	<u>167,441</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
Accrued payroll expenses	-	-	-	-	-	26,853
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	199,324	-	-	-	-	-
<i>Total liabilities</i>	<u>199,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,853</u>
<i>Fund balances</i>						
Reserved						
Prepaid insurance	653	-	-	-	-	10,646
Unreserved, reported in:						
Special revenue	-	375,823	622	15,294	-	129,942
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<i>Total fund balances</i>	<u>653</u>	<u>375,823</u>	<u>622</u>	<u>15,294</u>	<u>-</u>	<u>140,588</u>
<i>Total liabilities and fund balances</i>	<u>\$ 199,977</u>	<u>375,823</u>	<u>622</u>	<u>15,294</u>	<u>-</u>	<u>167,441</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, 2010

	<u>96</u>	<u>98</u>	
	<u>Department of Justice</u>	<u>Drug Control</u>	<u>Total Special Revenue Funds</u>
<i>Assets</i>			
Cash and investments	\$ 1,011	12,597	10,092,319
Restricted Cash and investments	-	-	-
Receivables:			
Property taxes	-	-	-
Intergovernmental	-	7,958	1,741,687
Other receivables	-	-	30,000
Inventory	-	-	11,832
Prepaid insurance	-	894	55,859
Due from other funds	-	-	-
<i>Total assets</i>	<u>1,011</u>	<u>21,449</u>	<u>11,931,697</u>
<i>Liabilities</i>			
Accounts payable	-	-	98,032
Accrued payroll expenses	-	-	145,884
Other accrued expenses	-	-	-
Accrued compensated absences	-	-	-
Deferred property tax revenue	-	-	-
Other deferred revenue	-	-	-
Due to other funds	-	41,344	243,262
<i>Total liabilities</i>	<u>-</u>	<u>41,344</u>	<u>487,178</u>
<i>Fund balances</i>			
Reserved			
Prepaid insurance	-	894	55,859
Unreserved, reported in:			
Special revenue	1,011	(20,789)	11,388,660
Debt service	-	-	-
Capital projects	-	-	-
<i>Total fund balances</i>	<u>1,011</u>	<u>(19,895)</u>	<u>11,444,519</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,011</u>	<u>21,449</u>	<u>11,931,697</u>

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, 2010

	<u>45</u>	<u>46</u>	<u>47</u>	
	<u>Drainage Improvement</u>	<u>Civic Center</u>	<u>Parks & Infrastructure</u>	<u>Total Debt Service Funds</u>
<i>Assets</i>				
Cash and investments	\$ -	65,628	158,985	224,613
Restricted Cash and investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>65,628</u>	<u>158,985</u>	<u>224,613</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	-	65,628	158,985	224,613
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>65,628</u>	<u>158,985</u>	<u>224,613</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>65,628</u>	<u>158,985</u>	<u>224,613</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, 2010

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Assets</i>		
Cash and investments	\$ 1,042,023	1,042,023
Restricted Cash and investments	-	-
Receivables:		
Property taxes	-	-
Intergovernmental	77,237	77,237
Other receivables	-	-
Inventory	-	-
Prepaid insurance	-	-
Due from other funds	-	-
<i>Total assets</i>	1,119,260	1,119,260
<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	1,119,260	1,119,260
<i>Total fund balances</i>	1,119,260	1,119,260
<i>Total liabilities and fund balances</i>	\$ 1,119,260	1,119,260

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, 2010**

	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	-	-	-	437,444	-	-
Gasoline and motor vehicle	85,958	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	504,120	-
State capital grants	-	-	-	-	-	-
Charges for services	-	32,646	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	81,536
Investment income	133	393	346	5,273	1,163	4,235
Miscellaneous	-	29	26,360	-	351	-
<i>Total revenues</i>	<u>86,091</u>	<u>33,068</u>	<u>26,706</u>	<u>442,717</u>	<u>505,634</u>	<u>85,771</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	71,401	-
Public works	-	-	-	-	-	-
Culture and recreation	-	247,470	-	-	-	-
Health and welfare	-	-	229,092	-	-	-
Capital outlay	-	-	-	-	138,010	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>247,470</u>	<u>229,092</u>	<u>-</u>	<u>209,411</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>86,091</u>	<u>(214,402)</u>	<u>(202,386)</u>	<u>442,717</u>	<u>296,223</u>	<u>85,771</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(87,458)	222,321	207,343	15,622	47,854	-
<i>Total other financing sources (uses)</i>	<u>(87,458)</u>	<u>222,321</u>	<u>207,343</u>	<u>15,622</u>	<u>47,854</u>	<u>-</u>
<i>Net change in fund balances</i>	(1,367)	7,919	4,957	458,339	344,077	85,771
<i>Fund balance - beginning of year</i>	8,380	32,297	54,848	1,615,095	35,960	460,004
<i>Fund balances - end of year</i>	<u>\$ 7,013</u>	<u>40,216</u>	<u>59,805</u>	<u>2,073,434</u>	<u>380,037</u>	<u>545,775</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, 2010

	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	-	-	442,577	442,577	442,577	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	3,869	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	17,198	-	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	7,599	-	-	602,523	34,592
Fines, forfeitures & penalties	-	16,542	-	-	-	-
Licenses and fees	-	-	-	-	-	290,080
Investment income	376	485	1,840	935	1,122	7,960
Miscellaneous	-	593	-	-	50,755	19,675
<i>Total revenues</i>	<u>376</u>	<u>46,286</u>	<u>444,417</u>	<u>443,512</u>	<u>1,096,977</u>	<u>352,307</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	203,193	770,823	-	-	974,244	-
Health and welfare	-	-	-	-	-	-
Capital outlay	41,827	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>245,020</u>	<u>770,823</u>	<u>-</u>	<u>-</u>	<u>974,244</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(244,644)</u>	<u>(724,537)</u>	<u>444,417</u>	<u>443,512</u>	<u>122,733</u>	<u>352,307</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	<u>261,873</u>	<u>709,184</u>	<u>(397,543)</u>	<u>(403,599)</u>	<u>(226,494)</u>	<u>(292,457)</u>
<i>Total other financing sources (uses)</i>	<u>261,873</u>	<u>709,184</u>	<u>(397,543)</u>	<u>(403,599)</u>	<u>(226,494)</u>	<u>(292,457)</u>
<i>Net change in fund balances</i>	17,229	(15,353)	46,874	39,913	(103,761)	59,850
<i>Fund balances - beginning 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>
<i>Fund balances - end of year</i>	<u>\$ 33,476</u>	<u>31,053</u>	<u>224,211</u>	<u>246,803</u>	<u>140,713</u>	<u>678,876</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, 2010

	64	65	72	75	76	77+78
	Economic Development	Capital Outlay Gross Receipts Tax	Emergency Medical Services	Special Street	Recycling	Lodger's Tax
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	874,456	1,746,845	-	1,769,074	-	-
Gasoline and motor vehicle	-	-	-	445,649	-	-
Other	-	-	-	-	-	525,008
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	24,464	-	6,019	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Investment income	13,691	18,366	-	3,528	-	2,372
Miscellaneous	15,000	-	-	40,422	15,709	-
<i>Total revenues</i>	<u>903,147</u>	<u>1,765,211</u>	<u>24,464</u>	<u>2,258,673</u>	<u>21,728</u>	<u>527,380</u>
<i>Expenditures:</i>						
Current:						
General government	82,729	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	2,524,042	-	-
Culture and recreation	-	-	-	-	-	274,637
Health and welfare	-	-	6,899	-	18,217	-
Capital outlay	155,112	-	17,738	323,417	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>237,841</u>	<u>-</u>	<u>24,637</u>	<u>2,847,459</u>	<u>18,217</u>	<u>274,637</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>665,306</u>	<u>1,765,211</u>	<u>(173)</u>	<u>(588,786)</u>	<u>3,511</u>	<u>252,743</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(456,686)	(1,819,360)	-	418,972	-	(50,000)
<i>Total other financing sources (uses)</i>	<u>(456,686)</u>	<u>(1,819,360)</u>	<u>-</u>	<u>418,972</u>	<u>-</u>	<u>(50,000)</u>
<i>Net change in fund balances</i>	208,620	(54,149)	(173)	(169,814)	3,511	202,743
<i>Fund balances - beginning of year</i>	2,729,269	2,145,438	203	780,964	27,034	595,365
<i>Fund balances - end of year</i>	<u>\$ 2,937,889</u>	<u>2,091,289</u>	<u>30</u>	<u>611,150</u>	<u>30,545</u>	<u>798,108</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, 2010

	83	86	89	90	91	92
	Stimulus Funding	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging	Clovis Area Transit System
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	1,769,074	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	1,385,741	-	-	-	-	-
Federal capital grants	-	-	-	-	-	471,712
State operating grants	-	-	-	60,600	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	39,334
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	139,474	-	-	-
Investment income	-	263	148	515	-	-
Miscellaneous	-	-	-	-	-	2,779
<i>Total revenues</i>	<u>1,385,741</u>	<u>1,769,337</u>	<u>139,622</u>	<u>61,115</u>	<u>-</u>	<u>513,825</u>
<i>Expenditures:</i>						
Current:						
General government	366,202	-	-	-	-	739,125
Public safety	-	-	-	71,623	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	1,018,886	-	-	-	-	67,735
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>1,385,088</u>	<u>-</u>	<u>-</u>	<u>71,623</u>	<u>-</u>	<u>806,860</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>653</u>	<u>1,769,337</u>	<u>139,622</u>	<u>(10,508)</u>	<u>-</u>	<u>(293,035)</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	-	(1,823,291)	(139,036)	-	-	266,113
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1,823,291)</u>	<u>(139,036)</u>	<u>-</u>	<u>-</u>	<u>266,113</u>
<i>Net change in fund balances</i>	653	(53,954)	586	(10,508)	-	(26,922)
<i>Fund balances - beginning of year</i>	-	429,777	36	25,802	-	167,510
<i>Fund balances - end of year</i>	<u>\$ 653</u>	<u>375,823</u>	<u>622</u>	<u>15,294</u>	<u>-</u>	<u>140,588</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, 2010

	<u>96</u>	<u>98</u>	
	Dept of Justice	Drug Control	Total Special Revenue Funds
<i>Revenues:</i>			
<i>Taxes:</i>			
Property	\$ -	-	-
Gross receipts	-	-	7,924,624
Gasoline and motor vehicle	-	-	531,607
Other	-	-	525,008
<i>Intergovernmental:</i>			
Federal operating grants	33,884	118,235	1,541,729
Federal capital grants	-	-	471,712
State operating grants	-	32,404	644,805
State capital grants	-	-	-
Charges for services	-	-	716,694
Fines, forfeitures & penalties	-	-	16,542
Licenses and fees	-	-	511,090
Investment income	9	28	63,181
Miscellaneous	-	8,669	180,342
<i>Total revenues</i>	<u>33,893</u>	<u>159,336</u>	<u>13,127,334</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General government	-	-	1,188,056
Public safety	33,884	143,751	320,659
Public works	-	-	2,524,042
Culture and recreation	-	-	2,470,367
Health and welfare	-	-	254,208
Capital outlay	-	(408)	1,762,317
<i>Debt service:</i>			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>33,884</u>	<u>143,343</u>	<u>8,519,649</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9</u>	<u>15,993</u>	<u>4,607,685</u>
<i>Other financing sources (uses)</i>			
Transfers in/(out)	-	15,627	(3,531,015)
Proceeds from debt issuance	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>15,627</u>	<u>(3,531,015)</u>
<i>Net change in fund balances</i>	9	31,620	1,076,670
<i>Fund balances - beginning of year</i>	1,002	(51,515)	10,367,849
<i>Fund balances - end of year</i>	<u>\$ 1,011</u>	<u>(19,895)</u>	<u>11,444,519</u>

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, 2010

	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	7,490	240	3,871	11,601
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,490</u>	<u>240</u>	<u>3,871</u>	<u>11,601</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	-	145,000	395,000	540,000
Interest	-	124,494	71,223	195,717
<i>Total expenditures</i>	<u>7,490</u>	<u>269,494</u>	<u>466,223</u>	<u>743,207</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(269,254)</u>	<u>(462,352)</u>	<u>(731,606)</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	-	269,494	466,224	735,718
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>269,494</u>	<u>466,224</u>	<u>735,718</u>
<i>Net change in fund balances</i>	-	240	3,872	4,112
<i>Fund balances - beginning of year</i>	-	65,388	155,113	220,501
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>65,628</u>	<u>158,985</u>	<u>224,613</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, 2010

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Revenues:</i>		
Taxes:		
Property	\$ -	-
Gross receipts	442,577	442,577
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	14,713	14,713
Miscellaneous	-	-
<i>Total revenues</i>	457,290	457,290
<i>Expenditures:</i>		
Current:		
General government	-	-
Public safety	-	-
Public works	161,293	161,293
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	62,875	62,875
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	224,168	224,168
<i>Excess (deficiency) of revenues over expenditures</i>	233,122	233,122
<i>Other financing sources (uses)</i>		
Transfers in/(out)	-	-
Proceeds from debt issuance	-	-
<i>Total other financing sources (uses)</i>	-	-
<i>Net change in fund balances</i>	233,122	233,122
<i>Fund balances - beginning of year</i>	886,138	886,138
<i>Fund balances - end of year</i>	\$ 1,119,260	1,119,260

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, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 38,951	3,899	-	42,850
Municipal Court				
Cash and cash equivalents	<u>6,165</u>	<u>-</u>	<u>(3,921)</u>	<u>2,244</u>
<i>Total assets</i>	<u>\$ 45,116</u>	<u>3,899</u>	<u>(3,921)</u>	<u>45,094</u>
 LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 38,951	3,899	-	42,850
Municipal Court				
Deposits held in trust for others	<u>6,165</u>	<u>-</u>	<u>(3,921)</u>	<u>2,244</u>
<i>Total liabilities</i>	<u>\$ 45,116</u>	<u>3,899</u>	<u>(3,921)</u>	<u>45,094</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, 2010**

	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	93,000	93,000	87,326	(5,674)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	100	100	132	32
Miscellaneous	-	-	-	-
<i>Total revenues</i>	93,100	93,100	87,458	(5,642)
<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>	93,100	93,100	87,458	(5,642)
<i>Other financing sources (uses)</i>				
Designated cash	(998)	(5,642)	-	5,642
Transfers in	-	-	-	-
Transfers out	(92,102)	(87,458)	(87,458)	-
<i>Total other financing sources (uses)</i>	(93,100)	(93,100)	(87,458)	5,642
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	2	2
<i>Fund balance - end of year</i>	\$ -	-	2	2
Net change in fund balance (GAAP)			\$	(1,367)
Adjustments to revenue for applicable accruals and deferrals				(1,367)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	-

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, 2010**

	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	30,000	30,000	31,069	1,069
Licenses and fees	-	-	-	-
Investment income	100	100	393	293
Miscellaneous	-	-	29	29
<i>Total revenues</i>	<u>30,100</u>	<u>30,100</u>	<u>31,491</u>	<u>1,391</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	274,672	280,191	240,590	39,601
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>274,672</u>	<u>280,191</u>	<u>240,590</u>	<u>39,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(244,572)</u>	<u>(250,091)</u>	<u>(209,099)</u>	<u>40,992</u>
<i>Other financing sources (uses)</i>				
Designated cash	27,570	27,770	-	(27,770)
Transfers in	217,002	222,321	222,321	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>244,572</u>	<u>250,091</u>	<u>222,321</u>	<u>(27,770)</u>
<i>Net change in fund balance</i>	-	-	13,222	13,222
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,570</u>	<u>28,570</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>41,792</u>	<u>41,792</u>
Net change in fund balance (GAAP)			\$	7,919
Adjustments to revenue for applicable accruals and deferrals				1,576
Adjustments to expenditures for applicable accruals and payments				<u>(6,879)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>13,222</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, 2010**

	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	700	700	346	(354)
Miscellaneous	-	26,300	26,360	60
<i>Total revenues</i>	700	27,000	26,706	(294)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	251,584	283,373	222,917	60,456
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	251,584	283,373	222,917	60,456
<i>Excess (deficiency) of revenues over expenditures</i>	(250,884)	(256,373)	(196,211)	60,162
<i>Other financing sources (uses)</i>				
Designated cash	49,030	49,030	-	(49,030)
Transfers in	-	-	-	-
Transfers out	201,854	207,343	207,343	-
<i>Total other financing sources (uses)</i>	250,884	256,373	207,343	(49,030)
<i>Net change in fund balance</i>	-	-	11,132	11,132
<i>Fund balance - beginning of year</i>	-	-	(168)	(168)
<i>Fund balance - end of year</i>	\$ -	-	10,964	10,964
Net change in fund balance (GAAP)			\$	4,957
Adjustments to revenue due to rounding				-
Adjustments to expenditures for applicable accruals and payments				(6,175)
Net change in fund balance (non-GAAP budgetary basis)			\$	11,132

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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	424,360	436,040	436,040	-
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	25,000	25,000	5,271	(19,729)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>449,360</u>	<u>461,040</u>	<u>441,311</u>	<u>(19,729)</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>449,360</u>	<u>461,040</u>	<u>441,311</u>	<u>(19,729)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(25,000)	(476,662)	-	476,662
Transfers in	-	451,662	451,662	-
Transfers out	(424,360)	(436,040)	(436,040)	-
<i>Total other financing sources (uses)</i>	<u>(449,360)</u>	<u>(461,040)</u>	<u>15,622</u>	<u>476,662</u>
<i>Net change in fund balance</i>	-	-	456,933	456,933
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,540,300</u>	<u>1,540,300</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,997,233</u>	<u>1,997,233</u>
Net change in fund balance (GAAP)			\$	458,339
Adjustments to revenue for applicable accruals and deferrals				1,406
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>456,933</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, 2010**

	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	416,209	504,120	504,120	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,000	2,000	1,162	(838)
Miscellaneous	-	-	351	351
<i>Total revenues</i>	418,209	506,120	505,633	(487)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	70,272	90,135	71,401	18,734
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	383,897	734,799	138,010	596,789
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	454,169	824,934	209,411	615,523
<i>Excess (deficiency) of revenues over expenditures</i>	(35,960)	(318,814)	296,222	615,036
<i>Other financing sources (uses)</i>				
Designated cash	35,960	270,960	-	(270,960)
Transfers in	-	-	-	-
Transfers out	-	47,854	47,854	-
<i>Total other financing sources (uses)</i>	35,960	318,814	47,854	(270,960)
<i>Net change in fund balance</i>	-	-	344,076	344,076
<i>Fund balance - beginning of year</i>	-	-	31,030	31,030
<i>Fund balance - end of year</i>	\$ -	-	375,106	375,106
Net change in fund balance (GAAP)			\$	344,077
Adjustments to revenue for applicable accruals and deferrals				1
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	344,076

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, 2010**

	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	55,000	55,000	81,535	26,535
Investment income	15,000	15,000	4,235	(10,765)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>70,000</u>	<u>70,000</u>	<u>85,770</u>	<u>15,770</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>70,000</u>	<u>70,000</u>	<u>85,770</u>	<u>15,770</u>
<i>Other financing sources (uses)</i>				
Designated cash	(70,000)	(70,000)	-	70,000
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>
<i>Net change in fund balance</i>	-	-	85,770	85,770
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>464,072</u>	<u>464,072</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>549,842</u>	<u>549,842</u>
Net change in fund balance (GAAP)			\$	85,771
Adjustments to revenue for applicable accruals and deferrals				1
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>85,770</u>

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, 2010**

	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	-	-	376	376
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>376</u>	<u>376</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	222,475	231,175	196,351	34,824
Health and welfare	-	-	-	-
Capital outlay	-	41,827	41,827	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>222,475</u>	<u>273,002</u>	<u>238,178</u>	<u>34,824</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(222,475)</u>	<u>(273,002)</u>	<u>(237,802)</u>	<u>35,200</u>
<i>Other financing sources (uses)</i>				
Designated cash	11,129	11,129	-	(11,129)
Transfers in	211,346	261,873	261,873	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>222,475</u>	<u>273,002</u>	<u>261,873</u>	<u>(11,129)</u>
<i>Net change in fund balance</i>	-	-	24,071	24,071
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,727</u>	<u>9,727</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>33,798</u>	<u>33,798</u>
Net change in fund balance (GAAP)			\$	17,229
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>(6,842)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>24,071</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, 2010**

	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	-	-	3,869	3,869
Federal capital grants	-	-	-	-
State operating grants	3,900	76,765	9,552	(67,213)
State capital grants	-	-	-	-
Charges for services	26,500	26,500	7,599	(18,901)
Fines, forfeitures & penalties	16,000	16,000	16,542	542
Licenses and fees	-	-	-	-
Investment income	330	330	485	155
Miscellaneous	500	500	593	93
<i>Total revenues</i>	<u>47,230</u>	<u>120,095</u>	<u>38,640</u>	<u>(81,455)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	771,449	856,726	748,190	108,536
Health and welfare	-	-	-	-
Capital outlay	-	10,725	-	10,725
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>771,449</u>	<u>867,451</u>	<u>748,190</u>	<u>119,261</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(724,219)</u>	<u>(747,356)</u>	<u>(709,550)</u>	<u>37,806</u>
<i>Other financing sources (uses)</i>				
Designated cash	38,172	38,172	-	(38,172)
Transfers in	-	-	-	-
Transfers out	686,047	709,184	709,184	-
<i>Total other financing sources (uses)</i>	<u>724,219</u>	<u>747,356</u>	<u>709,184</u>	<u>(38,172)</u>
<i>Net change in fund balance</i>	-	-	(366)	(366)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>43,505</u>	<u>43,505</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>43,139</u>	<u>43,139</u>
Net change in fund balance (GAAP)			\$	(15,353)
No adjustments to expenditures				7,646
Adjustments to expenditures for applicable accruals and payments				<u>(22,633)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(366)</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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	-	-	-	-
Gross receipts	\$ 424,360	424,360	441,138	16,778
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	5,000	5,000	1,841	(3,159)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>429,360</u>	<u>429,360</u>	<u>442,979</u>	<u>13,619</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>429,360</u>	<u>429,360</u>	<u>442,979</u>	<u>13,619</u>
<i>Other financing sources (uses)</i>				
Designated cash	(196,248)	(31,817)	-	31,817
Transfers in	-	-	-	-
Transfers out	(233,112)	(397,543)	(397,543)	-
<i>Total other financing sources (uses)</i>	<u>(429,360)</u>	<u>(429,360)</u>	<u>(397,543)</u>	<u>31,817</u>
<i>Net change in fund balance</i>	-	-	45,436	45,436
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>103,524</u>	<u>103,524</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>148,960</u>	<u>148,960</u>
Net change in fund balance (GAAP)			\$	46,874
Adjustments to revenue for applicable accruals and deferrals				1,438
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>45,436</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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	424,360	424,360	441,138	16,778
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	935	(865)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	426,160	426,160	442,073	15,913
<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>	426,160	426,160	442,073	15,913
<i>Other financing sources (uses)</i>				
Designated cash	(193,048)	(22,561)	-	22,561
Transfers in	-	-	-	-
Transfers out	(233,112)	(403,599)	(403,599)	-
<i>Total other financing sources (uses)</i>	(426,160)	(426,160)	(403,599)	22,561
<i>Net change in fund balance</i>	-	-	38,474	38,474
<i>Fund balance - beginning of year</i>	-	-	131,654	131,654
<i>Fund balance - end of year</i>	\$ -	-	170,128	170,128
Net change in fund balance (GAAP)			\$	39,913
Adjustments to revenue for applicable accruals and deferrals				1,439
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	38,474

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	424,360	424,360	441,138	16,778
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	778,689	778,689	602,523	(176,166)
Licenses and fees	-	-	-	-
Investment income	1,500	1,500	1,122	(378)
Miscellaneous	-	-	50,755	50,755
<i>Total revenues</i>	<u>1,204,549</u>	<u>1,204,549</u>	<u>1,095,538</u>	<u>(109,011)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	999,969	1,068,569	936,463	132,106
Health and welfare	-	-	-	-
Capital outlay	-	4,400	-	4,400
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>999,969</u>	<u>1,072,969</u>	<u>936,463</u>	<u>136,506</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>204,580</u>	<u>131,580</u>	<u>159,075</u>	<u>27,495</u>
<i>Other financing sources (uses)</i>				
Designated cash	71,914	94,914	-	(94,914)
Transfers in	-	-	-	-
Transfers out	(276,494)	(226,494)	(226,494)	-
<i>Total other financing sources (uses)</i>	<u>(204,580)</u>	<u>(131,580)</u>	<u>(226,494)</u>	<u>(94,914)</u>
<i>Net change in fund balance</i>	-	-	(67,419)	(67,419)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>127,534</u>	<u>127,534</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>60,115</u>	<u>60,115</u>
Net change in fund balance (GAAP)			\$	(103,761)
Adjustments to revenue for applicable accruals and deferrals				1,439
Adjustments to expenditures for applicable accruals and payments				(37,781)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(67,419)</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, 2010**

	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	34,800	34,800	34,592	(208)
Licenses and fees	234,000	234,000	290,080	56,080
Investment income	4,000	4,000	7,960	3,960
Miscellaneous	350	350	19,652	19,302
<i>Total revenues</i>	<u>273,150</u>	<u>273,150</u>	<u>352,284</u>	<u>79,134</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>273,150</u>	<u>273,150</u>	<u>352,284</u>	<u>79,134</u>
<i>Other financing sources (uses)</i>				
Designated cash	(218,194)	19,307	-	(19,307)
Transfers in	7,000	7,000	7,000	-
Transfers out	(61,956)	(299,457)	(299,457)	-
<i>Total other financing sources (uses)</i>	<u>(273,150)</u>	<u>(273,150)</u>	<u>(292,457)</u>	<u>(19,307)</u>
<i>Net change in fund balance</i>	-	-	59,827	59,827
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>618,965</u>	<u>618,965</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>678,792</u>	<u>678,792</u>
Net change in fund balance (GAAP)			\$	59,850
Adjustments to revenue for applicable accruals and deferrals				23
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>59,827</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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	848,720	848,720	871,615	22,895
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	40,000	40,000	13,691	(26,309)
Miscellaneous	-	-	15,000	15,000
<i>Total revenues</i>	<u>888,720</u>	<u>888,720</u>	<u>900,306</u>	<u>11,586</u>
<i>Expenditures:</i>				
Current:				
General government	790,000	790,000	82,729	707,271
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	721,751	971,751	91,723	880,028
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,511,751</u>	<u>1,761,751</u>	<u>174,452</u>	<u>1,587,299</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(623,031)</u>	<u>(873,031)</u>	<u>725,854</u>	<u>1,598,885</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,068,436	1,329,717	-	(1,329,717)
Transfers in	(445,405)	(456,686)	(456,686)	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>623,031</u>	<u>873,031</u>	<u>(456,686)</u>	<u>(1,329,717)</u>
<i>Net change in fund balance</i>	-	-	269,168	269,168
<i>Fund balance - beginning of year</i>	-	-	3,239,700	3,239,700
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3,508,868</u>	<u>3,508,868</u>
Net change in fund balance (GAAP)			\$	208,620
Adjustments to revenue for applicable accruals and deferrals				2,841
Adjustments to expenditures for applicable accruals and payments				(63,389)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>269,168</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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,697,440	1,697,440	1,741,087	43,647
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	18,367	(1,633)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,717,440</u>	<u>1,717,440</u>	<u>1,759,454</u>	<u>42,014</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>1,717,440</u>	<u>1,717,440</u>	<u>1,759,454</u>	<u>42,014</u>
<i>Other financing sources (uses)</i>				
Designated cash	(524,294)	101,920	-	(101,920)
Transfers in	(1,193,146)	(1,819,360)	(1,819,360)	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,717,440)</u>	<u>(1,717,440)</u>	<u>(1,819,360)</u>	<u>(101,920)</u>
<i>Net change in fund balance</i>	-	-	(59,906)	(59,906)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,488,923</u>	<u>1,488,923</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,429,017</u>	<u>1,429,017</u>
Net change in fund balance (GAAP)			\$	(54,149)
Adjustments to revenue for applicable accruals and deferrals				5,757
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(59,906)</u>

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, 2010**

	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	24,464	24,464	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	20,000	24,464	24,464	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,203	6,928	6,899	29
Capital outlay	18,000	17,739	17,738	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	20,203	24,667	24,637	30
<i>Excess (deficiency) of revenues over expenditures</i>	(203)	(203)	(173)	30
<i>Other financing sources (uses)</i>				
Designated cash	203	203	-	(203)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	203	203	-	(203)
<i>Net change in fund balance</i>	-	-	(173)	(173)
<i>Fund balance - beginning of year</i>	-	-	203	203
<i>Fund balance - end of year</i>	\$ -	-	30	30
Net change in fund balance (GAAP)			\$	(173)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(173)

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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,697,440	1,697,440	1,764,551	67,111
Gasoline and motor vehicle	500,000	500,000	437,907	(62,093)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,800	2,800	3,528	728
Miscellaneous	15,000	37,127	40,422	3,295
<i>Total revenues</i>	<u>2,215,240</u>	<u>2,237,367</u>	<u>2,246,408</u>	<u>9,041</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,742,826	2,615,025	2,471,992	143,033
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	248,467	433,506	323,417	110,089
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,991,293</u>	<u>3,048,531</u>	<u>2,795,409</u>	<u>253,122</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(776,053)</u>	<u>(811,164)</u>	<u>(549,001)</u>	<u>262,163</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,276,053	392,192	-	(392,192)
Transfers in	-	598,972	598,972	-
Transfers out	(500,000)	(180,000)	(180,000)	-
<i>Total other financing sources (uses)</i>	<u>776,053</u>	<u>811,164</u>	<u>418,972</u>	<u>(392,192)</u>
<i>Net change in fund balance</i>	-	-	(130,029)	(130,029)
<i>Fund balance - beginning of year</i>	-	-	423,863	423,863
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>293,834</u>	<u>293,834</u>
Net change in fund balance (GAAP)			\$	(169,814)
Adjustments to revenue for applicable accruals and deferrals				12,265
Adjustments to expenditures for applicable accruals and payments				(52,050)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(130,029)</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, 2010**

	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	13,906	13,906	6,019	(7,887)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	15,709	15,709
<i>Total revenues</i>	13,906	13,906	21,728	7,822
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	23,000	23,000	18,217	4,783
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	23,000	23,000	18,217	4,783
<i>Excess (deficiency) of revenues over expenditures</i>	(9,094)	(9,094)	3,511	12,605
<i>Other financing sources (uses)</i>				
Designated cash	9,094	9,094	-	(9,094)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	9,094	9,094	-	(9,094)
<i>Net change in fund balance</i>	-	-	3,511	3,511
<i>Fund balance - beginning of year</i>	-	-	27,034	27,034
<i>Fund balance - end of year</i>	\$ -	-	30,545	30,545
Net change in fund balance (GAAP)			\$	3,511
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	3,511

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, 2010**

	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	425,000	473,075	473,075	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	6,100	6,100	2,372	(3,728)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>431,100</u>	<u>479,175</u>	<u>475,447</u>	<u>(3,728)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	214,000	306,500	274,637	31,863
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>214,000</u>	<u>306,500</u>	<u>274,637</u>	<u>31,863</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>217,100</u>	<u>172,675</u>	<u>200,810</u>	<u>28,135</u>
<i>Other financing sources (uses)</i>				
Designated cash	(217,100)	(122,675)	-	122,675
Transfers in	-	331,152	331,152	-
Transfers out	-	(381,152)	(381,152)	-
<i>Total other financing sources (uses)</i>	<u>(217,100)</u>	<u>(172,675)</u>	<u>(50,000)</u>	<u>122,675</u>
<i>Net change in fund balance</i>	-	-	150,810	150,810
<i>Fund balance - beginning of year</i>	-	-	595,365	595,365
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>746,175</u>	<u>746,175</u>
Net change in fund balance (GAAP)			\$	202,743
Adjustments to revenue for applicable accruals and deferrals				51,933
Adjustments to expenditures for applicable accruals and payments				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>150,810</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Stimulus Funding 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, 2010**

	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	1,731,683	1,871,483	1,186,416	(685,067)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,731,683</u>	<u>1,871,483</u>	<u>1,186,416</u>	<u>(685,067)</u>
<i>Expenditures:</i>				
Current:				
General government	425,054	466,354	366,854	99,500
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,306,629	1,419,749	1,018,886	400,863
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,731,683</u>	<u>1,886,103</u>	<u>1,385,740</u>	<u>500,363</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(14,620)</u>	<u>(199,324)</u>	<u>(184,704)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	14,620	-	(14,620)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>14,620</u>	<u>-</u>	<u>(14,620)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(199,324)</u>	<u>(199,324)</u>
<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>(199,324)</u>	<u>(199,324)</u>
Net change in fund balance (GAAP)			\$	653
Adjustments to revenue for applicable accruals and deferrals				199,325
No adjustments to expenditures				652
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(199,324)</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, 2010**

	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	1,697,440	1,697,440	1,764,551	67,111
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	1,500	1,500	263	(1,237)
<i>Total revenues</i>	<u>1,698,940</u>	<u>1,698,940</u>	<u>1,764,814</u>	<u>65,874</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>1,698,940</u>	<u>1,698,940</u>	<u>1,764,814</u>	<u>65,874</u>
<i>Other financing sources (uses)</i>				
Designated cash	124,351	124,351	-	(124,351)
Transfers in	-	-	-	-
Transfers out	(1,823,291)	(1,823,291)	(1,823,291)	-
<i>Total other financing sources (uses)</i>	<u>(1,698,940)</u>	<u>(1,698,940)</u>	<u>(1,823,291)</u>	<u>(124,351)</u>
<i>Net change in fund balance</i>	-	-	(58,477)	(58,477)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>125,352</u>	<u>125,352</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>66,875</u>	<u>66,875</u>
Net change in fund balance (GAAP)			\$	(53,954)
Adjustments to revenue for applicable accruals and deferrals				4,523
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(58,477)</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, 2010**

	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	139,600	139,600	139,474	(126)
Investment income	400	400	149	(251)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>140,000</u>	<u>140,000</u>	<u>139,623</u>	<u>(377)</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>140,000</u>	<u>140,000</u>	<u>139,623</u>	<u>(377)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(964)	(964)	-	964
Transfers in	-	-	-	-
Transfers out	(139,036)	(139,036)	(139,036)	-
<i>Total other financing sources (uses)</i>	<u>(140,000)</u>	<u>(140,000)</u>	<u>(139,036)</u>	<u>964</u>
<i>Net change in fund balance</i>	-	-	587	587
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>604</u>	<u>604</u>
Net change in fund balance (GAAP)			\$	586
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>(1)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>587</u>

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, 2010**

	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	60,600	60,600	60,600	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	700	700	515	(185)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>61,300</u>	<u>61,300</u>	<u>61,115</u>	<u>(185)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	87,102	87,102	71,623	15,479
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>87,102</u>	<u>87,102</u>	<u>71,623</u>	<u>15,479</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,802)</u>	<u>(25,802)</u>	<u>(10,508)</u>	<u>15,294</u>
<i>Other financing sources (uses)</i>				
Designated cash	25,802	25,802	-	(25,802)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,802</u>	<u>25,802</u>	<u>-</u>	<u>(25,802)</u>
<i>Net change in fund balance</i>	-	-	(10,508)	(10,508)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,802</u>	<u>25,802</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>15,294</u>	<u>15,294</u>
Net change in fund balance (GAAP)			\$	(10,508)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(10,508)</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, 2010**

	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>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	-	-	-
Net change in fund balance (GAAP)			\$	-
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	-

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, 2010**

	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	632,908	632,908	467,119	(165,789)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	44,000	44,000	39,334	(4,666)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	676,908	676,908	509,232	(167,676)
<i>Expenditures:</i>				
Current:				
General government	979,613	998,707	718,433	280,274
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	75,000	75,000	67,735	7,265
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,054,613	1,073,707	786,168	287,539
<i>Excess (deficiency) of revenues over expenditures</i>	(377,705)	(396,799)	(276,936)	119,863
<i>Other financing sources (uses)</i>				
Designated cash	129,086	130,686	-	(130,686)
Transfers in	248,619	266,113	266,113	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	377,705	396,799	266,113	(130,686)
<i>Net change in fund balance</i>	-	-	(10,823)	(10,823)
<i>Fund balance - beginning of year</i>	-	-	130,060	130,060
<i>Fund balance - end of year</i>	\$ -	-	119,237	119,237
Net change in fund balance (GAAP)			\$	(26,922)
Adjustments to revenue for applicable accruals and deferrals				4,593
Adjustments to expenditures for applicable accruals and payments				(20,692)
Net change in fund balance (non-GAAP budgetary basis)			\$	(10,823)

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, 2010**

	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	3,678	37,574	33,884	(3,690)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	9	9
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,678	37,574	33,893	(3,681)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,678	37,574	33,884	3,690
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,678	37,574	33,884	3,690
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	9	9
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	9	9
<i>Fund balance - beginning of year</i>	-	-	12,462	12,462
<i>Fund balance - end of year</i>	\$ -	-	12,471	12,471
Net change in fund balance (GAAP)			\$	9
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	9

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, 2010**

	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	69,124	334,686	118,562	(216,124)
Federal capital grants	-	-	-	-
State operating grants	42,156	42,156	32,404	(9,752)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	28	28
Miscellaneous	-	1,381	8,669	7,288
<i>Total revenues</i>	<u>111,280</u>	<u>378,223</u>	<u>159,663</u>	<u>(218,560)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	55,895	322,838	144,645	178,193
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	(408)	408
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,895</u>	<u>322,838</u>	<u>144,237</u>	<u>178,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>55,385</u>	<u>55,385</u>	<u>15,426</u>	<u>(39,959)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(71,012)	(71,012)	-	71,012
Transfers in	15,627	15,627	15,627	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(55,385)</u>	<u>(55,385)</u>	<u>15,627</u>	<u>71,012</u>
<i>Net change in fund balance</i>	-	-	31,053	31,053
<i>Fund balance - beginning of year</i>	-	-	(59,802)	(59,802)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(28,749)</u>	<u>(28,749)</u>
Net change in fund balance (GAAP)			\$	31,620
Adjustments to revenue for applicable accruals and deferrals				(327)
Adjustments to expenditures for applicable accruals and payments				894
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>31,053</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, 2010**

	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	-	-	-	-
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>7,490</u>	<u>7,490</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)			\$	-
No adjustments to revenues				-
No adjustments to expenditures				-
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
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, 2010**

	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	1,500	1,500	240	(1,260)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,500	1,500	240	(1,260)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	145,000	145,000	145,000	-
Interest	124,494	124,494	124,494	-
<i>Total expenditures</i>	269,494	269,494	269,494	-
<i>Excess (deficiency) of revenues over expenditures</i>	(267,994)	(267,994)	(269,254)	(1,260)
<i>Other financing sources (uses)</i>				
Designated cash	(1,500)	(1,500)	-	1,500
Transfers in	269,494	269,494	269,494	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	267,994	267,994	269,494	1,500
<i>Net change in fund balance</i>	-	-	240	240
<i>Fund balance - beginning of year</i>	-	-	65,387	65,387
<i>Fund balance - end of year</i>	\$ -	-	65,627	65,627
Net change in fund balance (GAAP)			\$	240
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	240

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, 2010**

	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	8,000	8,000	3,871	(4,129)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,000	8,000	3,871	(4,129)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	395,000	395,000	395,000	-
Interest	71,223	71,223	71,223	-
<i>Total expenditures</i>	466,223	466,223	466,223	-
<i>Excess (deficiency) of revenues over expenditures</i>	(458,223)	(458,223)	(462,352)	(4,129)
<i>Other financing sources (uses)</i>				
Designated cash	(8,001)	(8,001)	-	8,001
Transfers in	466,224	466,224	466,224	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	458,223	458,223	466,224	8,001
<i>Net change in fund balance</i>	-	-	3,872	3,872
<i>Fund balance - beginning of year</i>	-	-	157,738	157,738
<i>Fund balance - end of year</i>	\$ -	-	161,610	161,610
Net change in fund balance (GAAP)			\$	3,872
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	3,872

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, 2010**

	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	604,775	604,775	(173,471)	(778,246)
State operating grants	-	-	-	-
State capital grants	9,679,158	10,220,358	2,851,713	(7,368,645)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	680	680
Miscellaneous	-	-	8,461	8,461
<i>Total revenues</i>	<u>10,283,933</u>	<u>10,825,133</u>	<u>2,687,383</u>	<u>(8,137,750)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	12,500	12,466	34
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	10,375,647	11,188,220	3,979,351	7,208,869
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,375,647</u>	<u>11,200,720</u>	<u>3,991,817</u>	<u>7,208,903</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(91,714)</u>	<u>(375,587)</u>	<u>(1,304,434)</u>	<u>(928,847)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1,174,935)	(662,420)	-	662,420
Transfers in	1,266,649	1,038,007	1,038,007	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>91,714</u>	<u>375,587</u>	<u>1,038,007</u>	<u>662,420</u>
<i>Net change in fund balance</i>	-	-	(266,427)	(266,427)
<i>Fund balance - beginning of year</i>	-	-	(2,491,834)	(2,491,834)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(2,758,261)</u>	<u>(2,758,261)</u>
Net change in fund balance (GAAP)			\$	(111,154)
Adjustments to revenue for applicable accruals and deferrals				570,195
Adjustments to expenditures for applicable accruals and payments				(414,922)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(266,427)</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, 2010**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	424,360	424,360	441,138	16,778
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	2,136,000	2,136,000	-	(2,136,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	20,000	20,000	14,713	(5,287)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,580,360</u>	<u>2,580,360</u>	<u>455,851</u>	<u>(2,124,509)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	215,181	195,275	161,293	33,982
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,666,334	2,758,069	62,875	2,695,194
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,881,515</u>	<u>2,953,344</u>	<u>224,168</u>	<u>2,729,176</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(301,155)</u>	<u>(372,984)</u>	<u>231,683</u>	<u>604,667</u>
<i>Other financing sources (uses)</i>				
Designated cash	301,155	372,984	-	(372,984)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>301,155</u>	<u>372,984</u>	<u>-</u>	<u>(372,984)</u>
<i>Net change in fund balance</i>	-	-	231,683	231,683
<i>Fund balance - beginning of year</i>	-	-	823,856	823,856
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,055,539</u>	<u>1,055,539</u>
Net change in fund balance (GAAP)			\$	233,122
Adjustments to revenue for applicable accruals and deferrals				1,439
Adjustments to expenditures for applicable accruals and payments				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>231,683</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, 2010**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 3,410,000	3,410,000	3,552,537	142,537
<i>Total operating revenues</i>	<u>3,410,000</u>	<u>3,410,000</u>	<u>3,552,537</u>	<u>142,537</u>
<i>Operating expenses:</i>				
General and administrative	660,504	626,803	599,244	27,559
Personnel services	1,834,296	1,870,914	1,767,224	103,690
Contractual services	-	-	-	-
Supplies and purchased power	1,498,813	1,762,444	1,245,851	516,593
Maintenance and materials	842,773	865,367	798,470	66,897
Utilities	25,383	25,383	13,238	12,145
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>4,861,769</u>	<u>5,150,911</u>	<u>4,424,027</u>	<u>726,884</u>
<i>Operating income (loss)</i>	<u>(1,451,769)</u>	<u>(1,740,911)</u>	<u>(871,490)</u>	<u>869,421</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	25,000	-	(25,000)
Miscellaneous income	25,000	25,000	79,599	54,599
Interest income	120,500	120,500	122,946	2,446
Interest expense	(84,648)	(84,649)	(84,648)	1
Net proceeds from sale of capital assets	-	-	-	-
Gross receipts and other taxes	424,360	435,808	435,807	(1)
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>485,212</u>	<u>521,659</u>	<u>553,704</u>	<u>32,045</u>
Capital grants	-	-	-	-
Transfers in	848,720	871,847	871,847	-
Transfers out	(683,360)	(1,146,469)	(1,146,469)	-
<i>Capital grants and net transfers</i>	<u>165,360</u>	<u>(274,622)</u>	<u>(274,622)</u>	<u>-</u>
<i>Change in net assets</i>	(801,197)	(1,493,874)	(592,408)	901,466
Designated cash	801,197	1,493,874	-	(1,493,874)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,336,356</u>	<u>4,336,356</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3,743,948</u>	<u>3,743,948</u>
Net change in net assets (GAAP)				\$ (488,201)
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				56,256
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				889,636
Depreciation				<u>(841,685)</u>
Net change in net assets (non-GAAP budgetary basis)				\$ <u>(592,408)</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, 2010**

	<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	\$ 2,560,600	2,560,600	2,770,581	209,981
<i>Total operating revenues</i>	<u>2,560,600</u>	<u>2,560,600</u>	<u>2,770,581</u>	<u>209,981</u>
<i>Operating expenses:</i>				
General and administrative	64,224	64,224	37,516	26,708
Personnel services	808,481	826,284	718,159	108,125
Contractual services	959,877	959,877	718,444	241,433
Supplies and purchased power	1,375,662	1,664,733	631,769	1,032,964
Maintenance and materials	647,045	644,018	362,383	281,635
Utilities	339,422	330,422	227,223	103,199
Miscellaneous	549,474	544,474	537,027	7,447
<i>Total operating expenses</i>	<u>4,744,185</u>	<u>5,034,032</u>	<u>3,232,521</u>	<u>1,801,511</u>
<i>Operating income (loss)</i>	<u>(2,183,585)</u>	<u>(2,473,432)</u>	<u>(461,940)</u>	<u>2,011,492</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	169,392	171,269	1,877
Interest income	68,800	68,800	88,271	19,471
Interest expense	-	-	-	-
Net proceeds from sale of capital assets	-	13,300	-	(13,300)
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>228,166</u>	<u>251,492</u>	<u>259,540</u>	<u>8,048</u>
Capital grants	809,599	809,599	80,449	(729,150)
Transfers in	621,404	621,404	621,404	-
Transfers out	(325,999)	(325,999)	(325,999)	-
<i>Capital grants and net transfers</i>	<u>1,105,004</u>	<u>1,105,004</u>	<u>375,854</u>	<u>(729,150)</u>
<i>Change in net assets</i>	(850,415)	(1,116,936)	173,454	1,290,390
Designated cash	850,415	1,116,936	-	(1,116,936)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,761,985</u>	<u>-</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,935,439</u>	<u>1,290,390</u>
Net change in net assets (GAAP)				\$ 966,067
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				409,488
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				1,630,104
Depreciation and other non-cash items				<u>(1,246,979)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 173,454</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, 2010

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 129,443	129,443	130,153	710
<i>Total operating revenues</i>	<u>129,443</u>	<u>129,443</u>	<u>130,153</u>	<u>710</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	187,756	192,386	182,221	10,165
Contractual services	458,824	458,824	242,927	215,897
Supplies and purchased power	-	-	-	-
Maintenance and materials	1,214,426	1,749,881	404,871	1,345,010
Utilities	48,080	47,435	35,177	12,258
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>1,909,086</u>	<u>2,448,526</u>	<u>865,196</u>	<u>1,583,330</u>
<i>Operating income (loss)</i>	<u>(1,779,643)</u>	<u>(2,319,083)</u>	<u>(735,043)</u>	<u>1,584,040</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	1,206,951	1,541,891	336,939	(1,204,952)
Miscellaneous income	32,915	32,915	3,059	(29,856)
Interest income	-	-	4,898	4,898
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>1,239,866</u>	<u>1,574,806</u>	<u>344,896</u>	<u>(1,229,910)</u>
Capital grants	-	-	-	-
Transfers in	253,605	258,235	258,235	-
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>253,605</u>	<u>258,235</u>	<u>258,235</u>	<u>-</u>
<i>Change in net assets</i>	(286,172)	(486,042)	(131,912)	354,130
Designated cash	286,172	486,042	-	(486,042)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>411,525</u>	<u>411,525</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>279,613</u>	<u>(131,912)</u>
Net change in net assets (GAAP)			\$	43,148
Adjustments to revenue for charges for services and miscellaneous revenue accruals				(31,257)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				552,626
Depreciation				<u>(346,309)</u>
Net change in net assets (non-GAAP budgetary basis)			\$	<u>(131,912)</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, 2010**

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, 2010**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash and investments	\$ 2,698,622	439,346	100,197	3,238,165
Prepays	553	-	-	553
<i>Total current assets</i>	<u>2,699,175</u>	<u>439,346</u>	<u>100,197</u>	<u>3,238,718</u>
<i>Noncurrent assets</i>				
Restricted Cash and investments	-	-	-	-
Capital assets	72,165	-	-	72,165
Less: accumulated depreciation	(36,677)	-	-	(36,677)
<i>Total noncurrent assets</i>	<u>35,488</u>	<u>-</u>	<u>-</u>	<u>35,488</u>
<i>Total Assets</i>	<u><u>2,734,663</u></u>	<u><u>439,346</u></u>	<u><u>100,197</u></u>	<u><u>3,274,206</u></u>
<i>Liabilities and Net Assets</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	3,597	-	-	3,597
Accrued compensated absences	2,640	-	-	2,640
<i>Total current liabilities</i>	<u>6,237</u>	<u>-</u>	<u>-</u>	<u>6,237</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	35,488	-	-	35,488
Restricted net assets	-	-	-	-
Unrestricted net assets	<u>2,692,938</u>	<u>439,346</u>	<u>100,197</u>	<u>3,232,481</u>
<i>Total net assets</i>	<u>2,728,426</u>	<u>439,346</u>	<u>100,197</u>	<u>3,267,969</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$ 2,734,663</u></u>	<u><u>439,346</u></u>	<u><u>100,197</u></u>	<u><u>3,274,206</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, 2010

	48	53	54	
	Workers	Unemployment	Property and Liability	
	Compensation	Reserve	Self-Insurance	Total
	Fund			
<i>Operating revenues:</i>				
Charges for services	\$ 704,315	65,786	-	770,101
<i>Total operating revenues</i>	<u>704,315</u>	<u>65,786</u>	<u>-</u>	<u>770,101</u>
<i>Operating expenses:</i>				
General and administrative	657,754	58,204	-	715,958
Personnel services	75,883	-	-	75,883
Depreciation	3,932	-	-	3,932
<i>Total operating expenses</i>	<u>737,569</u>	<u>58,204</u>	<u>-</u>	<u>795,773</u>
<i>Operating income (loss)</i>	<u>(33,254)</u>	<u>7,582</u>	<u>-</u>	<u>(25,672)</u>
<i>Non-operating revenues (expenses):</i>				
Gain/(loss) on disposal of capital assets	(658)	-	-	(658)
Interest income	46,140	1,894	91	48,125
Miscellaneous	791	349	-	1,140
<i>Total non-operating revenues (expenses)</i>	<u>46,273</u>	<u>2,243</u>	<u>91</u>	<u>48,607</u>
Transfers in	-	-	50,000	50,000
Transfers out	(1,900)	-	-	(1,900)
<i>Net transfers</i>	<u>(1,900)</u>	<u>-</u>	<u>50,000</u>	<u>48,100</u>
<i>Change in net assets</i>	11,119	9,825	50,091	71,035
<i>Net assets, beginning of year</i>	<u>2,717,307</u>	<u>429,521</u>	<u>50,106</u>	<u>3,196,934</u>
<i>Net assets, end of year</i>	<u>\$ 2,728,426</u>	<u>439,346</u>	<u>100,197</u>	<u>3,267,969</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, 2010

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 704,315	65,786	-	770,101
Payments to suppliers and employees	(730,178)	(58,204)	-	(788,382)
Net cash provided by operating activities	(25,863)	7,582	-	(18,281)
Cash flows from noncapital financing activities:				
Transfers in (out)	(1,900)	-	50,000	48,100
Miscellaneous income	791	349	-	1,140
Net cash provided (used) by noncapital financing activities	(1,109)	349	50,000	49,240
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	(29,914)	-	-	(29,914)
Net cash provided (used) by capital and related financing activities	(29,914)	-	-	(29,914)
Cash flows from investing activities:				
Interest income	46,140	1,894	91	48,125
Net cash provided by investing activities	46,140	1,894	91	48,125
Net increase in cash and investments	\$ (10,746)	9,825	50,091	49,170
Balances-beginning of year	2,709,368	429,521	50,106	3,188,995
Balances-end of year	\$ 2,698,622	439,346	100,197	3,238,165
Reconciliation of operating income (loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ (33,254)	7,582	-	(25,672)
Adjustments:				
Depreciation expense	3,932	-	-	3,932
(Increase) decrease in:				
Prepays	(301)	-	-	(301)
(Decrease) increase in:				
Accrued payroll	2,805	-	-	2,805
Compensated absences	955	-	-	955
Net cash provided by operating activities	\$ (25,863)	7,582	-	(18,281)

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, 2010

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 725,347	725,347	704,315	(21,032)
<i>Total operating revenues</i>	<u>725,347</u>	<u>725,347</u>	<u>704,315</u>	<u>(21,032)</u>
<i>Operating expenses:</i>				
General and administrative	560,113	727,783	687,968	39,815
Personnel services	73,153	74,832	72,124	2,708
<i>Total operating expenses</i>	<u>633,266</u>	<u>802,615</u>	<u>760,092</u>	<u>42,523</u>
<i>Operating income (loss)</i>	<u>92,081</u>	<u>(77,268)</u>	<u>(55,777)</u>	<u>21,491</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	791	791
Interest income	70,000	70,000	46,140	(23,860)
<i>Total non-operating revenues (expenses)</i>	<u>70,000</u>	<u>70,000</u>	<u>46,931</u>	<u>(23,069)</u>
Transfers in	-	-	-	-
Transfers out	(1,900)	(1,900)	(1,900)	-
<i>Change in net assets</i>	160,181	(9,168)	(10,746)	(1,578)
Designated cash	(160,181)	9,168	-	(9,168)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,691,031</u>	<u>2,691,031</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2,680,285</u>	<u>2,680,285</u>
Net change in net assets (GAAP)				\$ 11,119
Adjustments to revenue for charges for services, miscellaneous revenue and grant accruals				-
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				25,797
Depreciation				<u>(3,932)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ (10,746)</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, 2010

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 66,227	66,227	65,786	(441)
<i>Total operating revenues</i>	<u>66,227</u>	<u>66,227</u>	<u>65,786</u>	<u>(441)</u>
<i>Operating expenses:</i>				
General and administrative	66,227	66,227	58,204	8,023
<i>Total operating expenses</i>	<u>66,227</u>	<u>66,227</u>	<u>58,204</u>	<u>8,023</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>7,582</u>	<u>7,582</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	349	349
Interest income	5,000	5,000	1,894	(3,106)
<i>Total non-operating revenues (expenses)</i>	<u>5,000</u>	<u>5,000</u>	<u>2,243</u>	<u>(2,757)</u>
<i>Change in net assets</i>	5,000	5,000	9,825	4,825
Designated cash	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>429,521</u>	<u>429,521</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>439,346</u>	<u>439,346</u>
Net change in net assets (GAAP)			\$	9,825
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net assets (non-GAAP budgetary basis)			\$	<u>9,825</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, 2010

	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	500	500	91	(409)
<i>Total non-operating revenues (expenses)</i>	<u>500</u>	<u>500</u>	<u>91</u>	<u>(409)</u>
Transfers in	-	50,000	50,000	-
Transfers out	-	-	-	-
	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Change in net assets</i>	500	50,500	50,091	(409)
Designated cash	(500)	(50,500)	-	50,500
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>50,106</u>	<u>50,106</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>100,197</u>	<u>100,197</u>
Net change in net assets (GAAP)				\$ 50,091
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 50,091</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, 2010**

	CFDA Number	Federal Grantors Number	Federal Expenditures
U.S. Department of Transportation			
Passed through NM Department of Transportation			
Airport Improvement Program	20.106	3-35-0011--02X	\$ 227,669
Federal Transit Formula Grants - Urbanized Area Formula Program	(1) 20.507	Unknown	504,651
ARRA Funds Portion	(1) 20.507	Unknown	71,740
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons (B)	20.605	09-OP-RF-023	12,340
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (B)	20.608	XX-AL-64-023	18,987
ARRA Funds - Highway Planning and Construction	(1) 20.205	ECO-4297(1)00	831,489
Total U.S. Department of Transportation			1,666,876
U.S. Department of Justice			
Passed through NM Department of Public Safety			
ARRA Grant - Region V Task Force	(1) 16.503	RA-JAG-RegionV-SFY	327,725
Metro Task Force	(1) 16.503	08-JAG-Region V 2006ckwx0615	126,520 39,768
Public Safety Partnership and Community Policing Grant (B)			
Edward Byrne Memorial Grant Program (A,B)	16.738	2009-DJ-BX-0939	33,884
	16.580	200-SB-B9-1625	154,787
ARRA Funds - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program (B)			
Total U.S. Department of Justice			682,684
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security			
State and Local Homeland Security Exercise Support (B)	97.006	2007-GE--T7-0023	355,476
Emergency Management Performance Grants (A)	97.042	Unknown	48,911
Total U.S. Department of Homeland Security			404,387
U.S. Department of the Interior			
Water Reclamation and Reuse Program (A)	15.504	08-FG-40-2781	84,283
Water 2025 (B)	(1) 15.507	08-FG-40-2800	415,000
Total U.S. Department of the Interior			499,283
U.S. Department of Commerce			
Investments for Public Works and Economic Development Facilities (B)	11.300	08-01-04279	320,491
Economic Adjustment Assistance (B)	11.307	RA0739-07-01-08-01	1,716
Total U.S. Department of Commerce			322,207
U.S. Department of Housing and Urban Development			
Passed through NM Department of Finance Authority			
ARRA Funds - Community Development Block Grants/Entitlement Grants (A)	(1) 14.218	09-C-NR-I-01-G-11	500,000
Total Federal Financial Assistance			\$ 4,075,437

(1) Denotes Major Program

STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

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, 2010

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 Services	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 Mexico	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, 2010

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 CASH, INVESTMENTS AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2010**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	NM Finance Authority	Mellon Bank	Western Bank	NM Self-Insurer's Fund	First Community Bank	Reconciling Items	Book Balance
Cash and cash equivalents											
General Fund Investment	Money Market	3,791,347	-	-	-	-	-	-	-	(964,795)	2,826,552
Fire Account (7)	Money Market	439,277	-	-	-	-	-	-	-	(113,395)	325,882
Payroll Account (18)	Money Market	59,610	-	-	-	-	-	-	-	(2,383)	57,227
Dept of Justice	Money Market	222,132	-	-	-	-	-	-	-	(221,121)	1,011
Credit Cards Account	Money Market	14,569	-	-	-	-	-	-	-	-	14,569
Finance Credit Card	Money Market	1,634	-	-	-	-	-	-	-	-	1,634
Zoo Credit Card	Money Market	7,827	-	-	-	-	-	-	-	-	7,827
EFT Account	Money Market	18,069	-	-	-	-	-	-	-	(16,547)	1,522
Municipal Court	Money Market	4,303	-	-	-	-	-	-	-	(2,141)	2,162
Drug Control Fund	Money Market	10,186	-	-	-	-	-	-	-	(9,185)	1,001
Special Streets	Checking	-	337,188	-	-	-	-	-	-	(62,370)	274,818
NM Law Enforcement	Checking	-	8,782	-	-	-	-	-	-	-	8,782
Lodgers' Tax	Money Market	-	-	-	-	-	472,883	-	-	(39,500)	433,383
Policy Deposit	Deposit	-	-	-	-	-	-	72,958	-	-	72,958
Certificate of deposit	CD maturity <90 days	-	-	-	-	-	-	-	558,094	-	558,094
NMFA Debt Service	Money Market	-	-	-	2,048,751	-	-	-	-	-	2,048,751
Petty cash		-	-	-	-	-	-	-	-	-	6,880
Subtotal cash and cash equivalents		<u>4,568,954</u>	<u>345,970</u>	<u>-</u>	<u>2,048,751</u>	<u>-</u>	<u>472,883</u>	<u>72,958</u>	<u>558,094</u>	<u>(1,431,437)</u>	<u>6,643,053</u>
Investments											
General Fund	Repurchase	-	1,426,981	-	-	-	-	-	-	(39,118)	1,387,863
Certificates of deposit	CD maturity >90 days	-	-	5,834,263	-	-	-	-	-	-	5,834,263
NMFA Reserve	Reserve	-	-	-	-	488,554	-	-	-	-	488,554
State of New Mexico	LGIP Fund	-	-	-	-	-	-	-	-	-	11,875,175
State of New Mexico	LGIP Reserve	-	-	-	-	-	-	-	-	-	49,825
Subtotal investments		<u>-</u>	<u>1,426,981</u>	<u>5,834,263</u>	<u>-</u>	<u>488,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,118)</u>	<u>19,635,680</u>
Total amount of deposit in bank											
FDIC coverage		(250,000)	(250,000)	(250,000)	-	-	(250,000)	-	(250,000)	-	-
Total uninsured public funds		<u>4,318,954</u>	<u>1,522,951</u>	<u>5,584,263</u>	<u>2,048,751</u>	<u>488,554</u>	<u>222,883</u>	<u>72,958</u>	<u>308,094</u>	-	<u>26,278,733</u>
50% Collateral Requirement (Section 6-10-17 NMSA 1978)											
		\$ 2,159,477	761,476	2,792,132	1,024,376	244,277	111,442	36,479	154,047	-	-
Pledged security at:											
FSA Guaranteed Loan 0.90 - 413216011		\$ 348,476	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5298615005		400,233	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5285788009		371,296	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 55866001		306,927	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 212613002		324,000	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5613885011		353,416	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 75769		190,283	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5112113001		175,956	-	-	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF CASH, INVESTMENTS AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2010**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	NM Finance Authority	Mellon Bank	Western Bank	NM Self-Insurer's Fund	First Community Bank	Reconciling Items	Book Balance
Pledged security at (continued):											
FSA Guaranteed Loan 0.90 - 450759014		158,400	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5551340001		166,963	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5494450014		190,419	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5083804012		181,175	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5803793004		104,416	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5400056005		245,882	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 5605796007		168,300	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 59335		110,225	-	-	-	-	-	-	-	-	-
FSA Guaranteed Loan 0.90 - 70562		137,905	-	-	-	-	-	-	-	-	-
Commerce Bank of St. Louis 5.25% - 31394KNR1 Due 7/15/32		499,753	-	-	-	-	-	-	-	-	-
The Independent Bankers, Dallas, TX											
GNMA II Pool #4632 5.00% - 36202FED4 Due 2/20/40		-	1,852,471	-	-	-	-	-	-	-	-
GNMA II Pool #80747 3.125% - 36225CZM1 Due 10/20/33		-	236,286	-	-	-	-	-	-	-	-
GNR 2004-76 NB 5.00% - 38374JDN3 Due 4/20/30		-	227,171	-	-	-	-	-	-	-	-
GNMA Pool # 80680 3.00% - 36225CXJ0 Due 3/30/33		-	158,548	-	-	-	-	-	-	-	-
GNMA II Pool #80900 4.00% - 36225DAA2 Due 5/20/34		-	213,317	-	-	-	-	-	-	-	-
GNMA II Pool #81090 2.75% - 36225DF82 Due 10/20/34		-	854,535	-	-	-	-	-	-	-	-
GNMA II Pool #81613 1.875% - 36225DYK4 Due 2/20/2036		-	704,814	-	-	-	-	-	-	-	-
Plains Capital Bank, Dallas, TX											
FHLB 7H - 2012A 5.00% - 3133XC2X0 Due 6/15/12		-	-	423,644	-	-	-	-	-	-	-
FHLB 9M - 2012A 4.72% - 3133XD5F4 Due 9/20/12		-	-	382,010	-	-	-	-	-	-	-
MBS FNMA 15-Yr 6.50% - 31416BN95 Due 4/1/18		-	-	669,592	-	-	-	-	-	-	-
MBS FHLMC Gold 15-Yr 5.50% - 3128PPD75 Due 7/1/22		-	-	537,447	-	-	-	-	-	-	-
MBS FNMA 15-Yr 6.50% - 31416BYB8 Due 12/1/23		-	-	785,530	-	-	-	-	-	-	-
MBS GNMA II 1-Yr Tsy ARM 4.50% - 36225DQM9 Due 5/2		-	-	491,450	-	-	-	-	-	-	-
MBS GNMA 4.00% - 36295KKN2 Due 5/23/15		-	-	-	-	-	-	-	237,514	-	-
GNR 2009-67 LA - 38373AYM2 Due 12/16/36		-	-	-	-	-	-	-	-	193,432	-
The Independent Bankers, Dallas, TX											
GNMA II Pool #8871 5.00% - 3620K2C8		-	-	-	-	-	104,109	-	-	-	-
FNMA 5.00% - 313625AJ4		-	-	-	-	-	24,659	-	-	-	-
Invested in government issued bonds		-	-	-	-	488,554	-	-	-	-	-
See NMFA audited financials		-	-	-	2,048,751	-	-	-	-	-	-
See NMSIF audited financials		-	-	-	-	-	-	72,958	-	-	-
Total collateral		4,434,025	4,247,142	3,289,673	2,048,751	488,554	128,768	72,958	430,946	-	-
Amount over/(under) collateralized		\$ 2,274,548	3,485,667	497,542	1,024,376	244,277	17,327	36,479	276,899	-	-
Total book balance											
		3,239,387	283,600	5,834,263	2,048,751	488,554	433,383	72,958	558,094	-	-

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, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the City of Clovis, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. 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, and therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 07-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Clovis, State of New Mexico's response to the finding 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 response and, accordingly, we express no opinion on it.

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.

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, P.C.
December 1, 2010

FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON 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 City of Clovis, State of New Mexico's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Clovis, State of New Mexico's major federal programs for the year ended June 30, 2010. 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. 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 of Clovis, State of New Mexico complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 and to test and report on internal controls over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

A handwritten signature in black ink that reads "Hinkle & Landers, P.C." in a cursive, script font.

Hinkle & Landers, P.C.
December 1, 2010

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

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? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

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

CFDA Number	Federal Program
20.507	Federal Transit Formula Grants - Urbanized Area Formula Program
20.507	ARRA Funds Portion
20.205	ARRA Funds - Highway Planning and Construction
16.503	ARRA Grant - Region V Task Force
16.503	Metro Task Force
15.507	Water 2025
14.218	ARRA Funds - Community Development Block Grants/Entitlement Grants

- | | |
|---|-----------|
| 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
For the Year Ended June 30, 2010**

<u>Finding</u>	<u>Status of Current and Prior Year Findings</u>	<u>Financial Statement Finding</u>	<u>Federal Awards Finding</u>
Prior Year Findings			
07-02 SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR	Revised/Repeated	yes	no
09-01 CASH DISBURSEMENTS—LACK OF SEGREGATION OF DUTIES /INTERNAL CONTROLS WEAKNESSES - CITY	Resolved	yes	no
09-02 PAYROLL-INPUT CONTROLS - CITY	Resolved	yes	no
09-03 WEAKNESS OF CONTROLS ON MUNICIPAL COURT RECEIPTS	Resolved	yes	no
09-04 RECONCILIATION OF COURT BOND CASH - CITY	Resolved	yes	no
09-05 CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY	Resolved	yes	no
09-06 SAFEGUARDING OF CAPITAL ASSETS UNDER \$5,000 - CITY	Resolved	yes	no
09-07 UNDER COLLATERALIZED BANK ACCOUNT - CITY	Resolved	yes	no
09-08 CAPITAL ASSET TRACKING - CITY	Resolved	yes	no
09-09 AUDIT REPORT NOT SUBMITTED TIMELY – COMPONENT UNIT	Resolved	yes	no
Current Year Findings			
NONE			

PRIOR YEAR FINDINGS

07-02 – SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR (Formerly - Preparation of Financial Statements) – REVISED/REPEATED

Statement of Condition

Statement of Auditing Standards (SAS) 115 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.

Criteria

Statement of Auditing Standards (SAS) 115 identifies the following:

- 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

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 115 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 will attend training if available during this audit year and will continue to work on the training process on understanding the requirements of external financial reporting.

CURRENT YEAR FINDINGS

NONE

**STATE OF NEW MEXICO
CITY OF CLOVIS
Other Disclosures
For the Year Ended June 30, 2010**

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, 2010. The following individuals were in attendance.

City of Clovis Officials

Len Vohs, Mayor Pro-tem & Commissioner District 2
Robert Sandoval, Commissioner District 3
Dan Stoddard, Commissioner District 4
Joe Thomas, City Manager
Don Clifton, Director of Budget and Internal Operations
LeighAnn Melancon, Finance Director

Auditors

Farley Vener, CPA, CFE
Erick Robinson, CPA