



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

STATE OF NEW MEXICO

CITY OF CLOVIS

FINANCIAL STATEMENTS

For The Year Ended June 30, 2012

INTRODUCTORY SECTION

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CITY OF CLOVIS
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For the Year Ended June 30, 2012**

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**STATE OF NEW MEXICO
CITY OF CLOVIS
Official Roster
As of June 30, 2012**

City Officials

Name	Title
David Lansford	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
Dan Stoddard	City Commissioner – District 4
Sandra Taylor-Sawyer	City Commissioner – District 2
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, 2012, 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 funds, 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, 2012 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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, 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 November 30, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the 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 additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Hinkle + Landers, PC
Albuquerque, New Mexico
November 30, 2012

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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, 2012. 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 \$140,358,078 (*net assets*). Of this amount, \$26,784,580 (*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 \$2,886,488. The majority of this increase is due to the increase in capital assets.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$24,936,760 an increase of \$659,985 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$8,537,846 or 42 percent of total general fund expenditures.
- The City of Clovis' total debt increased by \$2,657,000 (12 percent), during the current fiscal year. The key factor in this increase was a \$6,404,000 gross receipts tax debt issue for park improvements and purchase of a golf course.

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, wastewater and golf course.

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

requirements. All of the funds of the City of Clovis can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Clovis maintains thirty-four 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-four 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 date.

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, wastewater, and golf course 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 airport and golf course, 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 26 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 28 thru 51 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 55 thru 107 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 \$140,358,078 at the close of the most recent fiscal year.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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

City of Clovis						
Net Assets						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Current and other assets	\$ 29,942	29,011	10,888	15,904	40,830	44,915
Capital assets, net of accumulated depreciation	74,601	73,553	58,240	46,954	132,841	120,507
Total assets	104,543	102,564	69,128	62,858	173,671	165,422
Long-term liabilities outstanding	6,721	4,682	22,549	16,701	29,270	21,383
Other Liabilities	1,199	2,481	2,845	4,091	4,044	6,572
Total liabilities	\$ 7,920	7,163	25,394	20,792	33,314	27,955
Net assets	\$ 96,623	95,401	43,734	42,066	140,357	137,467

An additional portion of the City of Clovis' net assets of \$3,703,161 (1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$26,784,580 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 \$12,334,233 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 \$1,222,687. Key elements of this increase are as follows:

- The total expenses for governmental activities decreased by \$2,599,220 due primarily to a decrease in public works expenditures, while revenues decreased \$5,279,253 due mainly to decreased operating grants.
- The gross receipts tax revenue increased \$1,505,147.

Business-type activities. Business-type activities increased the City of Clovis' net assets by \$1,663,801.

- Revenue increased \$2,140,932 due to a new golf course. Expenses experienced an increase of \$817,702 during the year primarily due to an increase in cost of operations and capital outlay in Wastewater, Airport and the new golf course.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues						
Taxes	\$ 27,749	26,637	478	465	28,227	27,102
Intergovernmental	2,125	8,057	5,346	3,255	7,471	11,312
Charges for services	2,609	2,541	7,138	7,022	9,747	9,563
Other	3,303	3,866	527	629	3,830	4,495
Total revenue	<u>35,786</u>	<u>41,101</u>	<u>13,489</u>	<u>11,371</u>	<u>49,275</u>	<u>52,472</u>
Expenses						
General government	8,969	6,440	-	-	8,969	6,440
Public safety	15,392	14,478	-	-	15,392	14,478
Public works	2,476	8,824	-	-	2,476	8,824
Culture and recreation	5,418	5,138	-	-	5,418	5,138
Health and welfare	661	809	-	-	661	809
Interest on long-term debt	316	176	-	-	316	176
Solid waste	-	-	4,452	4,544	4,452	4,544
Wastewater	-	-	3,307	3,096	3,307	3,096
Airport	-	-	1,037	835	1,037	835
Golf Course	-	-	550	-	550	-
Total expenses	<u>33,232</u>	<u>35,865</u>	<u>9,346</u>	<u>8,475</u>	<u>42,578</u>	<u>44,340</u>
Transfers	<u>(1,335)</u>	<u>(690)</u>	<u>1,335</u>	<u>690</u>	<u>-</u>	<u>-</u>
Change in net assets	\$ <u>1,219</u>	<u>4,546</u>	<u>5,478</u>	<u>3,586</u>	<u>6,697</u>	<u>8,132</u>

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 \$24,936,760 an increase of \$659,985 in comparison with the prior year. Approximately 36 percent of this total amount, \$8,537,680 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remainder, \$16,399,080 is non-spendable as it is for inventory and prepaid expenses, restricted and committed expenses.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

The general fund is the chief operating fund of the City of Clovis. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8,537,038 and represents 42 percent of total general fund expenditures.

The fund balance of the City of Clovis' general fund increased by \$490,356 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 \$2,637,552 less than the final budget amount (favorable variance). This was due primarily to the police department (public safety component) favorable variance of \$1,495,105.

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, 2012, amounts to \$132,840,638 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, computers, equipment, furniture and fixtures, vehicles, infrastructure and zoo.

	City of Clovis Capital Assets (In thousands)					
	Governmental Activities		Business-type Activities		Total	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Land	\$ 2,982	3,030	6,149	4,867	9,131	7,897
Land improvements	8,186	8,048	6,449	5,789	14,635	13,837
Buildings and improvements	18,211	17,904	7,072	6,524	25,283	24,428
Equipment and vehicles	7,547	7,620	3,379	2,905	10,926	10,525
Infrastructure	34,828	35,177	26,602	20,747	61,430	55,924
Construction in progress	2,847	1,773	8,588	6,121	11,435	7,894
Net capital assets	<u>\$ 74,601</u>	<u>73,552</u>	<u>58,239</u>	<u>46,953</u>	<u>132,840</u>	<u>120,505</u>

Additional information on the City of Clovis' capital assets can be found in Note 6 on pages 39-41 of this report.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$9,100,000 and loans and notes outstanding of \$13,870,000.

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenue bonds	\$ 2,605	3,640	6,495	6,760	9,100	10,400
Notes payable	3,327	1,317	10,543	8,596	13,870	9,913
	<u>\$ 5,932</u>	<u>4,957</u>	<u>17,038</u>	<u>15,356</u>	<u>22,970</u>	<u>20,313</u>

Additional information on the City of Clovis' long-term debt can be found in Note 7 on pages 41-45 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 69 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, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and investments	\$ 23,270,885	8,644,902	31,915,787	1,670,049
Receivables:				
Property taxes receivable	398,171	-	398,171	-
Intergovernmental	5,074,342	139,367	5,213,709	-
Other receivables	301,466	4,202	305,668	-
Customer receivables	-	975,365	975,365	-
Notes receivable	-	-	-	-
Prepays	416,979	97,454	514,433	39,099
Inventory	93,027	31,174	124,201	11,175
Internal balances	248,062	(248,062)	-	-
	<u>29,802,932</u>	<u>9,644,402</u>	<u>39,447,334</u>	<u>1,720,323</u>
Total current assets				
Noncurrent assets				
Restricted cash and investments	-	-	-	400,982
Notes receivable, noncurrent portion	-	1,180,515	1,180,515	-
Bond discounts, net of amortization of \$9,398	17,453	-	17,453	-
Bond issuance costs, net of amortization	121,326	63,650	184,976	-
Capital assets	133,191,114	95,831,716	229,022,830	7,755,462
Less: accumulated depreciation	<u>(58,590,575)</u>	<u>(37,591,617)</u>	<u>(96,182,192)</u>	<u>(5,401,930)</u>
	<u>74,739,318</u>	<u>59,484,264</u>	<u>134,223,582</u>	<u>2,754,514</u>
Total noncurrent assets				
Total assets	<u>\$ 104,542,250</u>	<u>69,128,666</u>	<u>173,670,916</u>	<u>4,474,837</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, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 365,254	186,266	551,520	10,102
Accrued payroll expenses	406,402	58,029	464,431	22,005
Accrued compensated absences	-	123,655	123,655	14,262
Accrued interest	17,869	36,325	54,194	-
Other accrued expenses	-	-	-	14,242
Meter and other refundable deposits	109,072	-	109,072	14,873
Deferred revenue	-	1,180,515	1,180,515	331
Current portion of bonds and notes payable	300,000	1,259,706	1,559,706	-
Total current liabilities	1,198,597	2,844,496	4,043,093	75,815
Noncurrent liabilities				
Accrued compensated absences	1,088,568	-	1,088,568	1,140
Meter and other refundable deposits	-	-	-	103,415
Landfill closure liability	-	6,759,147	6,759,147	-
Bond premium, net of amortization of \$618	-	11,435	11,435	-
Bonds and notes payable	5,632,000	15,778,595	21,410,595	-
Total noncurrent liabilities	6,720,568	22,549,177	29,269,745	104,555
Total liabilities	7,919,165	25,393,673	33,312,838	180,370
Net Assets				
Invested in capital assets, net of related debt	68,668,539	41,201,798	109,870,337	2,353,532
Restricted for:				
Debt service	218,293	-	218,293	-
Capital projects and improvements	1,086,419	-	1,086,419	-
Other purposes	2,398,449	-	2,398,449	376,677
Unrestricted	24,251,385	2,533,195	26,784,580	1,564,258
Total net assets	96,623,085	43,734,993	140,358,078	4,294,467
Total liabilities and net assets	\$ 104,542,250	69,128,666	173,670,916	4,474,837

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, 2012

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	\$ 8,968,956	63,412	792,275	-	(8,113,269)	-	(8,113,269)	-
Public safety	15,392,111	2,336,920	702,903	-	(12,352,288)	-	(12,352,288)	-
Public works	2,475,574	-	291,227	(34,032)	(2,218,379)	-	(2,218,379)	-
Culture and recreation	5,416,749	170,255	209,830	-	(5,036,664)	-	(5,036,664)	-
Health and welfare	660,848	38,067	163,164	-	(459,617)	-	(459,617)	-
Interest on long-term debt	316,189	-	-	-	(316,189)	-	(316,189)	-
<i>Total governmental activities</i>	<u>33,230,427</u>	<u>2,608,654</u>	<u>2,159,399</u>	<u>(34,032)</u>	<u>(28,496,406)</u>	<u>-</u>	<u>(28,496,406)</u>	<u>-</u>
Business-type Activities:								
Solid Waste	4,452,559	3,870,071	-	-	-	(582,488)	(582,488)	-
Wastewater	3,307,159	3,045,451	-	-	-	(261,708)	(261,708)	-
Airport	1,036,996	148,939	-	5,346,142	-	4,458,085	4,458,085	-
Golf Course	549,692	73,849	-	-	-	(475,843)	(475,843)	-
<i>Total business type activities</i>	<u>9,346,406</u>	<u>7,138,310</u>	<u>-</u>	<u>5,346,142</u>	<u>-</u>	<u>3,138,046</u>	<u>3,138,046</u>	<u>-</u>
<i>Total Primary Government</i>	<u>42,576,833</u>	<u>9,746,964</u>	<u>2,159,399</u>	<u>5,312,110</u>	<u>(28,496,406)</u>	<u>3,138,046</u>	<u>(25,358,360)</u>	<u>-</u>
Component Units:								
Housing Authority	\$ <u>3,007,489</u>	<u>331,418</u>	<u>2,203,181</u>	<u>245,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(227,140)</u>
General Revenues:								
Taxes								
Property taxes, levied for general purposes					\$ 1,723,997	-	1,723,997	-
Gross receipts taxes					24,174,690	477,807	24,652,497	-
Gasoline and motor vehicle taxes					525,193	-	525,193	-
Franchise taxes					800,623	-	800,623	-
Cigarette and lodger's taxes					524,114	-	524,114	-
Licenses and fees					483,123	-	483,123	-
Fines, forfeitures, and penalties					369,723	-	369,723	-
Investment income					127,919	221,688	349,607	3,431
Miscellaneous income					2,536,060	343,742	2,879,802	246,282
Gain/(loss) on sale of capital assets					(213,708)	(38,190)	(251,898)	-
Transfers					(1,335,075)	1,335,075	-	-
Total general revenues and transfers					<u>29,716,659</u>	<u>2,340,122</u>	<u>32,056,781</u>	<u>22,573</u>
Change in net assets					1,220,253	5,478,168	6,698,421	22,573
Beginning net assets					95,400,398	42,071,192	137,471,590	4,267,619
Restatement					2,434	(3,814,367)	(3,811,933)	4,275
Beginning net assets as restated					<u>95,402,832</u>	<u>38,256,825</u>	<u>133,659,657</u>	<u>4,271,894</u>
Ending net assets					<u>\$ 96,623,085</u>	<u>43,734,993</u>	<u>140,358,078</u>	<u>4,294,467</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, 2012**

	Major Funds				Total
	01, 18	75	87		
	General Fund	Special Street	Street Construction	Cap Projects Other Non-Major Governmental Funds	
<i>Assets</i>					
Cash and investments	\$ 5,948,926	1,256,381	-	10,469,488	17,674,795
Restricted cash and investments	-	-	807,628	893,734	1,701,362
Receivables:					
Property taxes	94,189	-	-	509,000	603,189
Intergovernmental	2,548,967	344,771	-	1,745,182	4,638,920
Other receivables	233,722	225,000	-	35,403	494,125
Inventory	4,972	87,104	-	952	93,028
Prepaid insurance	365,220	24,973	-	25,658	415,851
Due from other funds	286,195	-	-	-	286,195
<i>Total assets</i>	<u>\$ 9,482,191</u>	<u>1,938,229</u>	<u>807,628</u>	<u>13,679,417</u>	<u>25,907,465</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 73,233	40,602	-	251,420	365,255
Accrued payroll expenses	338,077	28,624	-	37,774	404,475
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deposits held in trust	109,072	-	-	-	109,072
Deferred property tax revenue	53,771	-	-	-	53,771
Other deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	38,132	38,132
<i>Total liabilities</i>	<u>574,153</u>	<u>69,226</u>	<u>-</u>	<u>327,326</u>	<u>970,705</u>
<i>Fund balances</i>					
Nonspendable	370,192	112,077	-	26,610	508,879
Restricted	-	-	807,628	2,616,742	3,424,370
Committed	-	1,756,926	-	8,459,104	10,216,030
Assigned	-	-	-	2,249,801	2,249,801
Unassigned	8,537,846	-	-	(166)	8,537,680
<i>Total fund balances</i>	<u>8,908,038</u>	<u>1,869,003</u>	<u>807,628</u>	<u>13,352,091</u>	<u>24,936,760</u>
<i>Total liabilities and fund balances</i>	<u>\$ 9,482,191</u>	<u>1,938,229</u>	<u>807,628</u>	<u>13,679,417</u>	<u>25,907,465</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, 2012**

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

Fund balances - total governmental funds	\$	24,936,760
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		74,576,715
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		53,771
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		17,453
Bond issuance costs		121,326
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(17,869)
Internal service funds assets and liabilities included governmental activities in the statement of net assets		3,955,500
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		-
Noncurrent accrued compensated absences		(1,088,568)
Current bonds and notes payable		(300,000)
Bonds payable		(5,632,000)
Differences due to rounding		(3)
Net assets of governmental activities	\$	<u><u>96,623,085</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, 2012

	Major Funds				Total
	01, 18	75	87		
	General Fund	Special Street	Street Construction	Other Non-major Governmental Funds	
<i>Revenues:</i>					
Taxes:					
Property	\$ 1,737,702	-	-	-	1,737,702
Gross receipts	14,169,292	1,933,258	-	8,072,137	24,174,687
Gasoline and motor vehicle	31,090	396,481	-	97,622	525,193
Other	800,673	-	-	524,065	1,324,738
Intergovernmental:					
Federal operating grants	97,812	-	-	195,216	293,028
Federal capital grants	-	-	75,733	525,069	600,802
State operating grants	19,881	288,727	-	728,524	1,037,132
State capital grants	-	-	-	-	-
Charges for services	2,421,763	-	-	671,904	3,093,667
Fines, forfeitures, and penalties	143,485	-	-	14,729	158,214
Licenses and fees	379,153	-	-	456,761	835,914
Investment income	23,945	8,126	1,211	97,873	131,155
Miscellaneous	462,008	35,642	-	90,796	588,446
<i>Total revenues</i>	<u>20,286,804</u>	<u>2,662,234</u>	<u>76,944</u>	<u>11,474,696</u>	<u>34,500,678</u>
<i>Expenditures:</i>					
Current:					
General government	3,773,704	-	-	3,056,743	6,830,447
Public safety	13,547,833	-	-	334,591	13,882,424
Public works	314,541	2,482,331	185,497	936,735	3,919,104
Culture and recreation	1,841,797	-	-	2,541,535	4,383,332
Health and welfare	314,122	-	-	300,941	615,063
Capital outlay	596,510	2,078,901	93,894	2,089,671	4,858,976
Debt service:					
Principal	-	-	-	1,235,000	1,235,000
Interest	-	-	-	311,166	311,166
<i>Total expenditures</i>	<u>20,388,507</u>	<u>4,561,232</u>	<u>279,391</u>	<u>10,806,382</u>	<u>36,035,512</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(101,703)</u>	<u>(1,898,998)</u>	<u>(202,447)</u>	<u>668,314</u>	<u>(1,534,834)</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	591,115	2,682,715	280,094	(4,887,099)	(1,333,175)
Proceeds from sale of capital asset	944	-	-	50	994
Proceeds from debt issuance	-	-	-	3,527,000	3,527,000
<i>Total other financing sources (uses)</i>	<u>592,059</u>	<u>2,682,715</u>	<u>280,094</u>	<u>(1,360,049)</u>	<u>2,194,819</u>
<i>Net change in fund balance</i>	490,356	783,717	77,647	(691,735)	659,985
<i>Beginning fund balance</i>	8,417,682	1,085,286	729,981	14,043,826	24,276,775
<i>Ending fund balance</i>	<u>\$ 8,908,038</u>	<u>1,869,003</u>	<u>807,628</u>	<u>13,352,091</u>	<u>24,936,760</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, 2012**

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

Net change in fund balances - total governmental funds	\$	659,985
<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		4,641,784
Capital assets received as donations		145,670
<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>		
		(3,530,776)
<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>		
		(213,708)
<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>		
		422,454
<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		82,744
Decrease in accrued interest		(5,025)
Increase in noncurrent and current accrued compensated absences		6,891
Issuance of long-term debt		(3,527,000)
Principal payments on bonds and notes payable		1,235,000
Transfer of debt to other governmental entity		1,317,282
<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>		
		<u>(13,705)</u>
Change in net assets of governmental activities	\$	<u><u>1,220,253</u></u>

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	(Unfavorable) Favorable Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 1,650,783	1,650,783	1,735,601	84,818
Gross receipts	12,877,990	12,877,990	13,960,399	1,082,409
Gasoline and motor vehicle	35,000	35,000	31,036	(3,964)
Other	984,295	984,295	1,039,927	55,632
Intergovernmental income:				
Federal operating grants	209,655	431,709	87,686	(344,023)
Federal capital grants	-	-	-	-
State operating grants	41,580	61,313	24,920	(36,393)
State capital grants	-	-	-	-
Charges for services	1,880,500	1,880,500	2,348,132	467,632
Licenses and fees	325,350	325,350	379,153	53,803
Fines, forfeitures and penalties	168,000	168,000	143,485	(24,515)
Investment income	24,700	24,700	23,945	(755)
Miscellaneous	128,100	308,208	495,676	187,468
<i>Total revenues</i>	18,325,953	18,747,848	20,269,960	1,522,112
<i>Expenditures:</i>				
Current:				
General government	4,103,266	4,340,017	3,824,416	515,601
Public safety	14,843,225	15,296,475	13,801,370	1,495,105
Public Works	375,000	375,000	289,287	85,713
Culture and recreation	2,191,403	2,227,572	1,843,151	384,421
Health and welfare	436,871	439,314	319,623	119,691
Capital outlay	464,150	633,531	596,510	37,021
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	22,413,915	23,311,909	20,674,357	2,637,552
<i>Excess (deficiency) of revenues over expenditures</i>	(4,087,962)	(4,564,061)	(404,397)	4,159,664
<i>Other financing sources (uses)</i>				
Designated cash	4,087,962	4,564,061	-	(4,564,061)
Transfers in	-	-	2,949,726	2,949,726
Transfers out	-	-	(2,358,611)	(2,358,611)
<i>Total other financing sources (uses)</i>	4,087,962	4,564,061	591,115	(3,972,946)
<i>Net change in fund balance</i>	-	-	186,718	186,718
<i>Fund balance - beginning of year</i>	-	-	8,417,682	8,417,682
<i>Fund balance - end of year</i>	\$ -	-	8,604,400	8,604,400
Net change in fund balance (GAAP)				\$ 490,356
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				17,788
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				285,850
Net change in fund balance (non-GAAP budgetary basis)				\$ 186,718

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Special Street 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,782,220	1,782,220	1,905,630	123,410
Gasoline and motor vehicle	440,000	440,000	428,024	(11,976)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	334,145	334,145	63,727	(270,418)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,700	2,700	8,126	5,426
Miscellaneous	30,964	46,095	35,642	(10,453)
<i>Total revenues</i>	<u>2,590,029</u>	<u>2,605,160</u>	<u>2,441,149</u>	<u>(164,011)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,710,658	2,855,247	2,549,496	305,751
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,007,553	3,077,326	2,039,825	1,037,501
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,718,211</u>	<u>5,932,573</u>	<u>4,589,321</u>	<u>1,343,252</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,128,182)</u>	<u>(3,327,413)</u>	<u>(2,148,172)</u>	<u>1,179,241</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in	-	-	2,682,715	2,682,715
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>2,682,715</u>	<u>2,682,715</u>
<i>Net change in fund balance</i>	<u>(2,128,182)</u>	<u>(3,327,413)</u>	<u>534,543</u>	<u>3,861,956</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,085,286</u>	<u>1,085,286</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,619,829</u>	<u>4,947,242</u>
Net change in fund balance (GAAP)			\$	783,717
Adjustments to revenue for applicable accruals and deferrals				221,084
Adjustments to expenditures for applicable accruals and payments				28,090
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>534,543</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Fund Net Assets
Proprietary Funds
As of June 30, 2012

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Assets</i>			
<i>Current assets</i>			
Cash and investments	\$ 4,158,714	4,459,956	-
Receivables:			
Intergovernmental	85,926	-	53,441
Other receivables	-	-	-
Customer receivables, net of allowance	536,347	439,018	-
Notes receivable, current portion	-	-	-
Inventory	12,083	19,091	-
Prepays	46,675	23,930	21,884
<i>Total current assets</i>	<u>4,839,745</u>	<u>4,941,995</u>	<u>75,325</u>
<i>Noncurrent assets</i>			
Notes receivable, noncurrent portion	-	1,180,515	-
Capital assets	16,562,936	49,397,006	27,006,545
Less: accumulated depreciation	<u>(7,660,940)</u>	<u>(22,677,636)</u>	<u>(7,202,993)</u>
<i>Total noncurrent assets</i>	<u>8,901,996</u>	<u>27,899,885</u>	<u>19,803,552</u>
<i>Total Assets</i>	<u>\$ 13,741,741</u>	<u>32,841,880</u>	<u>19,878,877</u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 804	33,500	151,962
Accrued payroll expenses	39,280	14,758	3,991
Accrued compensated absences	89,987	23,350	2,649
Accrued interest	3,694	23,317	-
Deferred revenue	-	1,180,515	-
Due to other funds	-	-	248,062
Current portion of bonds and notes payable	489,371	659,335	-
Current portion of capital leases	-	-	-
<i>Total current liabilities</i>	<u>623,136</u>	<u>1,934,775</u>	<u>406,664</u>
<i>Noncurrent liabilities</i>			
Landfill closure	6,759,147	-	-
Bonds and notes payable	-	13,092,595	-
Bond premium, net of amortization of \$309	-	11,435	-
<i>Total noncurrent liabilities</i>	<u>6,759,147</u>	<u>13,104,030</u>	<u>-</u>
<i>Total liabilities</i>	<u>7,382,283</u>	<u>15,038,805</u>	<u>406,664</u>
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	8,901,996	12,967,440	19,803,552
Unrestricted net assets	<u>(2,542,538)</u>	<u>4,835,635</u>	<u>(331,339)</u>
<i>Total net assets</i>	<u>6,359,458</u>	<u>17,803,075</u>	<u>19,472,213</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 13,741,741</u>	<u>32,841,880</u>	<u>19,878,877</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Fund Net Assets
Proprietary Funds, Cont.
As of June 30, 2012

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
<i>Assets</i>			
<i>Current assets</i>			
Cash and investments	\$ 26,232	8,644,902	3,894,730
Receivables:			
Intergovernmental	-	139,367	-
Other receivables	4,202	4,202	37,744
Customer receivables, net of allowance	-	975,365	-
Inventory	-	31,174	-
Prepays	4,965	97,454	1,129
<i>Total current assets</i>	<u>35,399</u>	<u>9,892,464</u>	<u>3,933,603</u>
<i>Noncurrent assets</i>			
Notes receivable, noncurrent portion	-	1,180,515	-
Capital assets	2,865,229	95,831,716	69,668
Less: accumulated depreciation	(50,048)	(37,591,617)	(45,844)
Bond issuance cost	67,000	67,000	-
Less: accumulated amortization	(3,350)	(3,350)	-
<i>Total noncurrent assets</i>	<u>2,878,831</u>	<u>59,484,264</u>	<u>23,824</u>
<i>Total Assets</i>	<u>\$ 2,914,230</u>	<u>69,376,728</u>	<u>3,957,427</u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ -	186,266	-
Accrued payroll expenses	-	58,029	1,927
Accrued compensated absences	7,669	123,655	-
Accrued interest	9,314	36,325	-
Deferred revenue	-	1,180,515	-
Due to other funds	-	248,062	-
Current portion of bonds and notes payable	111,000	1,259,706	-
<i>Total current liabilities</i>	<u>127,983</u>	<u>3,092,558</u>	<u>1,927</u>
<i>Noncurrent liabilities</i>			
Landfill closure	-	6,759,147	-
Bonds and notes payable	2,686,000	15,778,595	-
Bond premium, net of amortization of \$309	-	11,435	-
<i>Total noncurrent liabilities</i>	<u>2,686,000</u>	<u>22,549,177</u>	<u>-</u>
<i>Total liabilities</i>	<u>2,813,983</u>	<u>25,641,735</u>	<u>1,927</u>
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	129,181	41,802,169	23,824
Restricted net assets	-	-	-
Unrestricted net assets	(28,934)	1,932,824	3,931,676
<i>Total net assets</i>	<u>100,247</u>	<u>43,734,993</u>	<u>3,955,500</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 2,914,230</u>	<u>69,376,728</u>	<u>3,957,427</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, 2012

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Operating revenues:</i>			
Charges for services	\$ 3,870,071	3,045,451	148,939
<i>Total operating revenues</i>	<u>3,870,071</u>	<u>3,045,451</u>	<u>148,939</u>
<i>Operating expenses:</i>			
General and administrative	261,378	45,867	-
Personnel services	1,834,636	761,867	200,808
Contractual services	-	10,165	-
Supplies and purchased power	821,301	56,375	-
Maintenance and materials	1,018,115	479,140	254,551
Utilities	27,009	273,510	40,998
Depreciation	448,505	1,304,044	540,639
Miscellaneous	-	10,254	-
<i>Total operating expenses</i>	<u>4,410,944</u>	<u>2,941,222</u>	<u>1,036,996</u>
<i>Operating income (loss)</i>	<u>(540,873)</u>	<u>104,229</u>	<u>(888,057)</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	1,048	(2,830)	(5,408)
Federal nonoperating grants	-	-	5,346,142
Interest income	95,130	126,192	364
Interest expense	(41,615)	(365,937)	-
Gross receipts and other taxes	477,807	-	-
Miscellaneous	60,817	229,420	2,903
<i>Total non-operating revenues (expenses)</i>	<u>593,187</u>	<u>(13,155)</u>	<u>5,344,001</u>
Transfers in	947,510	662,389	282,444
Transfers out	(735,446)	(373,234)	-
<i>Net capital grants and transfers</i>	<u>212,064</u>	<u>289,155</u>	<u>282,444</u>
<i>Change in net assets</i>	264,378	380,229	4,738,388
<i>Net assets, beginning of year</i>	9,907,013	17,422,846	14,736,259
<i>Restatement</i>	<u>(3,811,933)</u>	<u>-</u>	<u>(2,434)</u>
<i>Beginning net assets, as restated</i>	<u>6,095,080</u>	<u>17,422,846</u>	<u>14,733,825</u>
<i>Net assets, end of year</i>	<u>\$ 6,359,458</u>	<u>17,803,075</u>	<u>19,472,213</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, Cont.
For the Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19		48, 53, 54
	Golf		Internal
	Course	Total	Service Funds
<i>Operating revenues:</i>			
Charges for services	\$ 73,849	7,138,310	861,641
<i>Total operating revenues</i>	<u>73,849</u>	<u>7,138,310</u>	<u>861,641</u>
<i>Operating expenses:</i>			
General and administrative	2,463	309,708	508,528
Personnel services	182,108	2,979,419	80,888
Contractual services	-	10,165	-
Supplies and purchased power	-	877,676	-
Maintenance and materials	232,600	1,984,406	-
Utilities	69,809	411,326	-
Depreciation	50,048	2,343,236	4,929
Miscellaneous	3,350	13,604	-
<i>Total operating expenses</i>	<u>540,378</u>	<u>8,929,540</u>	<u>594,345</u>
<i>Operating income (loss)</i>	<u>(466,529)</u>	<u>(1,791,230)</u>	<u>267,296</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	(31,000)	(38,190)	(339)
State nonoperating grants	-	5,346,142	-
Interest income	2	221,688	29,708
Interest expense	(9,314)	(416,866)	-
Gross receipts and other taxes	-	477,807	-
Miscellaneous	50,602	343,742	127,689
<i>Total non-operating revenues (expenses)</i>	<u>10,290</u>	<u>5,934,323</u>	<u>157,058</u>
Transfers in	551,412	2,443,755	-
Transfers out	-	(1,108,680)	(1,900)
<i>Net capital grants and transfers</i>	<u>551,412</u>	<u>1,335,075</u>	<u>(1,900)</u>
<i>Change in net assets</i>	95,173	5,478,168	422,454
<i>Net assets, beginning of year</i>	5,074	42,071,192	3,535,822
<i>Restatement</i>	-	(3,814,367)	(2,776)
<i>Beginning net assets, as restated</i>	<u>5,074</u>	<u>38,256,825</u>	<u>3,533,046</u>
<i>Net assets, end of year</i>	<u>\$ 100,247</u>	<u>43,734,993</u>	<u>3,955,500</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, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Cash flows from operating activities			
Receipts from customers and users	\$ 3,769,698	3,103,016	566,216
Receipts from interfund services provided	-	-	-
Payments to suppliers and employees	<u>(3,533,137)</u>	<u>(2,739,824)</u>	<u>(679,639)</u>
Net cash provided (used) by operating activities	<u>236,561</u>	<u>363,192</u>	<u>(113,423)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	947,510	662,389	282,444
Operating transfers to other funds	(735,446)	(373,234)	-
Payments received from note receivable	-	124,404	-
Tax receipts	477,807	-	-
Intergovernmental receipts	-	-	5,346,142
Miscellaneous income	<u>60,817</u>	<u>105,016</u>	<u>2,903</u>
Net cash provided (used) by noncapital financing activities	<u>750,688</u>	<u>518,575</u>	<u>5,631,489</u>
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(567,856)	(4,686,235)	(5,518,430)
Proceeds from sale of capital assets	1,048	(2,830)	-
Principal paid on notes payable	(467,521)	(646,701)	-
Interest paid on notes payable	(41,615)	(365,937)	-
Long-term debt proceeds	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(1,075,944)</u>	<u>(5,701,703)</u>	<u>(5,518,430)</u>
Cash flows from investing activities:			
Interest income	<u>95,130</u>	<u>126,192</u>	<u>364</u>
Net cash provided by investing activities	<u>95,130</u>	<u>126,192</u>	<u>364</u>
Net increase in cash and temporary investments	<u>\$ 6,435</u>	<u>(4,693,744)</u>	<u>-</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, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Net increase in cash and cash equivalents-previous page	\$ 6,435	(4,693,744)	-
Cash and investments June 30, 2011	<u>4,152,279</u>	<u>9,153,700</u>	<u>-</u>
Cash and investments June 30, 2012	<u>\$ 4,158,714</u>	<u>4,459,956</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (540,873)	104,229	(888,057)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	448,505	1,304,044	540,639
(Increase) decrease in:			
Accounts receivable	(100,373)	57,565	417,277
Inventory	9,016	30,016	-
Prepays	(115)	(3,291)	1,736
(Decrease) increase in:			
Accounts payable	804	(992,623)	(177,201)
Accrued payroll	(38,740)	(16,505)	(3,932)
Deferred revenue	-	(124,404)	-
Compensated absences	(37,941)	3,534	(19,142)
Accrued interest	(3,456)	627	-
Due to other funds	-	-	15,257
Estimated landfill postclosure costs	499,734	-	-
Net cash provided (used) by operating activities	<u>\$ 236,561</u>	<u>363,192</u>	<u>(113,423)</u>
Non-cash transfer of capital assets	<u>-</u>	<u>-</u>	<u>2,334</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, Cont.
For The Year Ended June 30, 2012**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 74,721	7,513,651	-
Receipts from interfund services provided	-	-	823,897
Payments to suppliers and employees	(478,312)	(7,430,912)	(600,390)
Net cash provided (used) by operating activities	(403,591)	82,739	223,507
Cash flows from noncapital financing activities:			
Transfers from other funds	551,412	2,443,755	-
Operating transfers to other funds	-	(1,108,680)	(1,900)
Payments received from note receivable	-	124,404	-
Tax receipts	-	477,807	-
Intergovernmental receipts	-	5,346,142	-
Miscellaneous income	-	168,736	127,690
Net cash provided (used) by noncapital financing activities	551,412	7,452,164	125,790
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(2,909,277)	(13,681,798)	-
Proceeds from sale of capital assets	-	(1,782)	-
Principal paid on notes payable	(80,000)	(1,194,222)	-
Interest paid on notes payable	(9,314)	(416,866)	-
Long-term debt proceeds	2,877,000	2,877,000	-
Net cash provided (used) by capital and related financing activities	(121,591)	(12,417,668)	-
Cash flows from investing activities:			
Interest income	2	221,688	29,708
Net cash provided by investing activities	2	221,688	29,708
Net increase in cash and temporary investments	\$ 26,232	(4,661,077)	379,005

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, 2012**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
Net increase in cash and cash equivalents-previous page	\$ 26,232	(4,661,077)	379,005
Cash and investments June 30, 2011	-	13,305,979	3,515,725
Cash and investments June 30, 2012	\$ 26,232	8,644,902	3,894,730
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (466,529)	(1,791,230)	267,296
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	50,048	2,343,236	4,929
(Increase) decrease in:			
Accounts receivable	872	375,341	(37,744)
Inventory	-	39,032	-
Prepays	195,035	193,365	(548)
(Decrease) increase in:			
Accounts payable	-	(1,169,020)	-
Accrued payroll	-	(59,177)	(7,767)
Deferred revenue	-	(124,404)	-
Compensated absences	7,669	(45,880)	(2,659)
Accrued interest	9,314	6,485	-
Due to other funds	(200,000)	(184,743)	-
Estimated landfill postclosure costs	-	499,734	-
Net cash provided (used) by operating activities	\$ (403,591)	82,739	223,507
Non-cash transfer of capital assets	-	2,334	2,776

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, 2012

Cash and investments	\$ <u>53,882</u>
<i>Total assets</i>	\$ <u><u>53,882</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ <u>53,882</u>
<i>Total liabilities</i>	\$ <u><u>53,882</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, 2012**

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 10-11 in the City's financial reports.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2012**

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2012**

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

The City reports the following major governmental funds:

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.

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.

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.

The *Golf Course Fund* for the activities of the City's golf course. 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2012**

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

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.

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

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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, 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. 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

I. Accrued Expenses

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2012, along with applicable PERA and Retiree Health Care.

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J. Deferred Revenues

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

K. 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.

L. 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.

M. Fund Equity

Equity is classified as net assets and displayed in three components in the government-wide financial statements and the proprietary funds:

- *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.

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- *Unrestricted Net Assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

N. Governmental Fund Balances

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The Statement only applies to Governmental funds and does not extend to Proprietary fund types. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts not in a spendable form, such as prepaid expenses, inventories, or long-term portion of receivables or property held for resale, if the use of the proceeds from the collection/sale of property held for resale is not otherwise constrained. Nonspendable amounts also includes amounts legally or contractually required to remain intact, such as the principal of a permanent fund.
- *Restricted* – Amounts constrained to specific purposes that are externally imposed or imposed by law through constitutional provisions or enabling legislation (such as taxpayers, grantors, bondholders, and higher levels of government).
- *Committed* – Amounts constrained to specific purposes by the governmental entity’s highest level of decision-making authority (the City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes the same highest level action to remove or change the constraint.
- *Assigned* – Amounts constrained by the City intends to be used for a specific purposes. Intent can be expressed by the governing body (City Commission) or an official or body to which the governing body delegates authority.
- *Unassigned* – Balances available for any purpose. Positive amounts are reported only in the general fund.

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). See the Schedule of Fund Balances on page 117 for additional information about fund balances.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Commission or the finance department has provided otherwise in its commitment or assignment actions.

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P. 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, 2012 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 120-121 of this report.

A summary of the City’s cash and investments as of June 30, 2012 is as follows:

<u>Cash and investments</u>	<u>Amount</u>
Cash and cash equivalents	
Cash on hand	\$ 7,180
Cash	10,818,821
NMFA Debt Service Fund	<u>2,921,173</u>
Subtotal cash and cash equivalents	<u>13,747,174</u>
Investments	
State Treasurer's Investment Pool	11,887,256
Certificates of deposit - maturities > 90 days	5,870,936
Federal Home Loan Notes - NMFA Reserve	<u>464,303</u>
Subtotal investments	<u>18,222,495</u>
Total cash and investments	<u>\$ 31,969,669</u>
<u>Cash and investments by fund type</u>	<u>Amount</u>
Governmental funds	\$ 19,376,155
Internal service funds	<u>3,894,730</u>
Subtotal governmental activities	23,270,885
Enterprise funds	8,644,902
Fiduciary funds	<u>53,882</u>
Total cash and investments	<u>\$ 31,969,669</u>

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, 2012.

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, 2012, \$21,110,882 of the City's bank balances of \$22,064,715 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, 2012, \$-0- 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 \$2,921,173 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, 2012, the City's investment balances were exposed to custodial credit risk as follows. 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 Federal Reserve notes. These investments are 65%, 32%, and 3%, respectively, of the City's total investments. The City's investments at June 30, 2012 include the following:

Investments	Maturity	Fair Value
New MexiGROW LGIP	WAM - 60 days	11,887,256
Certificates of deposit	12 months	5,870,936
U.S. Government Obligations:		
Federal Home Loan Notes - NMFA Reserve	<90 days	464,303
Total		\$ 18,222,495

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 60 days as of June 30, 2012.

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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, 2012, 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	AAA

NOTE 4 – Receivables

Receivables as of June 30, 2012, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds	(01) General Fund	(75) Special Street	(87) Street Repair	Nonmajor Funds	Total Governmental	
Accounts	\$ 2,845,152	-	-	92,338	2,937,490	
Taxes (Property, GRT, etc)	2,638,070	344,771	-	2,163,855	5,146,696	
Grants:						
State	-	225,000	-	5,403	230,403	
Federal	5,087	-	-	65,733	70,820	
Other	-	-	-	-	-	
Subtotal	5,488,309	569,771	-	2,327,329	8,385,409	
Less: Allowance for uncollectibles	(2,611,430)	-	-	-	(2,611,430)	
Net receivables	\$ 2,876,879	569,771	-	2,327,329	5,773,979	
Proprietary Funds	(02) Solid Waste	(10) Wastewater	(12) Airport	(19) Golf Course	Total Proprietary	Internal Service Funds
Accounts	\$ 734,224	604,665	151	4,202	1,343,242	-
Taxes (Property, GRT, etc)	85,926	-	-	-	85,926	-
Grants:						
State	-	-	-	-	-	-
Federal	-	-	53,441	-	53,441	37,744
Subtotal	820,150	604,665	53,592	4,202	1,482,609	37,744
Less: Allowance for uncollectibles	(197,877)	(165,647)	(151)	-	(363,675)	-
Net receivables	\$ 622,273	439,018	53,441	4,202	1,118,934	37,744

In accordance with GASB No. 33, the property tax revenues totaling \$53,771 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

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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, 2012, are as follows:

Due from other funds	Fund #	Due to other funds	Fund #	Amount
General Fund	01	Dept of Justice Fund - Non-major Spec Rev Fund	96	24,595
General Fund	01	Drug Control Fund - Non-major Spec Rev Fund	98	8,135
General Fund	01	Clovis Recycling Fund - Non-major Spec Rev Fund	76	5,403
General Fund	01	Airport Fund - Major Fund - Proprietary Fund	12	248,062
				\$ 286,195

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, 2012 is as follows:

	Transfers In								Total
	01	87	75	02, 20, 43	10, 11, 44 67, 68	12	19	Non-Major	
	General	Street Const.	Special Street	Solid Waste	Waste-water	Airport	Golf Course	Govern-mental	
General	\$ -	-	60,442	-	-	282,444	252,248	1,763,477	2,358,611
Transfers Out Solid Waste	259,000	-	6,250	470,196	-	-	-	-	735,446
Wastewater	150,000	-	6,250	-	1,243,106	-	-	-	1,399,356
Non-Major Governmental	2,538,826	280,094	2,609,773	477,314	445,405	-	299,164	-	6,650,576
Internal Service	1,900	-	-	-	-	-	-	-	1,900
Total	\$ 2,949,726	280,094	2,682,715	947,510	1,688,511	282,444	551,412	1,763,477	11,145,889

Of the transfers in to the general fund shown above, a total of \$2,434 was related to the transfer of capital assets into the general fund from other fund types. These amounts are not shown on the governmental fund financial statements, but are reflected on the government-wide financial statements.

NOTE 6 – Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012, 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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Primary Government

Governmental Activities includes

Internal Service Funds

Capital assets not being depreciated:

	Balance June 30, 2011	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2012
Land	\$ 3,030,489	-	(48,111)	-	2,982,378
Construction in progress	1,772,974	2,217,492	-	(1,143,887)	2,846,579
Total capital assets not being depreciated	<u>4,803,463</u>	<u>2,217,492</u>	<u>(48,111)</u>	<u>(1,143,887)</u>	<u>5,828,957</u>

Capital assets being depreciated:

Land improvements	11,988,012	686,567	-	-	12,674,579
Buildings and improvements	26,918,224	537,313	(4,875)	-	27,450,662
Equipment and vehicles	19,528,149	1,058,042	(835,697)	50,108	19,800,602
Infrastructure	66,028,891	301,472	-	1,105,951	67,436,314
Total capital assets being depreciated	<u>124,463,276</u>	<u>2,583,394</u>	<u>(840,572)</u>	<u>1,156,059</u>	<u>127,362,157</u>
Total capital assets	<u>129,266,739</u>	<u>4,800,886</u>	<u>(888,683)</u>	<u>12,172</u>	<u>133,191,114</u>

Less accumulated depreciation:

Land improvements	(3,939,911)	(548,752)	-	-	(4,488,663)
Buildings and improvements	(9,014,606)	(227,831)	2,325	-	(9,240,112)
Equipment and vehicles	(11,908,100)	(1,002,580)	666,611	(9,738)	(12,253,807)
Infrastructure	(30,851,451)	(1,756,542)	-	-	(32,607,993)
Total accumulated depreciation	<u>(55,714,068)</u>	<u>(3,535,705)</u>	<u>668,936</u>	<u>(9,738)</u>	<u>(58,590,575)</u>
Total capital assets net of depreciation	<u>\$ 73,552,671</u>	<u>1,265,181</u>	<u>(219,747)</u>	<u>2,434</u>	<u>74,600,539</u>

Proprietary Funds

Business-Type Activities

Capital assets not being depreciated:

	Balance June 30, 2011	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2012
Land	\$ 4,866,890	1,282,500	-	-	6,149,390
Construction in progress	6,121,477	9,834,750	-	(7,368,377)	8,587,850
Total capital assets not being depreciated	<u>10,988,367</u>	<u>11,117,250</u>	<u>-</u>	<u>(7,368,377)</u>	<u>14,737,240</u>

Capital assets being depreciated:

Land improvements	8,457,129	679,247	-	-	9,136,376
Buildings and improvements	10,647,823	889,550	-	35,339	11,572,712
Equipment and vehicles	9,817,260	957,130	(85,723)	(12,172)	10,676,495
Infrastructure	42,374,905	950	-	7,333,038	49,708,893
Total capital assets being depreciated	<u>71,297,117</u>	<u>2,526,877</u>	<u>(85,723)</u>	<u>7,356,205</u>	<u>81,094,476</u>
Total capital assets	<u>82,285,484</u>	<u>13,644,127</u>	<u>(85,723)</u>	<u>(12,172)</u>	<u>95,831,716</u>

Less accumulated depreciation:

Land improvements	(2,667,815)	(18,848)	-	-	(2,686,663)
Buildings and improvements	(4,123,417)	(378,033)	-	-	(4,501,450)
Equipment and vehicles	(6,912,364)	(467,545)	73,631	9,738	(7,296,540)
Infrastructure	(21,628,154)	(1,478,810)	-	-	(23,106,964)
Total accumulated depreciation	<u>(35,331,750)</u>	<u>(2,343,236)</u>	<u>73,631</u>	<u>9,738</u>	<u>(37,591,617)</u>
Total capital assets net of depreciation	<u>\$ 46,953,734</u>	<u>11,300,891</u>	<u>(12,092)</u>	<u>(2,434)</u>	<u>58,240,099</u>

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Depreciation expense for the year ended June 30, 2012 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 1,222,836
Public safety	1,503,851
Public works	236,085
Culture and recreation	503,446
Health and welfare	<u>64,559</u>
Total	3,530,777
Internal Service Fund	<u>4,929</u>
Total governmental activities	<u><u>3,535,706</u></u>
Business type activities:	
Solid Waste	448,505
Wastewater	1,304,044
Airport	540,639
Golf Course	<u>50,048</u>
Total business-type activities	<u><u>\$ 2,343,236</u></u>

NOTE 7 – Long-term Debt

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Balance 30-Jun-11	Additions	Retirements	Balance 30-Jun-12	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 1999	\$ 880,000	-	(880,000)	-	-
Series 2005	<u>2,760,000</u>	-	<u>(155,000)</u>	2,605,000	160,000
Total bonds payable	3,640,000	-	(1,035,000)	2,605,000	160,000
NMFA Notes payable					
2009 ENMRWUA No 56-WTB	392,583	-	(392,583)	-	-
2009 ENMRWUA-WTB	108,024	-	(108,024)	-	-
2009 ENMRWUA No 84-WTB	816,675	-	(816,675)	-	-
2011 Clovis 6-A - Park Improvement	-	3,527,000	(200,000)	3,327,000	140,000
Total notes payable	1,317,282	3,527,000	(1,517,282)	3,327,000	140,000
Compensated Absences	<u>1,095,460</u>	<u>921,493</u>	<u>(928,385)</u>	1,088,568	707,569
Governmental-activities long-term liabilities	<u><u>\$ 6,052,742</u></u>	<u><u>4,448,493</u></u>	<u><u>(3,480,667)</u></u>	<u><u>7,020,568</u></u>	<u><u>1,007,569</u></u>

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	Balance 30-Jun-11	Additions	Retirements	Balance 30-Jun-12	Due Within One Year
Business-type Activities:					
Notes Payable					
NM Environmental Dept.	\$ 7,638,631	-	(381,701)	7,256,930	389,335
NM Finance Authority	956,892	-	(467,521)	489,371	489,371
2011 Clovis 6-B - Golf Course	-	2,877,000	(80,000)	2,797,000	111,000
Total notes payable	<u>8,595,523</u>	<u>2,877,000</u>	<u>(929,222)</u>	<u>10,543,301</u>	<u>989,706</u>
Gross receipts tax revenue bonds					
Series 2010	6,760,000	-	(265,000)	6,495,000	270,000
Total bonds payable	<u>6,760,000</u>	<u>-</u>	<u>(265,000)</u>	<u>6,495,000</u>	<u>270,000</u>
Compensated Absences	169,535	46,972	(92,852)	123,655	123,655
Business-type-activities long-term liabilities	<u>\$ 15,525,058</u>	<u>2,923,972</u>	<u>(1,287,074)</u>	<u>17,161,956</u>	<u>1,383,361</u>

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

Advanced refundings consisted of the following:

On July 22, 2011, the City borrowed \$3,527,000 with an average interest rate of 3.72% from the NM Finance Authority. The net proceeds of \$3,437,000 (after estimated issuance costs of \$37,095 and processing fees of \$52,905) were used to advance refund Gross Receipts Tax Revenue Bonds, Series 1999 with a total principal amount of \$880,000 and an average interest rate of 4.68%. 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 NM Finance Authority transferred \$2,594,095 to the Bank of New York Mellon Trust Company, N.A. for the City of Clovis. The Bank transferred the net proceeds to the City of Clovis to pay off the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities.

Bonds payable for governmental funds at June 30, 2012 are comprised of the following:

	Sales Tax Revenue Bonds Series June 1, 2005
Original issue:	1-Jun-05
Principal:	\$ 3,580,000
Interest:	June 1 & December 1
Rates:	2.50% to 4.50%

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

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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, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 160,000	107,219	267,219
2014	165,000	100,819	265,819
2015	170,000	94,219	264,219
2016	175,000	86,569	261,569
2017	185,000	39,784	224,784
2018-2022	1,030,000	301,209	1,331,209
2023-2027	720,000	81,570	801,570
\$	<u>2,605,000</u>	<u>811,389</u>	<u>3,416,389</u>

On July 22, 2011, the City of Clovis entered into a loan agreement with the NM Finance Authority for the improvement of park infrastructure. The terms of the agreement call for a tax exempt loan of \$3,527,000 with a blended interest rate of 3.722%. The note matures on June 30, 2031.

The annual requirements to amortize the note outstanding as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 140,000	107,206	247,206
2014	141,000	106,212	247,212
2015	143,000	104,718	247,718
2016	145,000	102,702	247,702
2017	147,000	100,237	247,237
2018-2022	791,000	445,576	1,236,576
2023-2027	930,000	305,824	1,235,824
2028-2031	890,000	99,160	989,160
\$	<u>3,327,000</u>	<u>1,371,634</u>	<u>4,698,634</u>

The following notes were moved from the City's books to the Eastern New Mexico Rural Water Authority's books during the year ended June 30, 2012:

The City of Clovis as fiscal agent for the Eastern New Mexico Water Utility Authority (ENMWUA) 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 ENMWUA 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's wastewater utility system.

In March 2010, the City entered into a loan/grant agreement with the NM Finance Authority for activity associated with the ENMWUA 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

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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's wastewater utility system.

In December 2010, the City entered into a loan/grant agreement with the NM Finance Authority for activity associated with the ENMWUA project. The terms of the agreement call for a grant from the NMFA Water Trust Board for \$3,982,500 along with a loan totaling \$442,500. The interest/administrative fee on the note is 0.25% and the maturity date on the note is June 1, 2030. The note principal, interest, and administrative fees will be paid for with pledged revenues from the net utility revenues or the City's wastewater utility system.

These notes are no longer considered the liability of the City and are no longer reported in the accompanying financial statements.

Bonds payable for proprietary funds at June 30, 2012 are comprised of the following:

	Sales Tax Revenue Bonds Series <u>September 21, 2010</u>
Original issue:	21-Sep-10
Principal:	\$ 7,000,000
Interest:	June 1 & December 1
Rates:	2.00% to 4.00%

The September 21, 2010 Gross Receipts Tax Revenue Bonds, Series 2010, were issued to defray, in part (i) the cost of constructing, purchasing, furnishing, equipping or making improvement to the City's waste water treatment plant 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 2010 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 proprietary fund bonds outstanding as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 270,000	207,238	477,238
2014	275,000	201,838	476,838
2015	280,000	196,338	476,338
2016	290,000	190,738	480,738
2017	300,000	184,938	484,938
2018-2022	1,650,000	777,538	2,427,538
2023-2027	2,005,000	490,374	2,495,374
2028-2032	1,425,000	113,275	1,538,275
\$	6,495,000	2,362,277	8,857,277

The notes payable of the City's proprietary funds as of June 30, 2012 are comprised of the following:

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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. \$ 489,371

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. 7,256,930

Golf Course loan with the NM Finance Authority dated July 22, 2011, with annual principal installments ranging from \$80,000 to \$211,000 due June 30 annually. Blended interest rate at 4.53%. The loan matures on June 30, 2031 2,797,000

Less current portion 10,543,301
Total outstanding long-term debt - proprietary funds (989,706)
\$ 9,553,595

The annual requirements to amortize the proprietary fund loans outstanding as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 989,706	280,181	1,269,887
2014	509,122	247,933	757,055
2015	518,064	238,366	756,430
2016	528,166	228,231	756,397
2017	539,429	217,323	756,752
2018-2022	2,885,996	897,193	3,783,189
2023-2027	3,263,824	620,890	3,884,714
2028-2032	1,308,994	114,949	1,423,943
\$	<u>10,543,301</u>	<u>2,845,066</u>	<u>13,388,367</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.

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

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

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, 2012, no claims activity had taken place in the fund. The only activity for the year ended June 30, 2012 consisted of an operating transfer from the general fund.

NOTE 9 – PERA Pension Plan

Plan Description: Substantially all of the City’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, 2012, 2011 and 2010 were approximately \$628,008, \$564,727, and \$547,065, 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

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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, 2012, 2011, and 2010, the City's required and actual contributions totaled \$1,395,635, \$1,377,992, and \$1,393,291, respectively.

NOTE 11 – Deferred Compensation Plan

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

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

Employees are mandated to contribute a minimum of 3% of their gross salary but may elect to contribute up to 100% of their salary up to a maximum dollar amount of \$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 \$909,346, \$894,976 and \$825,910 for the years ended June 30, 2012, 2011 and 2010, 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.

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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, 2012, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and 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:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.084% of each participating employee's annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contributions rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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, 2012, 2011, and 2010, City of Clovis remitted \$243,180, \$210,539, and \$154,677 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, 2012, significant amounts of grant expenditures have not been audited by the grantor agencies.

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Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City of Clovis.

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

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

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

Deficit fund balances of individual funds:

None

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, 2012:

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 \$6,759,147 as of June 30, 2012, 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 \$393,533 from the prior year. It is estimated that an additional \$292,973 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 95.75% of the landfill capacity has been used to date and the estimated remaining landfill life is one year. The estimated total current cost of the landfill closure and post-closure care of \$7,101,920 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, 2012. 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. In addition, the City has designated funds totaling \$2,007,315 to offset the future estimated post-closure liability amounts. These are reported as restricted assets on the proprietary fund statement of net assets. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined

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(due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

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, 2012 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, 2012 related to land and buildings held as rental property under operating leases is included in property, plant and equipment of the Airport in the Proprietary Funds Statement of Net Assets.

NOTE 17–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
2013	\$ 334,067
2014	141,526
2015	69,800
2016	-
2017	-
	<u>\$ 545,393</u>

Lease expenditures for the year ended June 30, 2012 were approximately \$609,032.

NOTE 18 – Commitments

Commitments for engineering and construction projects relating to construction or major repairs in progress aggregated approximately \$1,469,908 as of June 30, 2012. The estimated total cost of the projects is \$12,297,249 and as of the year ended June 30, 2012, 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 \$3,703,161 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.

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NOTE 20 – Surety Bonds

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

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

NOTE 21 – Restatement of Net Assets

Beginning net assets were restated as follows:

<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	<u>2,434</u>
		Total governmental activities	<u>2,434</u>
Sanitation - Major enterprise fund	02	Change in estimated landfill postclosure costs.	(3,811,934)
Airport - Major enterprise fund	12	Residual equity transfer of capital assets from enterprise funds to governmental funds	<u>(2,434)</u>
		Total enterprise funds	<u>(3,814,368)</u>
		Total restatements	<u>\$ (3,811,934)</u>

NOTE 22 – Subsequent Events

As per the agreement for the creation of the Eastern New Mexico Water Utility Authority (Authority), the City transferred all funds held in the ENMRWA fund (major special revenue fund) as identified in the Governmental Funds Balance Sheet as of July 1, 2011. At that time all assets/liabilities were transferred to the Authority and the City no longer held administrative control over the funds.

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2012**

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.

Park Improvement Fund (Ordinance 864) - To account for all revenues directly related to or assigned to park improvements. This includes grants, charges for services, 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.

Gross Receipts Tax Water Project (Ordinance 1953-2012) – To account for the financing of the City's obligation to the Eastern New Mexico Water Utility Authority for the development, planning, financing, construction, operation, and the payment of bonds for the Ute Reservoir Pipeline Project.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2012**

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.

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.

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.

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2012**

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, 2012**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Assets</i>				
Cash and investments	\$ 10,277,767	-	191,721	10,469,488
Restricted Cash and investments	675,441	218,293	-	893,734
Receivables:				
Property taxes	509,000	-	-	509,000
Intergovernmental	1,658,112	-	87,070	1,745,182
Other receivables	35,403	-	-	35,403
Inventory	952	-	-	952
Prepaid insurance	25,658	-	-	25,658
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>13,182,333</u>	<u>218,293</u>	<u>278,791</u>	<u>13,679,417</u>
<i>Liabilities</i>				
Accounts payable	251,420	-	-	251,420
Accrued payroll expenses	37,774	-	-	37,774
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred property tax revenue	-	-	-	-
Other deferred revenue	-	-	-	-
Due to other funds	38,132	-	-	38,132
<i>Total liabilities</i>	<u>327,326</u>	<u>-</u>	<u>-</u>	<u>327,326</u>
<i>Fund balances</i>				
Nonspendable	26,610	-	-	26,610
Restricted	2,398,449	218,293	-	2,616,742
Committed	8,180,313	-	278,791	8,459,104
Assigned	2,249,801	-	-	2,249,801
Unassigned	(166)	-	-	(166)
<i>Total fund balances</i>	<u>12,855,007</u>	<u>218,293</u>	<u>278,791</u>	<u>13,352,091</u>
<i>Total liabilities and fund balances</i>	<u>\$ 13,182,333</u>	<u>218,293</u>	<u>278,791</u>	<u>13,679,417</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, 2012**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	7,587,946	-	484,191	8,072,137
Gasoline and motor vehicle	97,622	-	-	97,622
Other	524,065	-	-	524,065
<i>Intergovernmental:</i>				
Federal operating grants	195,216	-	-	195,216
Federal capital grants	525,069	-	-	525,069
State operating grants	688,524	-	40,000	728,524
State capital grants	-	-	-	-
Charges for services	671,904	-	-	671,904
Fines, forfeitures & penalties	14,729	-	-	14,729
Licenses and fees	456,761	-	-	456,761
Investment income	83,452	8,588	5,833	97,873
Miscellaneous	90,796	-	-	90,796
<i>Total revenues</i>	<u>10,936,084</u>	<u>8,588</u>	<u>530,024</u>	<u>11,474,696</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	3,056,743	-	-	3,056,743
Public safety	334,591	-	-	334,591
Public works	929,133	7,490	112	936,735
Culture and recreation	2,541,535	-	-	2,541,535
Health and welfare	300,941	-	-	300,941
Capital outlay	1,908,210	-	181,461	2,089,671
<i>Debt service:</i>				
Principal	-	1,235,000	-	1,235,000
Interest	-	311,166	-	311,166
<i>Total expenditures</i>	<u>9,071,153</u>	<u>1,553,656</u>	<u>181,573</u>	<u>10,806,382</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,864,931</u>	<u>(1,545,068)</u>	<u>348,451</u>	<u>668,314</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(5,479,745)	1,537,646	(945,000)	(4,887,099)
Proceeds from sale of capital assets	50	-	-	50
Proceeds from debt issuance	3,527,000	-	-	3,527,000
<i>Total other financing sources (uses)</i>	<u>(1,952,695)</u>	<u>1,537,646</u>	<u>(945,000)</u>	<u>(1,360,049)</u>
<i>Net change in fund balances</i>	(87,764)	(7,422)	(596,549)	(691,735)
<i>Fund balances - beginning of year</i>	<u>12,942,771</u>	<u>225,715</u>	<u>875,340</u>	<u>14,043,826</u>
<i>Fund balances - end of year</i>	<u>\$ 12,855,007</u>	<u>218,293</u>	<u>278,791</u>	<u>13,352,091</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, 2012**

	<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	\$ -	17,799	4,597	2,007,315	-	695,708
Restricted Cash and investments	8,524	-	-	-	533,948	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	8,433	-	-	85,917	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	4,829	7,287	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>16,957</u>	<u>22,628</u>	<u>11,884</u>	<u>2,093,232</u>	<u>533,948</u>	<u>695,708</u>
<i>Liabilities</i>						
Accounts payable	-	1,073	868	-	-	-
Accrued payroll expenses	-	4,822	3,895	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>5,895</u>	<u>4,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Nonspendable	-	4,829	7,287	-	-	-
Restricted	16,957	-	-	-	533,948	-
Committed	-	11,904	-	2,093,232	-	695,708
Assigned	-	-	-	-	-	-
Unassigned	-	-	(166)	-	-	-
<i>Total fund balances</i>	<u>16,957</u>	<u>16,733</u>	<u>7,121</u>	<u>2,093,232</u>	<u>533,948</u>	<u>695,708</u>
<i>Total liabilities and fund balances</i>	<u>\$ 16,957</u>	<u>22,628</u>	<u>11,884</u>	<u>2,093,232</u>	<u>533,948</u>	<u>695,708</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, 2012**

	13	14+95	21	60	61	62
	Ned Houk Park	Carver Library	2011 GRT Improvement Bonds - Park	Infrastructure Improvement	Special Parks Improvement	Civic Center
<i>Assets</i>						
Cash and investments	\$ 41,269	49,414	1,509,794	625,660	103,506	123,970
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	87,097	87,097	87,070
Other receivables	-	-	-	-	-	30,000
Inventory	952	-	-	-	-	-
Prepaid insurance	3,835	9,078	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>46,056</u>	<u>58,492</u>	<u>1,509,794</u>	<u>712,757</u>	<u>190,603</u>	<u>241,040</u>
<i>Liabilities</i>						
Accounts payable	2,022	1,780	242,511	-	-	233
Accrued payroll expenses	2,595	13,550	-	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>4,617</u>	<u>15,330</u>	<u>242,511</u>	<u>-</u>	<u>-</u>	<u>233</u>
<i>Fund balances</i>						
Nonspendable	4,787	9,078	-	-	-	-
Restricted	-	-	1,267,283	-	-	-
Committed	-	-	-	712,757	190,603	-
Assigned	36,652	34,084	-	-	-	240,807
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>41,439</u>	<u>43,162</u>	<u>1,267,283</u>	<u>712,757</u>	<u>190,603</u>	<u>240,807</u>
<i>Total liabilities and fund balances</i>	<u>\$ 46,056</u>	<u>58,492</u>	<u>1,509,794</u>	<u>712,757</u>	<u>190,603</u>	<u>241,040</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, 2012**

	63	64	65	66	72	76
	Special Designated	Economic Development	Capital Outlay Gross Receipts Tax	GRT Water Project	Emergency Medical Services	Recycling
<i>Assets</i>						
Cash and investments	\$ 1,044,990	1,397,516	1,526,001	36,603	-	6,339
Restricted Cash and investments	-	-	-	-	568	-
Receivables:						
Property taxes	-	509,000	-	-	-	-
Intergovernmental	-	171,851	343,503	303,982	-	-
Other receivables	-	-	-	-	-	5,403
Inventory	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>1,044,990</u>	<u>2,078,367</u>	<u>1,869,504</u>	<u>340,585</u>	<u>568</u>	<u>11,742</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	-	-	-	-	-	5,403
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,403</u>
<i>Fund balances</i>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	340,585	568	-
Committed	-	2,078,367	1,869,504	-	-	6,339
Assigned	1,044,990	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>1,044,990</u>	<u>2,078,367</u>	<u>1,869,504</u>	<u>340,585</u>	<u>568</u>	<u>6,339</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,044,990</u>	<u>2,078,367</u>	<u>1,869,504</u>	<u>340,585</u>	<u>568</u>	<u>11,742</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, 2012**

	<u>77+78</u>	<u>83</u>	<u>86</u>	<u>89</u>	<u>90</u>	<u>91</u>
	Lodger's Tax	Stimulus Funding	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging
<i>Assets</i>						
Cash and investments	\$ 899,614	-	124,617	-	-	-
Restricted Cash and investments	-	-	-	-	7,436	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	48,065	-	344,771	-	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>947,679</u>	<u>-</u>	<u>469,388</u>	<u>-</u>	<u>7,436</u>	<u>-</u>
<i>Liabilities</i>						
Accounts payable	2,933	-	-	-	-	-
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>2,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	7,436	-
Committed	51,478	-	469,388	-	-	-
Assigned	893,268	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>944,746</u>	<u>-</u>	<u>469,388</u>	<u>-</u>	<u>7,436</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 947,679</u>	<u>-</u>	<u>469,388</u>	<u>-</u>	<u>7,436</u>	<u>-</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, 2012**

	92 Clovis Area Transit System	96 Department of Justice	98 Drug Control	99 Eastern NM Water Auth.	Total Special Revenue Funds
<i>Assets</i>					
Cash and investments	\$ 72,720	1,033	(10,698)	-	10,277,767
Restricted Cash and investments	110,536	-	14,429	-	675,441
Receivables:					-
Property taxes	-	-	-	-	509,000
Intergovernmental	46,899	24,594	18,833	-	1,658,112
Other receivables	-	-	-	-	35,403
Inventory	-	-	-	-	952
Prepaid insurance	-	-	629	-	25,658
Due from other funds	-	-	-	-	-
<i>Total assets</i>	<u>230,155</u>	<u>25,627</u>	<u>23,193</u>	<u>-</u>	<u>13,182,333</u>
<i>Liabilities</i>					
Accounts payable	-	-	-	-	251,420
Accrued payroll expenses	12,912	-	-	-	37,774
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-
Other deferred revenue	-	-	-	-	-
Due to other funds	-	24,594	8,135	-	38,132
<i>Total liabilities</i>	<u>12,912</u>	<u>24,594</u>	<u>8,135</u>	<u>-</u>	<u>327,326</u>
<i>Fund balances</i>					
Nonspendable	-	-	629	-	26,610
Restricted	217,243	-	14,429	-	2,398,449
Committed	-	1,033	-	-	8,180,313
Assigned	-	-	-	-	2,249,801
Unassigned	-	-	-	-	(166)
<i>Total fund balances</i>	<u>217,243</u>	<u>1,033</u>	<u>15,058</u>	<u>-</u>	<u>12,855,007</u>
<i>Total liabilities and fund balances</i>	<u>\$ 230,155</u>	<u>25,627</u>	<u>23,193</u>	<u>-</u>	<u>13,182,333</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, 2012

	<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	\$ -	-	-	-
Restricted Cash and investments	-	66,414	151,879	218,293
Receivables:				-
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>66,414</u>	<u>151,879</u>	<u>218,293</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>				
Nonspendable	-	-	-	-
Restricted	-	66,414	151,879	218,293
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>66,414</u>	<u>151,879</u>	<u>218,293</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>66,414</u>	<u>151,879</u>	<u>218,293</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, 2012**

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Assets</i>		
Cash and investments	\$ 191,721	191,721
Restricted Cash and investments	-	-
Receivables:		
Property taxes	-	-
Intergovernmental	87,070	87,070
Other receivables	-	-
Inventory	-	-
Prepaid insurance	-	-
Due from other funds	-	-
<i>Total assets</i>	278,791	278,791
<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>		
Nonspendable	-	-
Restricted	-	-
Committed	278,791	278,791
Assigned	-	-
Unassigned	-	-
<i>Total fund balances</i>	278,791	278,791
<i>Total liabilities and fund balances</i>	\$ 278,791	278,791

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, 2012

	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	-	-	-	477,805	-	-
Gasoline and motor vehicle	97,622	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	537,378	-
State capital grants	-	-	-	-	-	-
Charges for services	-	25	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	85,613
Investment income	10	60	11	5,726	1,519	2,140
Miscellaneous	-	2,244	17,970	-	-	-
<i>Total revenues</i>	<u>97,632</u>	<u>2,329</u>	<u>17,981</u>	<u>483,531</u>	<u>538,897</u>	<u>87,753</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	124,058	-
Public works	-	-	-	-	-	-
Culture and recreation	-	260,983	-	-	-	-
Health and welfare	-	-	263,028	-	-	-
Capital outlay	-	7,631	-	-	167,936	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>268,614</u>	<u>263,028</u>	<u>-</u>	<u>291,994</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>97,632</u>	<u>(266,285)</u>	<u>(245,047)</u>	<u>483,531</u>	<u>246,903</u>	<u>87,753</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(91,821)	239,475	239,465	(470,256)	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(91,821)</u>	<u>239,475</u>	<u>239,465</u>	<u>(470,256)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	5,811	(26,810)	(5,582)	13,275	246,903	87,753
<i>Fund balance - beginning of year</i>	11,146	43,543	12,703	2,079,957	287,045	607,955
<i>Fund balances - end of year</i>	<u>\$ 16,957</u>	<u>16,733</u>	<u>7,121</u>	<u>2,093,232</u>	<u>533,948</u>	<u>695,708</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, 2012**

	13	14+95	21	60	61	62
	Ned Houk Park	Carver Library	2011 GRT Improvement Bonds - Park	Infrastructure Improvement	Special Parks Improvement	Civic Center
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	-	484,217	484,218	484,192
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	35,241	-	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	7,541	-	-	-	592,651
Fines, forfeitures & penalties	-	14,729	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Investment income	22	205	19,955	2,048	856	84
Miscellaneous	-	157	-	-	-	-
<i>Total revenues</i>	<u>22</u>	<u>57,873</u>	<u>19,955</u>	<u>486,265</u>	<u>485,074</u>	<u>1,076,927</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	281,139	-	-	-
Culture and recreation	203,980	869,406	-	-	-	878,619
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	1,564,524	-	-	35,147
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>203,980</u>	<u>869,406</u>	<u>1,845,663</u>	<u>-</u>	<u>-</u>	<u>913,766</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(203,958)</u>	<u>(811,533)</u>	<u>(1,825,708)</u>	<u>486,265</u>	<u>485,074</u>	<u>163,161</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	206,100	719,486	(434,009)	(233,701)	(632,697)	(83,741)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	3,527,000	-	-	-
<i>Total other financing sources (uses)</i>	<u>206,100</u>	<u>719,486</u>	<u>3,092,991</u>	<u>(233,701)</u>	<u>(632,697)</u>	<u>(83,741)</u>
<i>Net change in fund balances</i>	2,142	(92,047)	1,267,283	252,564	(147,623)	79,420
<i>Fund balances - beginning of year</i>	39,297	135,209	-	460,193	338,226	161,387
<i>Fund balances - end of year</i>	<u>\$ 41,439</u>	<u>43,162</u>	<u>1,267,283</u>	<u>712,757</u>	<u>190,603</u>	<u>240,807</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, 2012**

	63	64	65	66	72	76
	Special Designated	Economic Development	Capital Outlay Gross Receipts Tax	GRT Water Project	Emergency Medical Services	Recycling
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	955,614	1,910,338	858,304	-	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	18,722	12,892
State capital grants	-	-	-	-	-	-
Charges for services	33,620	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	248,009	-	-	-	-	-
Investment income	1,503	35,251	10,699	-	-	-
Miscellaneous	13,797	24,650	-	-	-	14,615
<i>Total revenues</i>	<u>296,929</u>	<u>1,015,515</u>	<u>1,921,037</u>	<u>858,304</u>	<u>18,722</u>	<u>27,507</u>
<i>Expenditures:</i>						
Current:						
General government	-	1,952,554	304,238	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	517,719	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	18,343	19,570
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,952,554</u>	<u>304,238</u>	<u>517,719</u>	<u>18,343</u>	<u>19,570</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>296,929</u>	<u>(937,039)</u>	<u>1,616,799</u>	<u>340,585</u>	<u>379</u>	<u>7,937</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(636,540)	(445,405)	(1,964,681)	-	-	(7,058)
Proceeds from sale of capital assets	50	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(636,490)</u>	<u>(445,405)</u>	<u>(1,964,681)</u>	<u>-</u>	<u>-</u>	<u>(7,058)</u>
<i>Net change in fund balances</i>	(339,561)	(1,382,444)	(347,882)	340,585	379	879
<i>Fund balances - beginning of year</i>	1,384,551	3,460,811	2,217,386	-	189	5,460
<i>Fund balances - end of year</i>	<u>\$ 1,044,990</u>	<u>2,078,367</u>	<u>1,869,504</u>	<u>340,585</u>	<u>568</u>	<u>6,339</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, 2012

	77+78	83	86	89	90	91
	Lodger's Tax	Stimulus Funding	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Area Agency on Aging
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	1,933,258	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	524,065	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	35,178	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	20,091	-	-	64,200	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	123,139	-	-
Investment income	2,435	-	407	5	502	-
Miscellaneous	8,580	-	-	-	-	-
<i>Total revenues</i>	<u>535,080</u>	<u>55,269</u>	<u>1,933,665</u>	<u>123,144</u>	<u>64,702</u>	<u>-</u>
<i>Expenditures:</i>						
Current:						
General government	-	1,441	-	-	-	-
Public safety	-	-	-	-	74,639	-
Public works	-	-	-	-	-	-
Culture and recreation	328,547	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	34,630	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>328,547</u>	<u>36,071</u>	<u>-</u>	<u>-</u>	<u>74,639</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>206,533</u>	<u>19,198</u>	<u>1,933,665</u>	<u>123,144</u>	<u>(9,937)</u>	<u>-</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	<u>(162,960)</u>	<u>(25,833)</u>	<u>(1,958,209)</u>	<u>(123,144)</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(162,960)</u>	<u>(25,833)</u>	<u>(1,958,209)</u>	<u>(123,144)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	43,573	(6,635)	(24,544)	-	(9,937)	-
<i>Fund balances - beginning of year</i>	<u>901,173</u>	<u>6,635</u>	<u>493,932</u>	<u>-</u>	<u>17,373</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 944,746</u>	<u>-</u>	<u>469,388</u>	<u>-</u>	<u>7,436</u>	<u>-</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, 2012**

	92 Clovis Area Transit System	96 Dept of Justice	98 Drug Control	99 Eastern NM Water Auth	Total Special Revenue Funds
<i>Revenues:</i>					
<i>Taxes:</i>					
Property	\$ -	-	-	-	-
Gross receipts	-	-	-	-	7,587,946
Gasoline and motor vehicle	-	-	-	-	97,622
Other	-	-	-	-	524,065
<i>Intergovernmental:</i>					
Federal operating grants	-	24,594	135,444	-	195,216
Federal capital grants	525,069	-	-	-	525,069
State operating grants	-	-	-	-	688,524
State capital grants	-	-	-	-	-
Charges for services	38,067	-	-	-	671,904
Fines, forfeitures & penalties	-	-	-	-	14,729
Licenses and fees	-	-	-	-	456,761
Investment income	-	1	13	-	83,452
Miscellaneous	8,695	-	88	-	90,796
<i>Total revenues</i>	<u>571,831</u>	<u>24,595</u>	<u>135,545</u>	<u>-</u>	<u>10,936,084</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General government	798,510	-	-	-	3,056,743
Public safety	-	1,080	134,814	-	334,591
Public works	-	-	-	130,275	929,133
Culture and recreation	-	-	-	-	2,541,535
Health and welfare	-	-	-	-	300,941
Capital outlay	74,828	23,514	-	-	1,908,210
<i>Debt service:</i>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>873,338</u>	<u>24,594</u>	<u>134,814</u>	<u>130,275</u>	<u>9,071,153</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(301,507)</u>	<u>1</u>	<u>731</u>	<u>(130,275)</u>	<u>1,864,931</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	385,784	-	-	-	(5,479,745)
Proceeds from sale of capital assets	-	-	-	-	50
Proceeds from debt issuance	-	-	-	-	3,527,000
<i>Total other financing sources (uses)</i>	<u>385,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,952,695)</u>
<i>Net change in fund balances</i>	84,277	1	731	(130,275)	(87,764)
<i>Fund balances - beginning of year</i>	132,966	1,032	14,327	130,275	12,942,771
<i>Fund balances - end of year</i>	<u>\$ 217,243</u>	<u>1,033</u>	<u>15,058</u>	<u>-</u>	<u>12,855,007</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, 2012

	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	413	685	8,588
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,490</u>	<u>413</u>	<u>685</u>	<u>8,588</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	-	155,000	1,080,000	1,235,000
Interest	-	113,419	197,747	311,166
<i>Total expenditures</i>	<u>7,490</u>	<u>268,419</u>	<u>1,277,747</u>	<u>1,553,656</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(268,006)</u>	<u>(1,277,062)</u>	<u>(1,545,068)</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	-	268,419	1,269,227	1,537,646
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>268,419</u>	<u>1,269,227</u>	<u>1,537,646</u>
<i>Net change in fund balances</i>	-	413	(7,835)	(7,422)
<i>Fund balances - beginning of year</i>	-	66,001	159,714	225,715
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>66,414</u>	<u>151,879</u>	<u>218,293</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, 2012

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Revenues:</i>		
Taxes:		
Property	\$ -	-
Gross receipts	484,191	484,191
Gasoline and motor vehicle	-	-
Other	-	-
Intergovernmental:		
Federal operating grants	-	-
Federal capital grants	-	-
State operating grants	40,000	40,000
State capital grants	-	-
Charges for services	-	-
Fines, forfeitures & penalties	-	-
Licenses and fees	-	-
Investment income	5,833	5,833
Miscellaneous	-	-
<i>Total revenues</i>	530,024	530,024
<i>Expenditures:</i>		
Current:		
General government	-	-
Public safety	-	-
Public works	112	112
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	181,461	181,461
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	181,573	181,573
<i>Excess (deficiency) of revenues over expenditures</i>	348,451	348,451
<i>Other financing sources (uses)</i>		
Transfers in/(out)	(945,000)	(945,000)
<i>Total other financing sources (uses)</i>	(945,000)	(945,000)
<i>Net change in fund balances</i>	(596,549)	(596,549)
<i>Fund balances - beginning of year</i>	875,340	875,340
<i>Fund balances - end of year</i>	\$ 278,791	278,791

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, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 46,867	5,050	-	51,917
Municipal Court				
Cash and cash equivalents	<u>1,164</u>	<u>801</u>	<u>-</u>	<u>1,965</u>
<i>Total assets</i>	<u>\$ 48,031</u>	<u>5,851</u>	<u>-</u>	<u>53,882</u>
 LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 46,867	5,050	-	51,917
Municipal Court				
Deposits held in trust for others	<u>1,164</u>	<u>801</u>	<u>-</u>	<u>1,965</u>
<i>Total liabilities</i>	<u>\$ 48,031</u>	<u>5,851</u>	<u>-</u>	<u>53,882</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, 2012**

	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	90,000	90,000	97,614	7,614
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	100	100	10	(90)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>90,100</u>	<u>90,100</u>	<u>97,624</u>	<u>7,524</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>90,100</u>	<u>90,100</u>	<u>97,624</u>	<u>7,524</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(91,821)	(91,821)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(91,821)</u>	<u>(91,821)</u>
<i>Net change in fund balance</i>	90,100	90,100	5,803	(84,297)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,146</u>	<u>11,146</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>16,949</u>	<u>(73,151)</u>
Net change in fund balance (GAAP)			\$	5,811
Adjustments to revenue for applicable accruals and deferrals				8
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>5,803</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Recreation Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012**

	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	-	-	25	25
Licenses and fees	-	-	-	-
Investment income	325	325	60	(265)
Miscellaneous	-	1,364	2,244	880
<i>Total revenues</i>	<u>325</u>	<u>1,689</u>	<u>2,329</u>	<u>640</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	272,808	277,140	263,351	13,789
Health and welfare	-	-	-	-
Capital outlay	-	10,000	7,631	2,369
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>272,808</u>	<u>287,140</u>	<u>270,982</u>	<u>16,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(272,483)</u>	<u>(285,451)</u>	<u>(268,653)</u>	<u>16,798</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	272,483	285,451	-	(285,451)
Transfers in	-	-	239,475	239,475
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>272,483</u>	<u>285,451</u>	<u>239,475</u>	<u>(45,976)</u>
<i>Net change in fund balance</i>	-	-	(29,178)	(29,178)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>43,543</u>	<u>43,543</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>14,365</u>	<u>14,365</u>
Net change in fund balance (GAAP)			\$	(26,810)
Adjustments to revenue for applicable accruals and deferrals				-
Adjustments to expenditures for applicable accruals and payments				<u>2,368</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(29,178)</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, 2012**

	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	-	60,000	-	(60,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	205	205	11	(194)
Miscellaneous	-	17,846	17,970	124
<i>Total revenues</i>	<u>205</u>	<u>78,051</u>	<u>17,981</u>	<u>(60,070)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	249,537	330,306	266,715	63,591
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>249,537</u>	<u>330,306</u>	<u>266,715</u>	<u>63,591</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(249,332)</u>	<u>(252,255)</u>	<u>(248,734)</u>	<u>3,521</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	249,332	252,255	-	(252,255)
Transfers in	-	-	239,465	239,465
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>249,332</u>	<u>252,255</u>	<u>239,465</u>	<u>(12,790)</u>
<i>Net change in fund balance</i>	-	-	(9,269)	(9,269)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,703</u>	<u>12,703</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3,434</u>	<u>3,434</u>
Net change in fund balance (GAAP)			\$	(5,582)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>3,687</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(9,269)</u>

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, 2012**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	445,550	470,307	470,256	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	4,500	4,500	5,726	1,226
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>450,050</u>	<u>474,807</u>	<u>475,982</u>	<u>1,226</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>450,050</u>	<u>474,807</u>	<u>475,982</u>	<u>1,226</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(470,256)	(470,256)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(470,256)</u>	<u>(470,256)</u>
<i>Net change in fund balance</i>	450,050	474,807	5,726	(469,081)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,079,957</u>	<u>2,079,957</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2,085,683</u>	<u>1,610,876</u>
Net change in fund balance (GAAP)			\$	13,275
Adjustments to revenue for applicable accruals and deferrals				7,549
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>5,726</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, 2012**

	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	491,388	537,378	537,378	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	900	900	1,519	619
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>492,288</u>	<u>538,278</u>	<u>538,897</u>	<u>619</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	121,071	179,453	124,058	55,395
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	658,262	645,870	167,935	477,935
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>779,333</u>	<u>825,323</u>	<u>291,993</u>	<u>533,330</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(287,045)</u>	<u>(287,045)</u>	<u>246,904</u>	<u>533,949</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	287,045	287,045	-	(287,045)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>287,045</u>	<u>287,045</u>	<u>-</u>	<u>(287,045)</u>
<i>Net change in fund balance</i>	-	-	246,904	246,904
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>287,045</u>	<u>287,045</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>533,949</u>	<u>533,949</u>
Net change in fund balance (GAAP)			\$	246,903
No adjustments to revenues				-
No adjustments to expenditures				(1)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>246,904</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Sanitary Sewer Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012**

	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	60,000	60,000	85,613	25,613
Investment income	2,500	2,500	2,140	(360)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>62,500</u>	<u>62,500</u>	<u>87,753</u>	<u>25,253</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>62,500</u>	<u>62,500</u>	<u>87,753</u>	<u>25,253</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Proceeds from debt issuance	-	-	-	-
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>	62,500	62,500	87,753	150,253
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>607,955</u>	<u>607,955</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>695,708</u>	<u>758,208</u>
Net change in fund balance (GAAP)			\$	87,753
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>87,753</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, 2012**

	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	15,000	15,000	-	(15,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	350	350	22	(328)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,350</u>	<u>15,350</u>	<u>22</u>	<u>(15,328)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	243,771	245,876	205,139	40,737
Health and welfare	-	-	-	-
Capital outlay	15,000	15,000	-	15,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>258,771</u>	<u>260,876</u>	<u>205,139</u>	<u>55,737</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(243,421)</u>	<u>(245,526)</u>	<u>(205,117)</u>	<u>40,409</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	243,421	245,526	-	(245,526)
Transfers in	-	-	206,100	206,100
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>243,421</u>	<u>245,526</u>	<u>206,100</u>	<u>(39,426)</u>
<i>Net change in fund balance</i>	-	-	983	983
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>39,297</u>	<u>39,297</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>40,280</u>	<u>40,280</u>
Net change in fund balance (GAAP)			\$	2,142
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>1,159</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>983</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, 2012**

	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	29,739	35,716	35,241	(475)
State capital grants	-	-	-	-
Charges for services	6,400	6,400	7,541	1,141
Fines, forfeitures & penalties	16,500	16,500	14,729	(1,771)
Licenses and fees	-	-	-	-
Investment income	410	410	205	(205)
Miscellaneous	500	500	157	(343)
<i>Total revenues</i>	<u>53,549</u>	<u>59,526</u>	<u>57,873</u>	<u>(1,653)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	832,928	918,203	872,728	45,475
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>832,928</u>	<u>918,203</u>	<u>872,728</u>	<u>45,475</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(779,379)</u>	<u>(858,677)</u>	<u>(814,855)</u>	<u>43,822</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	779,379	858,677	-	(858,677)
Transfers in	-	-	719,486	719,486
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>779,379</u>	<u>858,677</u>	<u>719,486</u>	<u>(139,191)</u>
<i>Net change in fund balance</i>	-	-	(95,369)	(95,369)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>135,209</u>	<u>135,209</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>39,840</u>	<u>39,840</u>
Net change in fund balance (GAAP)			\$	(92,047)
Adjustments to revenue for applicable accruals and deferrals				-
Adjustments to expenditures for applicable accruals and payments				3,322
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(95,369)</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
2011 GRT Improvement Bonds 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, 2012**

	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	-	-	19,955	19,955
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>19,955</u>	<u>19,955</u>
<i>Expenditures:</i>				
Current:				
General government	64,200	-	-	-
Public safety	-	-	-	-
Public works	-	348,141	348,139	2
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,711,079	4,221,241	1,489,838
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>64,200</u>	<u>6,059,220</u>	<u>4,569,380</u>	<u>1,489,840</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(64,200)</u>	<u>(6,059,220)</u>	<u>(4,549,425)</u>	<u>1,509,795</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	64,200	6,059,220	-	(6,059,220)
Transfers in	-	-	535,220	535,220
Transfers out	-	-	(880,000)	(880,000)
Proceeds from issuance	0	6,404,000	3,527,000	(2,877,000)
<i>Total other financing sources (uses)</i>	<u>64,200</u>	<u>12,463,220</u>	<u>3,182,220</u>	<u>(9,281,000)</u>
<i>Net change in fund balance</i>	-	6,404,000	(1,367,205)	(7,771,205)
<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>(1,367,205)</u>	<u>(7,771,205)</u>
Net change in fund balance (GAAP)			\$	1,267,283
Adjustments to revenue for applicable accruals and deferrals				-
No adjustments to expenditures				<u>2,634,488</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(1,367,205)</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, 2012**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	-	-	-	-
Gross receipts	\$ 445,550	445,550	476,408	30,858
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	500	500	2,047	1,547
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>446,050</u>	<u>446,050</u>	<u>478,455</u>	<u>32,405</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>446,050</u>	<u>446,050</u>	<u>478,455</u>	<u>32,405</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(233,701)	(233,701)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(233,701)</u>	<u>(233,701)</u>
<i>Net change in fund balance</i>	446,050	446,050	244,754	(201,296)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>460,193</u>	<u>460,193</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>704,947</u>	<u>258,897</u>
Net change in fund balance (GAAP)			\$	252,564
Adjustments to revenue for applicable accruals and deferrals				7,810
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>244,754</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	445,550	445,550	476,408	30,858
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	750	750	856	106
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>446,300</u>	<u>446,300</u>	<u>477,264</u>	<u>30,964</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>446,300</u>	<u>446,300</u>	<u>477,264</u>	<u>30,964</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(632,697)	(632,697)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(632,697)</u>	<u>(632,697)</u>
<i>Net change in fund balance</i>	446,300	446,300	(155,433)	(601,733)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>338,226</u>	<u>338,226</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>182,793</u>	<u>(263,507)</u>
Net change in fund balance (GAAP)			\$	(147,623)
Adjustments to revenue for applicable accruals and deferrals				7,810
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(155,433)</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Civic Center Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	445,550	445,550	476,408	30,858
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	680,489	680,489	592,651	(87,838)
Licenses and fees	-	-	-	-
Investment income	1,140	1,140	84	(1,056)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,127,179</u>	<u>1,127,179</u>	<u>1,069,143</u>	<u>(58,036)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,003,856	1,016,816	874,403	142,413
Health and welfare	-	-	-	-
Capital outlay	725,000	37,599	35,147	2,452
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,728,856</u>	<u>1,054,415</u>	<u>909,550</u>	<u>144,865</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(601,677)</u>	<u>72,764</u>	<u>159,593</u>	<u>86,829</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	601,677	-	-	-
Transfers in	-	-	162,960	162,960
Transfers out	-	-	(246,701)	(246,701)
<i>Total other financing sources (uses)</i>	<u>601,677</u>	<u>-</u>	<u>(83,741)</u>	<u>(83,741)</u>
<i>Net change in fund balance</i>	-	72,764	75,852	3,088
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>161,387</u>	<u>161,387</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>237,239</u>	<u>164,475</u>
Net change in fund balance (GAAP)			\$	79,420
Adjustments to revenue for applicable accruals and deferrals				7,783
Adjustments to expenditures for applicable accruals and payments				<u>(4,215)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>75,852</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, 2012**

	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	37,000	37,000	33,620	(3,380)
Licenses and fees	257,800	257,800	248,009	(9,791)
Investment income	10,000	10,000	1,503	(8,497)
Miscellaneous	6,250	6,250	13,797	7,547
<i>Total revenues</i>	311,050	311,050	296,929	(14,121)
<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>	311,050	311,050	296,929	(14,121)
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(636,540)	(636,540)
<i>Total other financing sources (uses)</i>	-	-	(636,540)	(636,540)
<i>Net change in fund balance</i>	311,050	311,050	(339,611)	(650,661)
<i>Fund balance - beginning of year</i>	-	-	1,384,551	1,384,551
<i>Fund balance - end of year</i>	\$ -	-	1,044,940	733,890
Net change in fund balance (GAAP)				\$ (339,561)
Adjustments to revenue for applicable accruals and deferrals				50
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				\$ (339,611)

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	891,110	891,110	940,392	49,282
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	7,450	7,450	35,251	27,801
Miscellaneous	-	-	24,650	24,650
<i>Total revenues</i>	<u>898,560</u>	<u>898,560</u>	<u>1,000,293</u>	<u>101,733</u>
<i>Expenditures:</i>				
Current:				
General government	820,000	2,820,000	1,952,553	867,447
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>820,000</u>	<u>2,820,000</u>	<u>1,952,553</u>	<u>867,447</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>78,560</u>	<u>(1,921,440)</u>	<u>(952,260)</u>	<u>969,180</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	1,921,440	-	(1,921,440)
Transfers in	-	-	-	-
Transfers out	-	-	(445,405)	(445,405)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,921,440</u>	<u>(445,405)</u>	<u>(2,366,845)</u>
<i>Net change in fund balance</i>	78,560	-	(1,397,665)	(1,397,665)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,460,811</u>	<u>3,460,811</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2,063,146</u>	<u>2,063,146</u>
Net change in fund balance (GAAP)				\$ (1,382,444)
Adjustments to revenue for applicable accruals and deferrals				15,221
Adjustments to expenditures for applicable accruals and payments				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (1,397,665)</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, 2012**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,782,220	1,782,220	1,879,687	97,467
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	5,100	5,100	10,699	5,599
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,787,320</u>	<u>1,787,320</u>	<u>1,890,386</u>	<u>103,066</u>
<i>Expenditures:</i>				
Current:				
General government	304,238	304,238	304,238	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>304,238</u>	<u>304,238</u>	<u>304,238</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,483,082</u>	<u>1,483,082</u>	<u>1,586,148</u>	<u>103,066</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	(1,964,681)	(1,964,681)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,964,681)</u>	<u>(1,964,681)</u>
<i>Net change in fund balance</i>	1,483,082	1,483,082	(378,533)	(1,861,615)
<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>(378,533)</u>	<u>(1,861,615)</u>
Net change in fund balance (GAAP)			\$	(347,882)
Adjustments to revenue for applicable accruals and deferrals				30,651
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(378,533)</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, 2012**

	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	18,690	18,690	18,722	32
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>18,690</u>	<u>18,690</u>	<u>18,722</u>	<u>32</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	18,879	18,879	18,344	535
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,879</u>	<u>18,879</u>	<u>18,344</u>	<u>535</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(189)</u>	<u>(189)</u>	<u>378</u>	<u>567</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	189	189	-	(189)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>189</u>	<u>189</u>	<u>-</u>	<u>(189)</u>
<i>Net change in fund balance</i>	-	-	378	378
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>189</u>	<u>189</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>567</u>	<u>567</u>
Net change in fund balance (GAAP)			\$	379
No adjustments to revenues				-
No adjustments to expenditures				<u>1</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>378</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, 2012**

	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	9,231	9,231	7,489	(1,742)
State capital grants	-	12,000	-	(12,000)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	7,058	14,615	7,557
<i>Total revenues</i>	<u>9,231</u>	<u>28,289</u>	<u>22,104</u>	<u>(6,185)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	10,000	22,000	19,570	2,430
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>22,000</u>	<u>19,570</u>	<u>2,430</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(769)</u>	<u>6,289</u>	<u>2,534</u>	<u>(3,755)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	769	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(7,058)	(7,058)
<i>Total other financing sources (uses)</i>	<u>769</u>	<u>-</u>	<u>(7,058)</u>	<u>(7,058)</u>
<i>Net change in fund balance</i>	-	6,289	(4,524)	(10,813)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,460</u>	<u>5,460</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>936</u>	<u>(5,353)</u>
Net change in fund balance (GAAP)			\$	879
No adjustments to revenue				5,403
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(4,524)</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Lodger's Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012**

	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	480,000	550,000	535,054	(14,946)
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,400	2,400	2,435	35
Miscellaneous	6,913	8,588	8,580	(8)
<i>Total revenues</i>	<u>489,313</u>	<u>560,988</u>	<u>546,069</u>	<u>(14,919)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	275,413	338,088	325,614	12,474
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>275,413</u>	<u>338,088</u>	<u>325,614</u>	<u>12,474</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>213,900</u>	<u>222,900</u>	<u>220,455</u>	<u>(2,445)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	374,538	374,538
Transfers out	-	-	(537,498)	(537,498)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(162,960)</u>	<u>(162,960)</u>
<i>Net change in fund balance</i>	213,900	222,900	57,495	(165,405)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>901,173</u>	<u>901,173</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>958,668</u>	<u>735,768</u>
Net change in fund balance (GAAP)			\$	43,573
Adjustments to revenue for applicable accruals and deferrals				(10,989)
No adjustments to expenditures				(2,933)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>57,495</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, 2012**

	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	268,997	327,203	325,100	(2,103)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>268,997</u>	<u>327,203</u>	<u>325,100</u>	<u>(2,103)</u>
<i>Expenditures:</i>				
Current:				
General government	-	1,541	1,441	100
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,802	36,634	34,631	2,003
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,802</u>	<u>38,175</u>	<u>36,072</u>	<u>2,103</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>263,195</u>	<u>289,028</u>	<u>289,028</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(25,833)	(25,833)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(25,833)</u>	<u>(25,833)</u>
<i>Net change in fund balance</i>	263,195	289,028	263,195	(25,833)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,635</u>	<u>6,635</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>269,830</u>	<u>(19,198)</u>
Net change in fund balance (GAAP)			\$	(6,635)
Adjustments to revenue for applicable accruals and deferrals				(269,830)
Adjustments to expenditures for applicable accruals and payments				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>263,195</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, 2012**

	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	1,782,220	1,782,220	1,905,630	123,410
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	200	200	407	207
<i>Total revenues</i>	<u>1,782,420</u>	<u>1,782,420</u>	<u>1,906,037</u>	<u>123,617</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>1,782,420</u>	<u>1,782,420</u>	<u>1,906,037</u>	<u>123,617</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,958,209)	(1,958,209)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,958,209)</u>	<u>(1,958,209)</u>
<i>Net change in fund balance</i>	1,782,420	1,782,420	(52,172)	(1,834,592)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>493,932</u>	<u>493,932</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>441,760</u>	<u>(1,340,660)</u>
Net change in fund balance (GAAP)			\$	(24,544)
Adjustments to revenue for applicable accruals and deferrals				27,628
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(52,172)</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, 2012**

	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	140,000	140,000	123,140	(16,860)
Investment income	125	125	6	(119)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>140,125</u>	<u>140,125</u>	<u>123,146</u>	<u>(16,979)</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>140,125</u>	<u>140,125</u>	<u>123,146</u>	<u>(16,979)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(123,144)	(123,144)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(123,144)</u>	<u>(123,144)</u>
<i>Net change in fund balance</i>	140,125	140,125	2	(140,123)
<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>2</u>	<u>(140,123)</u>
Net change in fund balance (GAAP)			\$	-
No adjustments to revenues				(2)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>2</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, 2012**

	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	64,800	64,800	64,200	(600)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	500	500	502	2
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,300</u>	<u>65,300</u>	<u>64,702</u>	<u>(598)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	82,673	82,673	74,639	8,034
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>82,673</u>	<u>82,673</u>	<u>74,639</u>	<u>8,034</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,373)</u>	<u>(17,373)</u>	<u>(9,937)</u>	<u>7,436</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	17,373	17,373	-	(17,373)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>17,373</u>	<u>17,373</u>	<u>-</u>	<u>(17,373)</u>
<i>Net change in fund balance</i>	-	-	(9,937)	(9,937)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,373</u>	<u>17,373</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>7,436</u>	<u>7,436</u>
Net change in fund balance (GAAP)			\$	(9,937)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(9,937)</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, 2012**

	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/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (GAAP)			\$	-
No adjustments to revenue				-
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
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, 2012**

	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	1,062,290	1,062,290	512,008	(550,282)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	44,000	44,000	38,067	(5,933)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,106,290</u>	<u>1,109,885</u>	<u>558,770</u>	<u>(551,115)</u>
<i>Expenditures:</i>				
Current:				
General government	1,516,015	1,530,281	797,006	733,275
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	74,828	74,828	74,828	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,590,843</u>	<u>1,605,109</u>	<u>871,834</u>	<u>733,275</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(484,553)</u>	<u>(495,224)</u>	<u>(313,064)</u>	<u>182,160</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	484,553	495,224	-	(495,224)
Transfers in	-	-	385,784	385,784
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>484,553</u>	<u>495,224</u>	<u>385,784</u>	<u>(109,440)</u>
<i>Net change in fund balance</i>	-	-	72,720	72,720
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>132,966</u>	<u>132,966</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>205,686</u>	<u>205,686</u>
Net change in fund balance (GAAP)			\$	84,277
Adjustments to revenue for applicable accruals and deferrals				13,050
Adjustments to expenditures for applicable accruals and payments				<u>(1,493)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>72,720</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Department of Justice Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012**

	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	4,670	34,184	3,500	(30,684)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	4,670	34,184	3,501	(30,683)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,170	7,170	1,080	6,090
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	23,514	23,514	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,170	30,684	24,594	6,090
<i>Excess (deficiency) of revenues over expenditures</i>	3,500	3,500	(21,093)	(24,593)
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	3,500	3,500	(21,093)	(24,593)
<i>Fund balance - beginning of year</i>	-	-	1,032	1,032
<i>Fund balance - end of year</i>	\$ -	-	(20,061)	(23,561)
Net change in fund balance (GAAP)			\$	1
Adjustments to revenue for applicable accruals and deferrals				21,094
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(21,093)

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, 2012**

	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	80,931	226,634	197,465	(29,169)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	13	13
Miscellaneous	-	-	153	153
<i>Total revenues</i>	<u>80,931</u>	<u>226,634</u>	<u>197,631</u>	<u>(29,003)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	145,703	135,444	10,259
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>145,703</u>	<u>135,444</u>	<u>10,259</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>80,931</u>	<u>80,931</u>	<u>62,187</u>	<u>(18,744)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
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>	80,931	80,931	62,187	(18,744)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,327</u>	<u>14,327</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>76,514</u>	<u>(4,417)</u>
Net change in fund balance (GAAP)			\$	731
Adjustments to revenue for applicable accruals and deferrals				(62,074)
Adjustments to expenditures for applicable accruals and payments				<u>618</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>62,187</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Eastern New Mexico Water Utility Authority 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, 2012**

	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	1,238,628	1,238,628	1,238,628	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,238,628</u>	<u>1,238,628</u>	<u>1,238,628</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	108,667	108,667	108,667	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,667</u>	<u>108,667</u>	<u>108,667</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,129,961</u>	<u>1,129,961</u>	<u>1,129,961</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
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>	1,129,961	1,129,961	1,129,961	-
<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>1,129,961</u>	<u>-</u>
Net change in fund balance (GAAP)			\$	(130,275)
Adjustments to revenue for applicable accruals and deferrals				(1,238,628)
Adjustments to expenditures for applicable accruals and payments				(21,608)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>1,129,961</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, 2012**

	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/other assets	-	-	-	-
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 revenues				-
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
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, 2012**

	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	300	300	413	113
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>300</u>	<u>300</u>	<u>413</u>	<u>113</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	155,000	155,000	155,000	-
Interest	113,419	113,419	113,419	-
<i>Total expenditures</i>	<u>268,419</u>	<u>268,419</u>	<u>268,419</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(268,119)</u>	<u>(268,119)</u>	<u>(268,006)</u>	<u>113</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	268,119	268,119	-	(268,119)
Transfers in	-	-	268,419	268,419
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>268,119</u>	<u>268,119</u>	<u>268,419</u>	<u>300</u>
<i>Net change in fund balance</i>	-	-	413	413
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>66,001</u>	<u>66,001</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>66,414</u>	<u>66,414</u>
Net change in fund balance (GAAP)			\$	413
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>413</u>

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, 2012**

	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	600	600	684	84
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600</u>	<u>600</u>	<u>684</u>	<u>84</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	430,000	1,160,000	1,160,000	-
Interest	37,400	197,746	197,746	-
<i>Total expenditures</i>	<u>467,400</u>	<u>1,357,746</u>	<u>1,357,746</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(466,800)</u>	<u>(1,357,146)</u>	<u>(1,357,062)</u>	<u>84</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	466,800	1,357,146	-	(1,357,146)
Transfers in	-	-	1,349,227	1,349,227
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>466,800</u>	<u>1,357,146</u>	<u>1,349,227</u>	<u>(7,919)</u>
<i>Net change in fund balance</i>	-	-	(7,835)	(7,835)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>159,714</u>	<u>159,714</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>151,879</u>	<u>151,879</u>
Net change in fund balance (GAAP)			\$	(7,835)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(7,835)</u>

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, 2012**

	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	110,812	110,812	108,046	(2,766)
State operating grants	-	-	-	-
State capital grants	652,164	4,765,615	253,295	(4,512,320)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1,211	1,211
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>762,976</u>	<u>4,876,427</u>	<u>362,552</u>	<u>(4,513,875)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	78,958	78,958	75,733	3,225
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	35,291	4,428,836	93,894	4,334,942
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>114,249</u>	<u>4,507,794</u>	<u>169,627</u>	<u>4,338,167</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>648,727</u>	<u>368,633</u>	<u>192,925</u>	<u>(175,708)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	280,094	280,094
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>280,094</u>	<u>280,094</u>
<i>Net change in fund balance</i>	648,727	368,633	473,019	104,386
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>729,981</u>	<u>729,981</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,203,000</u>	<u>834,367</u>
Net change in fund balance (GAAP)			\$	77,646
Adjustments to revenue for applicable accruals and deferrals				(395,373)
Adjustments to expenditures for applicable accruals and payments				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>473,019</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, 2012**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	445,550	445,550	476,408	30,858
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	40,000	40,000	(40,000)	(80,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,500	1,500	5,833	4,333
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>487,050</u>	<u>487,050</u>	<u>442,241</u>	<u>(44,809)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	115	112	3
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	266,157	301,437	197,987	103,450
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>266,157</u>	<u>301,552</u>	<u>198,099</u>	<u>103,453</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>220,893</u>	<u>185,498</u>	<u>244,142</u>	<u>58,644</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(945,000)	(945,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(945,000)</u>	<u>(945,000)</u>
<i>Net change in fund balance</i>	220,893	185,498	(700,858)	(886,356)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>875,340</u>	<u>875,340</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>174,482</u>	<u>(11,016)</u>
Net change in fund balance (GAAP)			\$	(596,549)
Adjustments to revenue for applicable accruals and deferrals				87,783
Adjustments to expenditures for applicable accruals and payments				<u>16,526</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(700,858)</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, 2012

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 3,948,500	3,948,500	3,777,309	(171,191)
<i>Total operating revenues</i>	<u>3,948,500</u>	<u>3,948,500</u>	<u>3,777,309</u>	<u>(171,191)</u>
<i>Operating expenses:</i>				
General and administrative	759,490	755,800	731,570	24,230
Personnel services	2,020,987	2,048,503	1,911,317	137,186
Contractual services	-	-	-	-
Supplies and purchased power	830,759	1,393,667	887,822	505,845
Maintenance and materials	962,353	1,090,753	1,018,539	72,214
Utilities	25,383	29,163	26,205	2,958
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>4,598,972</u>	<u>5,317,886</u>	<u>4,575,453</u>	<u>742,433</u>
<i>Operating income (loss)</i>	<u>(650,472)</u>	<u>(1,369,386)</u>	<u>(798,144)</u>	<u>571,242</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	25,000	33,424	60,817	27,393
Interest income	99,300	99,300	95,130	(4,170)
Interest expense	(45,072)	(45,072)	(45,071)	1
Net proceeds from sale of capital assets	-	-	2,498	2,498
Gross receipts and other taxes	445,550	470,246	470,196	(50)
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>524,778</u>	<u>557,898</u>	<u>583,570</u>	<u>25,672</u>
Capital grants	-	-	-	-
Transfers in	-	-	947,510	947,510
Transfers out	-	-	(735,446)	(735,446)
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>212,064</u>	<u>212,064</u>
<i>Change in net assets</i>	(125,694)	(811,488)	(2,510)	808,978
Designated cash/other assets	<u>125,694</u>	<u>811,488</u>	<u>-</u>	<u>-</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,095,080</u>	<u>6,095,080</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>6,092,570</u>	<u>6,904,058</u>
Net change in net assets (GAAP)				\$ 264,378
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				101,420
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				610,427
Depreciation and other non-cash items				<u>(444,959)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ (2,510)</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, 2012

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 2,981,500	2,981,500	2,978,613	(2,887)
<i>Total operating revenues</i>	<u>2,981,500</u>	<u>2,981,500</u>	<u>2,978,613</u>	<u>(2,887)</u>
<i>Operating expenses:</i>				
General and administrative	64,224	64,224	45,715	18,509
Personnel services	895,006	907,841	774,838	133,003
Contractual services	181,151	203,162	159,705	43,457
Supplies and purchased power	1,761,485	2,403,705	973,417	1,430,288
Maintenance and materials	5,285,014	5,293,687	5,086,205	207,482
Utilities	339,422	339,422	250,175	89,247
Miscellaneous	661,701	661,703	656,955	4,748
<i>Total operating expenses</i>	<u>9,188,003</u>	<u>9,873,744</u>	<u>7,947,010</u>	<u>1,926,734</u>
<i>Operating income (loss)</i>	<u>(6,206,503)</u>	<u>(6,892,244)</u>	<u>(4,968,397)</u>	<u>1,923,847</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	182,627	264,073	81,446
Interest income	72,500	78,385	91,230	12,845
Interest expense	(365,311)	(365,311)	(365,310)	1
Net proceeds from sale of capital assets	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
Issuance of debt	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(133,445)</u>	<u>(104,299)</u>	<u>(10,007)</u>	<u>94,292</u>
Capital grants	500,000	500,000	-	(500,000)
Transfers in	-	-	957,609	957,609
Transfers out	-	-	(668,454)	(668,454)
<i>Capital grants and net transfers</i>	<u>500,000</u>	<u>500,000</u>	<u>289,155</u>	<u>(210,845)</u>
<i>Change in net assets</i>	(5,839,948)	(6,496,543)	(4,689,249)	1,807,294
Designated cash/other assets	<u>5,839,948</u>	<u>6,496,543</u>	<u>-</u>	<u>-</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,422,846</u>	<u>-</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>12,733,597</u>	<u>1,807,294</u>
Net change in net assets (GAAP)				\$ 380,229
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				67,147
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				6,309,205
Depreciation and other non-cash items				<u>(1,306,874)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ (4,689,249)</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, 2012**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 119,600	119,600	148,939	29,339
<i>Total operating revenues</i>	<u>119,600</u>	<u>119,600</u>	<u>148,939</u>	<u>29,339</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	204,870	224,279	223,882	397
Contractual services	366,610	389,810	407,884	(18,074)
Supplies and purchased power	-	-	-	-
Maintenance and materials	4,791,765	6,241,295	5,545,529	695,766
Utilities	48,080	45,580	38,434	7,146
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>5,411,325</u>	<u>6,900,964</u>	<u>6,215,729</u>	<u>685,235</u>
<i>Operating income (loss)</i>	<u>(5,291,725)</u>	<u>(6,781,364)</u>	<u>(6,066,790)</u>	<u>714,574</u>
<i>Non-operating revenues (expenses):</i>				
Capital grants	5,239,095	6,725,825	5,763,419	(962,406)
Miscellaneous income	4,400	4,400	2,903	(1,497)
Interest income	2,500	2,500	364	(2,136)
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>5,245,995</u>	<u>6,732,725</u>	<u>5,766,686</u>	<u>(966,039)</u>
Transfers in	-	-	282,444	282,444
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>282,444</u>	<u>282,444</u>
<i>Change in net assets</i>	<u>(45,730)</u>	<u>(48,639)</u>	<u>(17,660)</u>	<u>30,979</u>
Designated cash/other assets	<u>45,730</u>	<u>48,639</u>	<u>-</u>	<u>-</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,736,259</u>	<u>14,736,259</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>14,718,599</u>	<u>30,979</u>
Net change in net assets (GAAP)				\$ 4,738,388
Adjustments to revenue for charges for services and miscellaneous revenue accruals				(417,278)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				5,713,965
Depreciation				<u>(540,639)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ (17,660)</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
Golf Course Proprietary Fund
For the Year Ended June 30, 2012**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 154,000	70,000	69,897	(103)
<i>Total operating revenues</i>	<u>154,000</u>	<u>70,000</u>	<u>69,897</u>	<u>(103)</u>
<i>Operating expenses:</i>				
General and administrative	6,300	6,500	3,732	2,768
Personnel services	169,695	179,228	174,440	4,788
Contractual services	-	-	-	-
Supplies and purchased power	-	-	-	-
Maintenance and materials	177,620	252,753	236,296	16,457
Utilities	64,200	73,850	69,807	4,043
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>417,815</u>	<u>512,331</u>	<u>484,275</u>	<u>28,056</u>
<i>Operating income (loss)</i>	<u>(263,815)</u>	<u>(442,331)</u>	<u>(414,378)</u>	<u>27,953</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	20,074	61,142	55,426	(5,716)
Interest income	-	-	2	2
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>20,074</u>	<u>61,142</u>	<u>55,428</u>	<u>(5,714)</u>
Capital grants	-	-	-	-
Transfers in	-	-	382,183	382,183
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>382,183</u>	<u>382,183</u>
<i>Change in net assets</i>	(243,741)	(381,189)	23,233	404,422
Designated cash/other assets	<u>243,741</u>	<u>381,189</u>	<u>-</u>	<u>-</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>23,233</u>	<u>404,422</u>
Net change in net assets (GAAP)			\$	95,173
Adjustments to revenue for charges for services and miscellaneous revenue accruals				168,356
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(46,368)
Depreciation				<u>(50,048)</u>
Net change in net assets (non-GAAP budgetary basis)			\$	<u>23,233</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, 2012**

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, 2012**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash and investments	\$ 3,255,163	488,787	150,780	3,894,730
Receivables	37,744	-	-	37,744
Prepays	1,129	-	-	1,129
<i>Total current assets</i>	<u>3,294,036</u>	<u>488,787</u>	<u>150,780</u>	<u>3,933,603</u>
<i>Noncurrent assets</i>				
Restricted Cash and investments	-	-	-	-
Capital assets	69,668	-	-	69,668
Less: accumulated depreciation	(45,844)	-	-	(45,844)
<i>Total noncurrent assets</i>	<u>23,824</u>	<u>-</u>	<u>-</u>	<u>23,824</u>
<i>Total Assets</i>	<u><u>3,317,860</u></u>	<u><u>488,787</u></u>	<u><u>150,780</u></u>	<u><u>3,957,427</u></u>
<i>Liabilities and Net Assets</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	1,927	-	-	1,927
Accrued compensated absences	-	-	-	-
<i>Total current liabilities</i>	<u>1,927</u>	<u>-</u>	<u>-</u>	<u>1,927</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	23,824	-	-	23,824
Restricted net assets	-	-	-	-
Unrestricted net assets	3,292,109	488,787	150,780	3,931,676
<i>Total net assets</i>	<u>3,315,933</u>	<u>488,787</u>	<u>150,780</u>	<u>3,955,500</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$ 3,317,860</u></u>	<u><u>488,787</u></u>	<u><u>150,780</u></u>	<u><u>3,957,427</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, 2012

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 861,641	-	-	861,641
<i>Total operating revenues</i>	<u>861,641</u>	<u>-</u>	<u>-</u>	<u>861,641</u>
<i>Operating expenses:</i>				
General and administrative	486,064	22,464	-	508,528
Personnel services	80,888	-	-	80,888
Depreciation	4,929	-	-	4,929
<i>Total operating expenses</i>	<u>571,881</u>	<u>22,464</u>	<u>-</u>	<u>594,345</u>
<i>Operating income (loss)</i>	<u>289,760</u>	<u>(22,464)</u>	<u>-</u>	<u>267,296</u>
<i>Non-operating revenues (expenses):</i>				
Gain/(loss) on disposal of capital assets	(339)	-	-	(339)
Interest income	28,297	1,065	346	29,708
Miscellaneous	56,033	71,656	-	127,689
<i>Total non-operating revenues (expenses)</i>	<u>83,991</u>	<u>72,721</u>	<u>346</u>	<u>157,058</u>
Transfers in	-	-	-	-
Transfers out	(1,900)	-	-	(1,900)
<i>Net transfers</i>	<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>
<i>Change in net assets</i>	371,851	50,257	346	422,454
<i>Net assets, beginning of year</i>	2,946,858	438,530	150,434	3,535,822
<i>Restatement</i>	<u>(2,776)</u>	<u>-</u>	<u>-</u>	<u>(2,776)</u>
<i>Beginning net assets, as restated</i>	<u>2,944,082</u>	<u>438,530</u>	<u>150,434</u>	<u>3,533,046</u>
<i>Net assets, end of year</i>	<u>\$ 3,315,933</u>	<u>488,787</u>	<u>150,780</u>	<u>3,955,500</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, 2012**

	<u>48</u>	<u>53</u>	<u>54</u>	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 823,897	-	-	823,897
Payments to suppliers and employees	<u>(577,926)</u>	<u>(22,464)</u>	<u>-</u>	<u>(600,390)</u>
Net cash provided by operating activities	<u>245,971</u>	<u>(22,464)</u>	<u>-</u>	<u>223,507</u>
Cash flows from noncapital financing activities:				
Transfers in (out)	(1,900)	-	-	(1,900)
Miscellaneous income	<u>56,034</u>	<u>71,656</u>	<u>-</u>	<u>127,690</u>
Net cash provided (used) by noncapital financing activities	<u>54,134</u>	<u>71,656</u>	<u>-</u>	<u>125,790</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest income	<u>28,297</u>	<u>1,065</u>	<u>346</u>	<u>29,708</u>
Net cash provided by investing activities	<u>28,297</u>	<u>1,065</u>	<u>346</u>	<u>29,708</u>
Net increase in cash and investments	\$ <u>328,402</u>	<u>50,257</u>	<u>346</u>	<u>379,005</u>
Balances-beginning of year	<u>2,926,761</u>	<u>438,530</u>	<u>150,434</u>	<u>3,515,725</u>
Balances-end of year	\$ <u><u>3,255,163</u></u>	<u><u>488,787</u></u>	<u><u>150,780</u></u>	<u><u>3,894,730</u></u>
Reconciliation of operating income (loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ 289,760	(22,464)	-	267,296
Adjustments:				
Depreciation expense	4,929	-	-	4,929
(Increase) decrease in:				
Receivables	(37,744)	-	-	(37,744)
Prepays	(548)	-	-	(548)
(Decrease) increase in:				
Accrued payroll	(7,767)	-	-	(7,767)
Compensated absences	<u>(2,659)</u>	<u>-</u>	<u>-</u>	<u>(2,659)</u>
Net cash provided by operating activities	\$ <u><u>245,971</u></u>	<u><u>(22,464)</u></u>	<u><u>-</u></u>	<u><u>223,507</u></u>
Non-cash transfer of capital assets into fund	<u>2,776</u>	<u>-</u>	<u>-</u>	<u>2,776</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
Workers Compensation Internal Service Fund
For the Year Ended June 30, 2012

	<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	\$ 1,061,499	1,061,499	861,641	(199,858)
<i>Total operating revenues</i>	<u>1,061,499</u>	<u>1,061,499</u>	<u>861,641</u>	<u>(199,858)</u>
<i>Operating expenses:</i>				
General and administrative	494,886	494,886	464,147	30,739
Personnel services	95,099	96,458	91,313	5,145
<i>Total operating expenses</i>	<u>589,985</u>	<u>591,344</u>	<u>555,460</u>	<u>35,884</u>
<i>Operating income (loss)</i>	<u>471,514</u>	<u>470,155</u>	<u>306,181</u>	<u>(163,974)</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	(15,623)	(15,623)
Interest income	2,500	2,500	27,232	24,732
<i>Total non-operating revenues (expenses)</i>	<u>2,500</u>	<u>2,500</u>	<u>11,609</u>	<u>9,109</u>
Transfers in	-	-	1,308	1,308
Transfers out	-	-	(1,900)	(1,900)
<i>Change in net assets</i>	474,014	472,655	317,198	(155,457)
Designated cash/other assets	-	-	-	-
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,946,858</u>	<u>2,946,858</u>
<i>Total net assets, end of year</i>	<u>\$ 474,014</u>	<u>472,655</u>	<u>3,264,056</u>	<u>2,791,401</u>
Net change in net assets (GAAP)				\$ 371,851
Adjustments to revenue for charges for services, miscellaneous revenue and grant accruals				71,074
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(11,492)
Depreciation				<u>(4,929)</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 317,198</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, 2012

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 66,227	66,227	-	(66,227)
<i>Total operating revenues</i>	<u>66,227</u>	<u>66,227</u>	<u>-</u>	<u>(66,227)</u>
<i>Operating expenses:</i>				
General and administrative	66,227	66,227	22,464	43,763
<i>Total operating expenses</i>	<u>66,227</u>	<u>66,227</u>	<u>22,464</u>	<u>43,763</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>(22,464)</u>	<u>(22,464)</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	71,656	71,656
Interest income	5,000	5,000	1,065	(3,935)
<i>Total non-operating revenues (expenses)</i>	<u>5,000</u>	<u>5,000</u>	<u>72,721</u>	<u>67,721</u>
<i>Change in net assets</i>	5,000	5,000	50,257	45,257
Designated cash/other assets	-	-	-	-
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>438,530</u>	<u>438,530</u>
<i>Total net assets, end of year</i>	<u>\$ 5,000</u>	<u>5,000</u>	<u>488,787</u>	<u>483,787</u>
Net change in net assets (GAAP)				\$ 50,257
No adjustments to revenues				-
No adjustments to expenses				-
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 50,257</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, 2012

	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	200	200	346	146
<i>Total non-operating revenues (expenses)</i>	<u>200</u>	<u>200</u>	<u>346</u>	<u>146</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Change in net assets</i>	200	200	346	146
Designated cash/other assets	-	-	-	-
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>150,434</u>	<u>150,434</u>
<i>Total net assets, end of year</i>	<u>\$ 200</u>	<u>200</u>	<u>150,780</u>	<u>150,580</u>
Net change in net assets (GAAP)				\$ 346
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 346</u>

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

SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

	<u>CFDA Number</u>	<u>Federal Grantors Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Passed through NM Department of Transportation			
Federal Transit Formula Grants - Urbanized Area Formula Program	20.507		\$ 525,068
Highway Safety Cluster			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	11-OP-RF-023/ 11-63-DS-023	12,946
Safety Belt Performance Grant	20.609	11-OP-CIOT-023	4,413
Subtotal Highway Safety Cluster			<u>17,359</u>
Airport Improvement Program	(1) 20.106	3-35-0011-025	5,346,142
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-AL-64-023	30,741
Total U.S. Department of Transportation			<u>5,919,310</u>
U.S. Department of Justice			
Passed through NM Department of Public Safety			
Bulletproof Vest Partnership Program	16.607		4,447
ARRA-Edward Byrne Memorial Grant Program	16.738		30,269
Edward Byrne Memorial Grant Program	16.738	10-JAG-RegionV	160,038
Subtotal CFDA# 16.738			<u>190,307</u>
Total U.S. Department of Justice			<u>194,754</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security			
Emergency Management Performance Grants	97.042		45,265
Total U.S. Department of Homeland Security			<u>45,265</u>
U.S. Environmental Protection Agency			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		75,733
Total U.S. Department of the Interior			<u>75,733</u>
U.S. Department of Energy			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-RW0000169	4,909
Total U.S. Department of Energy			<u>4,909</u>
Total Federal Financial Assistance			\$ <u><u>6,239,971</u></u>

(1) Denotes Major Program

STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant expenditure activity for the financial statements of the organization. The schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 - Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended June 30, 2012.

Note 3 - Subrecipients

The organization provided no federal awards presented above to sub-recipients during the year.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Fund Balances
As of June 30, 2012**

	Major Funds			Other Non-Major Governmental Funds	Total
	01, 18	75	87		
	General Fund	Special Street Eastern NM Rural Water	Cap Projects Street Construction		
Fund Balances:					
Nonspendable:					
Inventory	\$ 4,972	87,104	-	952	93,028
Prepaid expenses	365,220	24,973	-	25,658	415,851
Subtotal nonspendable	<u>370,192</u>	<u>112,077</u>	<u>-</u>	<u>26,610</u>	<u>508,879</u>
Restricted for:					
Operate/maintain recreational facilities	-	-	-	1,267,283	1,267,283
Development of regional water supply	-	-	-	-	-
Improvement of emergency medical services	-	-	-	-	-
Road/drainage improvements	-	-	807,628	357,542	1,165,170
Transportation services	-	-	-	217,243	217,243
Drug abuse prevention/awareness	-	-	-	14,429	14,429
Debt service reserve	-	-	-	218,293	218,293
Fire fighting efforts/equipment	-	-	-	534,516	534,516
Law enforcement enhancement	-	-	-	7,436	7,436
Subtotal restricted	<u>-</u>	<u>-</u>	<u>807,628</u>	<u>2,616,742</u>	<u>3,424,370</u>
Committed to:					
Operate/maintain recreational facilities	-	-	-	202,508	202,508
Operating/administering senior citizens facility	-	-	-	-	-
Improvement of sewer distribution lines	-	-	-	695,708	695,708
Public safety efforts/equipment	-	-	-	470,421	470,421
Improvement of City property/equipment	-	-	-	1,869,504	1,869,504
Recycling efforts	-	-	-	6,339	6,339
Economic development projects	-	-	-	2,129,845	2,129,845
Road/drainage improvements	-	1,756,926	-	991,547	2,748,473
Environmental projects	-	-	-	2,093,232	2,093,232
Subtotal committed	<u>-</u>	<u>1,756,926</u>	<u>-</u>	<u>8,459,104</u>	<u>10,216,030</u>
Assigned to:					
Operate/maintain recreational facilities	-	-	-	36,652	36,652
Library operations	-	-	-	34,084	34,084
Departmental improvements	-	-	-	1,044,990	1,044,990
Economic development projects	-	-	-	893,268	893,268
Multi-purpose special events center	-	-	-	240,807	240,807
Subtotal assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,249,801</u>	<u>2,249,801</u>
Unassigned:	8,537,846	-	-	(166)	8,537,680
Total fund balances	<u>8,908,038</u>	<u>1,869,003</u>	<u>807,628</u>	<u>13,352,091</u>	<u>24,936,760</u>

CITY OF CLOVIS
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2012

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 FY	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%		City City	City of Clovis 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, 2012

	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 FY	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 Subject to annual renewal	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, 2012**

Account Name	Account Type	New Mexico		NM			NM		Reconciling Items	Book Balance
		Bank and Trust	Citizen's Bank	Bank of Clovis	Finance Authority	Mellon Bank	Western Bank	Self-Insurer's Fund		
Cash and cash equivalents										
General Fund Investment	Money Market*	5,591,115	-	-	-	-	-	-	(842,039)	4,749,076
Series 2010 Revenue Bonds WWTP	Money Market*	-	-	-	-	-	-	-	-	-
Money Market Account	Money Market*	602,127	-	-	-	-	-	-	-	602,127
Fire Account (7)	Money Market*	501,393	-	-	-	-	-	-	(28,821)	472,572
Payroll Account (18)	Money Market*	93,529	-	-	-	-	-	-	(62,697)	30,832
Dept of Justice	Money Market*	1,033	-	-	-	-	-	-	-	1,033
Credit Cards Account	Money Market*	48,989	-	-	-	-	-	-	-	48,989
Finance Credit Card	Money Market*	3,732	-	-	-	-	-	-	(3,027)	705
Zoo Credit Card	Money Market*	8,774	-	-	-	-	-	-	(2,500)	6,274
Landfill Credit Card	Money Market*	95,516	-	-	-	-	-	-	-	95,516
EFT Account	Money Market*	1,528	-	-	-	-	-	-	-	1,528
Municipal Court	Money Market*	2,024	-	-	-	-	-	-	(141)	1,883
Drug Control Fund	Money Market*	10,414	-	-	-	-	-	-	(9,000)	1,414
Series 2011 Revenue Bonds Construction	Money Market*	-	1,374,954	-	-	-	-	-	101,305	1,476,259
General Fund	Checking*	-	3,906,802	-	-	-	-	-	(843,881)	3,062,921
Special Streets	Checking*	-	258,980	-	-	-	-	-	(250,000)	8,980
NM Law Enforcement	Checking*	-	30,602	-	-	-	-	-	(25,955)	4,647
Lodgers' Tax	Money Market*	-	-	-	-	-	203,833	-	(22,727)	181,107
Policy Deposit	Deposit	-	-	-	-	-	-	72,958	-	72,958
NMFA Debt Service	Money Market*	-	-	-	2,921,173	-	-	-	-	2,921,173
Petty cash	Petty Cash	-	-	-	-	-	-	-	-	7,180
Subtotal cash and cash equivalents		<u>6,960,174</u>	<u>5,571,338</u>	<u>-</u>	<u>2,921,173</u>	<u>-</u>	<u>203,833</u>	<u>72,958</u>	<u>(1,989,483)</u>	<u>13,747,174</u>
Investments										
Certificates of deposit	CD maturity >90 days	-	-	5,870,936	-	-	-	-	-	5,870,936
NMFA Reserve	Reserve	-	-	-	-	464,303	-	-	-	464,303
State of New Mexico	LGIP Fund	-	-	-	-	-	-	-	-	11,887,256
State of New Mexico	LGIP Reserve	-	-	-	-	-	-	-	-	-
Subtotal investments		<u>-</u>	<u>-</u>	<u>5,870,936</u>	<u>-</u>	<u>464,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,222,495</u>
Total amount of deposit in bank		6,960,174	5,571,338	5,870,936	2,921,173	464,303	203,833	72,958		<u>31,969,669</u>
FDIC coverage		(250,000)	(250,000)	(250,000)	-	-	(203,833)	-		
Total uninsured public funds		<u>6,710,174</u>	<u>5,321,338</u>	<u>5,620,936</u>	<u>2,921,173</u>	<u>464,303</u>	<u>-</u>	<u>72,958</u>		
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 3,355,087	2,660,669	2,810,468	1,460,586	232,151	-	36,479		
Pledged security at:										
Commerce Bank of St. Louis 5.25% - 31394KNR1 Due 7/15/32		\$ 168,269	-	-	-	-	-	-		
Commerce Bank of St. Louis 6.00% - 31410KG73 Due 6/01/37		4,084,190	-	-	-	-	-	-		
Commerce Bank of St. Louis 5.50% - 31396LQK9 Due 7/25/34		1,432,531	-	-	-	-	-	-		
Commerce Bank of St. Louis 5.00% - 31397RLX2 Due 2/15/35		3,186,296	-	-	-	-	-	-		
The Independent Bankers, Dallas, TX										
GNMA II Pool #4632 5.00% - 36202FED4 Due 2/20/40		-	868,355	-	-	-	-	-		
GNMA II Pool #80747 1.625% - 36225CZM1 Due 10/20/33		-	193,151	-	-	-	-	-		
GNR 2010-69 ME 3.00% - 3837GEWS Due 4/20/40		-	2,498,536	-	-	-	-	-		
GNR 2010-68 YH 3.50% - 3837GYU7 Due 5/20/39		-	2,596,313	-	-	-	-	-		
GNMA II Pool #80680 1.65% - 36225CXJO Due 3/20/33		-	122,890	-	-	-	-	-		
GNMA II Pool #80900 2.00% - 36225DAA2 Due 5/20/34		-	179,447	-	-	-	-	-		
GNMA II Pool #81090 1.65% - 36225DF82 Due 10/20/34		-	691,590	-	-	-	-	-		
GNMA II Pool #81613 1.65% - 36225DYK4 Due 2/20/36		-	663,213	-	-	-	-	-		
GNR 2010-68 YE 3.00% - 38377GYS2 Due 5/20/39		-	2,596,313	-	-	-	-	-		
GNMA Pool #778796 3.50% - 36176W7H8 Due 1/15/42		-	2,447,183	-	-	-	-	-		
GNMA II Pool #MA0016 3.50% - 36179MAR1 Due 3/20/42		-	2,985,214	-	-	-	-	-		
Plains Capital Bank										
Dulce NM ISD #21 ETM 4.00% - 264430KB4 Due 9/01/18		-	-	122,254	-	-	-	-		
Clovis NM Muni SD #001 3.45% - 189414GL3 Due 8/01/18		-	-	442,604	-	-	-	-		
Las Vegas NM City SD #2 3.00% - 51778FCP2 Due 8/15/18		-	-	819,368	-	-	-	-		

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF CASH, INVESTMENTS AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2012**

Account Name	Account Type	New Mexico		Bank of Clovis	NM			NM		Reconciling Items	Book Balance
		Bank and Trust	Citizen's Bank		Finance Authority	Mellon Bank	Western Bank	Self-Insurer's Fund			
Dulce NM ISD #21 Assured 4.00% - 264430KK4 Due 9/01/18		-	-	371,780	-	-	-	-	-		
Lovington NM Mun Sch 3.80% - 547473CJ5 Due 10/01/18		-	-	442,924	-	-	-	-	-		
Luna City NM Sch. Dist. 3.90% - 55034DA8 Due 8/01/19		-	-	539,280	-	-	-	-	-		
Texico NM Muni SD #002 3.85% - 883005CF5 Due 8/01/19		-	-	279,973	-	-	-	-	-		
Los Lunas NM SD 3.85% - 545562NH9 due 7/15/20		-	-	598,180	-	-	-	-	-		
Santa Fe NM Cmnty Clg 3.00% - 801901JG5 due 8/01/22		-	-	1,084,750	-	-	-	-	-		
Clovis NM Mun SD 3.35% - 189414HK4 due 8/01/22		-	-	555,630	-	-	-	-	-		
Taos NM ST-Shared 4.10% - 87601RAL4 due 6/01/23		-	-	596,737	-	-	-	-	-		
Clovis NM Mun SD 3.55% - 189414HMO due 8/01/24		-	-	832,508	-	-	-	-	-		
The Independent Bankers, Dallas, TX											
Invested in government issued bonds		-	-	-	-	464,303	-	-	-		
See NMFA audited financials		-	-	-	2,921,173	-	-	-	-		
See NMSIF audited financials		-	-	-	-	-	-	-	72,958		
Total collateral		<u>8,871,285</u>	<u>15,842,206</u>	<u>6,685,986</u>	<u>2,921,173</u>	<u>464,303</u>	<u>-</u>	<u>-</u>	<u>72,958</u>		
Amount over/(under) collateralized		<u>\$ 5,516,198</u>	<u>13,181,537</u>	<u>3,875,518</u>	<u>1,460,586</u>	<u>232,151</u>	<u>-</u>	<u>-</u>	<u>36,479</u>		
Total book balance		<u>6,011,949</u>	<u>3,076,548</u>	<u>5,870,936</u>	<u>2,921,173</u>	<u>464,303</u>	<u>181,107</u>	<u>72,958</u>			

*denotes interest bearing account

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 finds and related budgetary comparisons presented as supplemental information of the City of Clovis, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012. 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

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as findings 12-01.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City'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.



Hinkle + Landers, P.C.
November 30, 2012

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, 2012. The City of Clovis, State of New Mexico's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Clovis, State of New Mexico's management. Our responsibility is to express an opinion on the City of Clovis, State of New Mexico's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Clovis, State of New Mexico's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Clovis, State of New Mexico's compliance with those requirements.

In our opinion, the City 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, 2012.

Internal Control Over Compliance

The management of the City of Clovis, State of New Mexico, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Clovis, State of New Mexico's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. 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.



Hinkle + Landers, P.C.
November 30, 2012

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

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: | | | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 0 10px;">CFDA</td> <td style="text-align: center; padding: 0 10px;">Federal Program</td> </tr> <tr> <td style="text-align: center; border-top: 1px solid black; padding-top: 2px;">Number</td> <td style="text-align: center; border-top: 1px solid black; padding-top: 2px;"></td> </tr> <tr> <td style="text-align: center; padding-top: 5px;">20.106</td> <td style="text-align: center; padding-top: 5px;">Airport Improvement Program</td> </tr> </table> | CFDA | Federal Program | Number | | 20.106 | Airport Improvement Program | |
| CFDA | Federal Program | | | | | | |
| Number | | | | | | | |
| 20.106 | Airport Improvement Program | | | | | | |
| 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, 2012**

Finding	Status of Current and Prior Year Findings	Financial Statement Finding	Federal Awards Finding
Prior Year Findings			
11-01 UNDER COLLATERALIZED BANK ACCOUNT	Resolved	yes	no
Current Year Findings			
12-01 PROCUREMENT DOCUMENTATION	Current	yes	no

PRIOR YEAR FINDINGS

ALL RESOLVED

CURRENT YEAR FINDINGS

12-01 – PROCUREMENT DOCUMENTATION – OTHER MATTER

Statement of Condition

While conducting testwork related to the City’s procurement processes, it was noted that documentation related several procurements was not readily available. While most of the missing documentation was able to be located by the current Purchasing Agent, certain documentation supporting the actions taken could not be located. We were ultimately able to obtain adequate evidence to support that procurement policies were followed.

Additional discussion showed that there was a change in personnel in the purchasing department during the year. It appears that prior to and during that transition, documentation was not maintained in an organized manner. Review of procurement files after the transition of purchasing agents showed that the documentation issues no longer appeared to be an ongoing issue.

Criteria

Records should be maintained in an orderly fashion and contain all necessary documentation to support the actions taken by the City and the purchasing department.

Effect

The City could potentially be out of compliance with its procurement policy.

Cause

Due to changeover in the purchasing department, maintenance of the procurement documentation was not kept up.

Recommendation

We recommend that the City put procedures are in place to ensure that during times of changeover in personnel, documentation levels are maintained.

Management Response

During times of changeover in personnel, Finance will closely supervise all projects in process. The Finance Director or their designee will review all projects for proper documentation before the departing employees final duty day. This will give the Finance Director or their designee the opportunity to obtain any missing documentation before the employee’s departure.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Other Disclosures
For the Year Ended June 30, 2012**

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 November 30, 2012. The following individuals were in attendance.

City of Clovis Officials

Randall Crowder, Commissioner
Joe Thomas, City Manager
Don Clifton, Budget Director
LeighAnn Melancon, Finance Director
David Bryant, Purchasing Agent

Hinkle + Landers, P.C.

Farley Vener, CPA, CFE
Erick Robinson, CPA, CFE
Maclen Enriquez