



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**STATE OF NEW MEXICO
CITY OF CLOVIS**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2013

**STATE OF NEW MEXICO
CITY OF CLOVIS
Table of Contents
For the Year Ended June 30, 2013**

INTRODUCTORY SECTION	Page
Table of Contents	i-iii
Official Roster	1
FINANCIAL SECTION	
Independent Auditors' Report	2-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	10-11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	17
Statement of revenues and expenditures – budget and actual non-GAAP budgetary basis– special revenue funds – 2012 GRT Improvement Bond - Street Special Revenue Fund	18
Statement of Net Position – Proprietary Funds	19-20
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	21-22
Statement of Cash Flows – Proprietary Funds	23-26
Statement of Fiduciary Assets and Liabilities – Agency Funds	27
Notes to the Financial Statements	28-50
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Fund Descriptions	51-52
Combining Balance Sheet – Non-Major Governmental Funds	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	54
Combining Balance Sheet – Nonmajor Funds	55-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds	62-68
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds	69
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:	
Municipal Road Special Revenue Fund	70
Recreation Special Revenue Fund	71
Older Adults Division Special Revenue Fund	72
Environmental Tax Special Revenue Fund	73
Fire Equipment Special Revenue Fund	74

**STATE OF NEW MEXICO
CITY OF CLOVIS
Table of Contents
For the Year Ended June 30, 2013**

	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:	
Sanitary Sewer Improvement Special Revenue Fund	75
Ned Houk Park Special Revenue Fund	76
Carver Library Special Revenue Fund	77
Park Improvement Special Revenue Fund	78
Infrastructure Improvement Special Revenue Fund	79
Special Parks Improvement Special Revenue Fund	80
Civic Center Special Revenue Fund	81
Special Designated Special Revenue Fund	82
Economic Development Special Revenue Fund	83
Capital Outlay Gross Receipts Tax Special Revenue Fund	84
Gross Receipts Tax Water Project Special Revenue Fund	85
Emergency Medical Services Special Revenue Fund	86
Special Street Special Revenue Fund	87
Recycling Special Revenue Fund	88
Lodger’s Tax Special Revenue Fund	89
Special Fire & Police Special Revenue Fund	90
Local Government Corrections Special Revenue Fund	91
Law Enforcement Protection Special Revenue Fund	92
Clovis Area Transit Special Revenue Fund	93
Department of Justice Special Revenue Fund	94
Drug Control Special Revenue Fund	95
Drainage Improvement Debt Service Fund	96
Civic Center Debt Service Fund	97
Parks & Infrastructure Debt Service Fund	98
Street Construction Capital Projects Fund	99
Drainage Improvement Capital Projects Fund	100
Statement of Revenues, Expenditures and Change in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual	
Solid Waste Enterprise Fund	101
Wastewater Enterprise Fund	102
Airport Enterprise Fund	103
Golf Course Enterprise Fund	104
Internal Service Fund Descriptions	105
Combining Balance Sheet – Internal Service Funds	106
Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	107
Statement of Cash Flows – Internal Service Funds	108
Statement of Revenues, Expenditures and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual:	
Workers Compensation Internal Service Fund	109
Unemployment Reserve Internal Service Fund	110
Property and Liability Self-Insurance Internal Service Fund	111
 OTHER SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	112-113
Schedule of Fund Balances	114
Schedule of Joint Powers Agreements	115-116
Schedule of Pledged Collateral By Bank and Account	117-118

**STATE OF NEW MEXICO
CITY OF CLOVIS
Table of Contents
For the Year Ended June 30, 2013**

	<u>Page</u>
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	119-120
FEDERAL FINANCIAL ASSISTANCE	
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	121-122
Schedule of Findings and Questioned Costs	123-125
EXIT CONFERENCE	126

**STATE OF NEW MEXICO
CITY OF CLOVIS
Official Roster
As of June 30, 2013**

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

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Clovis (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements 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, nonmajor enterprise, internal service funds, each fiduciary fund, and the budgetary comparisons for the major capital project funds, debt service funds, proprietary funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate

remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance 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, nonmajor enterprise, and internal service fund of the City as of June 30, 2013, 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 all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, the schedule of changes in assets and liabilities - agency funds, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules listed as "other supplemental information" in the table of contents, required by 2.2.2.NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditures of federal awards and other schedules listed as "other supplemental information" in the table of contents, required by 2.2.2 NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures and other schedules listed as "other supplemental information" in the table of contents required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013 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* in considering the City's internal control over financial reporting and compliance.



Hinkle + Landers, PC
Albuquerque, New Mexico
November 26, 2013

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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, 2013. 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 \$144,896,618 (*net position*). Of this amount, \$30,616,026 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,538,540. The majority of this increase is due to the increase in current assets.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$36,228,755 an increase of \$11,291,995 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$9,231,097 or 44 percent of total general fund expenditures.
- The City of Clovis' total debt increased by \$6,081,000 (26 percent), during the current fiscal year. The key factor in this increase was a \$9,000,000 gross receipts tax debt issue for street improvements.

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 position* presents information on all of the City of Clovis' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 requirements. All of the funds of the City of Clovis can be divided into two categories: governmental funds and proprietary funds.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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 50 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 53 thru 105 of the report.

Government-wide Financial Analysis

As noted earlier, net position 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 \$144,896,618 at the close of the most recent fiscal year.

The largest portion of the City of Clovis' net position (71 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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 Position
(In thousands)**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Current and other assets	\$ 41,216	29,942	10,920	10,888	52,137	40,830
Capital assets, net of accumulated depreciation	75,421	74,601	56,362	58,240	131,783	132,841
Total assets	<u>116,638</u>	<u>102,564</u>	<u>67,282</u>	<u>62,858</u>	<u>183,920</u>	<u>165,422</u>
Long-term liabilities outstanding	12,129	6,721	22,611	22,549	34,740	29,270
Other Liabilities	3,176	1,199	1,107	2,845	4,283	4,044
Total liabilities	<u>\$ 15,305</u>	<u>7,163</u>	<u>23,718</u>	<u>20,792</u>	<u>39,023</u>	<u>27,955</u>
Net position	<u>\$ 101,332</u>	<u>95,401</u>	<u>43,564</u>	<u>42,066</u>	<u>144,897</u>	<u>137,467</u>

An additional portion of the City of Clovis' net position of \$11,547,825 (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$30,616,026 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 position, 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 decrease of \$1,057,277 in capital assets reported. The majority of this decrease resulted from the disposal of vehicles and equipment and the adjustment of on-going building construction in progress.

Governmental activities. Governmental activities increased the City of Clovis' net position by \$4,709,163. Key elements of this increase are as follows:

- The total expenses for governmental activities increased by \$87,902, while revenues increased \$2,626,582 due mainly to increased taxes and operating grants.
- The gross receipts tax revenue increased \$1,389,239.

Business-type activities. Business-type activities decreased the City of Clovis' net position by \$170,623.

- Revenues decreased \$2,885,768 due to a decrease in federal grants in the Airport Fund. Expenses experienced an increase of only \$23,658.
- There was also a prior period adjustment (decrease) to Wastewater for \$1,575,390 to adjust fixed assets and depreciation. See page 50.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Revenues						
Taxes	\$ 29,958	27,749	490	478	30,448	28,227
Intergovernmental	3,181	2,125	375	5,346	3,556	7,471
Charges for services	2,444	2,609	9,177	7,138	11,621	9,747
Other	2,829	3,303	562	527	3,391	3,830
Total revenue	38,412	35,786	10,604	13,489	49,016	49,275
Expenses						
General government	5,728	8,969	-	-	5,728	8,969
Public safety	15,090	15,392	-	-	15,090	15,392
Public works	4,784	2,476	-	-	4,784	2,476
Culture and recreation	5,785	5,417	-	-	5,785	5,417
Health and welfare	1,451	661	-	-	1,451	661
Interest on long-term debt	480	316	-	-	480	316
Solid waste	-	-	3,966	4,452	3,966	4,452
Wastewater	-	-	3,782	3,307	3,782	3,307
Airport	-	-	1,276	1,037	1,276	1,037
Golf Course	-	-	346	550	346	550
Total expenses	33,318	33,231	9,370	9,346	42,688	42,577
Transfers	(51)	(1,335)	51	1,335	-	-
Change in net position	\$ 5,043	1,220	1,284	5,478	6,328	6,698

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 \$36,228,755 an increase of \$11,291,995 in comparison with the prior year. Approximately 25 percent of this total amount, \$9,231,097 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remainder, \$26,997,658 is non-spendable as it is for inventory and prepaid expenses, restricted and committed expenses.

The general fund is the chief operating fund of the City of Clovis. At the end of the current fiscal year, unreserved fund balance of the general fund was \$9,370,234 and represents 45 percent of total general fund expenditures.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

The fund balance of the City of Clovis' general fund increased by \$842,196 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 \$2,601,675 less than the final budget amount (favorable variance). This was due primarily to the police department (public safety component) favorable variance of \$1,563,573.

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 \$131,783,361 (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, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Land	\$ 2,982	2,982	6,149	6,149	9,131	9,131
Land improvements	8,619	8,186	6,270	6,449	14,889	14,635
Buildings and improvements	19,210	18,211	6,720	7,072	25,930	25,283
Equipment and vehicles	7,455	7,547	3,345	3,379	10,799	10,926
Infrastructure	34,981	34,828	31,740	26,602	66,721	61,430
Construction in progress	2,175	2,847	2,138	8,588	4,312	11,435
Net capital assets	<u>\$ 75,421</u>	<u>74,601</u>	<u>56,362</u>	<u>58,239</u>	<u>131,782</u>	<u>132,840</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, 2013**

Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$16,310,000 and loans and notes outstanding of \$12,740,595.

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Revenue bonds	\$ 10,085	2,605	6,225	6,495	16,310	9,100
Notes payable	3,187	3,327	9,554	10,543	12,741	13,870
	<u>\$ 13,272</u>	<u>5,932</u>	<u>15,779</u>	<u>17,038</u>	<u>29,051</u>	<u>22,970</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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Net Position
As of June 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 32,890,384	6,525,696	39,416,080
Receivables:			
Property taxes receivable	412,098	-	412,098
Intergovernmental	5,110,914	85,687	5,196,601
Other receivables	1,352,211	172,429	1,524,640
Customer receivables	-	3,100,381	3,100,381
Prepays	443,810	99,660	543,470
Inventory	148,289	31,891	180,180
Internal balances	149,718	(149,718)	-
 Total Current Assets	 <u>40,507,424</u>	 <u>9,866,026</u>	 <u>50,373,450</u>
Noncurrent assets			
Restricted cash and investments	692,802	-	692,802
Bond discounts, net of amortization of \$10,751	16,110	-	16,110
Capital assets	138,803,824	96,837,643	235,641,467
Less: accumulated depreciation	<u>(63,382,429)</u>	<u>(40,475,676)</u>	<u>(103,858,105)</u>
 Total Noncurrent Assets	 <u>76,130,307</u>	 <u>56,361,967</u>	 <u>132,492,274</u>
 Total Assets	 <u>116,637,731</u>	 <u>66,227,993</u>	 <u>182,865,724</u>
 Deferred Outflows of Resources	 <u>-</u>	 <u>1,054,364</u>	 <u>1,054,364</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 116,637,731</u>	 <u>67,282,357</u>	 <u>183,920,088</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Net Position (continued)
As of June 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 292,830	104,072	396,902
Accrued payroll expenses	381,746	60,173	441,919
Accrued compensated absences	730,841	103,223	834,064
Accrued interest	30,831	55,174	86,005
Meter and other refundable deposits	109,072	-	109,072
Current portion of bonds and notes payable	1,631,000	784,122	2,415,122
Total Current Liabilities	3,176,320	1,106,764	4,283,084
Noncurrent liabilities			
Accrued compensated absences	393,530	-	393,530
Meter and other refundable deposits	-	-	-
Landfill closure liability	-	6,551,260	6,551,260
Bond premium, net of amortization of \$927	94,633	11,126	105,759
Bonds and notes payable	11,641,000	14,994,473	26,635,473
Total noncurrent liabilities	12,129,163	21,556,859	33,686,022
Total Liabilities	15,305,483	22,663,623	37,969,106
Deferred Inflows of Resources	-	1,054,364	1,054,364
Net Position			
Net investment in capital assets	62,149,395	40,583,372	102,732,767
Restricted for:			
Debt service	219,506	-	219,506
Capital projects and improvements	659,583	-	659,583
Other purposes	10,668,736	-	10,668,736
Unrestricted	27,635,028	2,980,998	30,616,026
Total Net Position	101,332,248	43,564,370	144,896,618
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 116,637,731	67,282,357	183,920,088

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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
General government	\$ 5,728,012	53,538	1,434,039	-	(4,240,435)	-	(4,240,435)
Public safety	15,089,840	2,194,832	868,305	-	(12,026,703)	-	(12,026,703)
Public works	4,783,613	-	-	648,978	(4,134,635)	-	(4,134,635)
Culture and recreation	5,785,403	156,541	151,937	-	(5,476,925)	-	(5,476,925)
Health and welfare	1,451,191	39,058	77,830	-	(1,334,303)	-	(1,334,303)
Interest on long-term debt	480,270	-	-	-	(480,270)	-	(480,270)
<i>Total governmental activities</i>	<u>33,318,329</u>	<u>2,443,969</u>	<u>2,532,111</u>	<u>648,978</u>	<u>(27,693,271)</u>	<u>-</u>	<u>(27,693,271)</u>
Business-type Activities:							
Solid Waste	3,966,368	5,084,503	-	-	-	1,118,135	1,118,135
Wastewater	3,781,628	3,930,280	-	-	-	148,652	148,652
Airport	1,275,752	136,422	-	375,051	-	(764,279)	(764,279)
Golf Course	346,316	25,887	-	-	-	(320,429)	(320,429)
<i>Total business-type activities</i>	<u>9,370,064</u>	<u>9,177,092</u>	<u>-</u>	<u>375,051</u>	<u>-</u>	<u>182,079</u>	<u>182,079</u>
<i>Total Primary Government</i>	<u>42,688,393</u>	<u>11,621,061</u>	<u>2,532,111</u>	<u>1,024,029</u>	<u>(27,693,271)</u>	<u>182,079</u>	<u>(27,511,192)</u>
General Revenues:							
Taxes							
Property taxes, levied for general purposes					\$ 1,867,665	-	1,867,665
Gross receipts taxes					25,563,929	489,847	26,053,776
Gasoline and motor vehicle taxes					598,271	-	598,271
Franchise taxes					1,276,274	-	1,276,274
Cigarette and lodger's taxes					652,238	-	652,238
Licenses and fees					483,362	-	483,362
Fines, forfeitures, and penalties					286,829	-	286,829
Investment income					69,116	252,982	322,098
Miscellaneous income					2,259,770	331,170	2,590,940
Gain/(loss) on sale of capital assets					(270,175)	(22,411)	(292,586)
Transfers					(50,602)	50,602	-
Total general revenues and transfers					<u>32,736,677</u>	<u>1,102,190</u>	<u>33,838,867</u>
Change in net position					5,043,406	1,284,269	6,327,675
Beginning net position					96,623,085	43,734,993	140,358,078
Restatement					(334,243)	(1,454,892)	(1,789,135)
Beginning net position as restated					<u>96,288,842</u>	<u>42,280,101</u>	<u>138,568,943</u>
Ending net position					<u>\$ 101,332,248</u>	<u>43,564,370</u>	<u>144,896,618</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, 2013**

	Major Funds				Total
	01, 18	22	87		
	General Fund	Street Improvement	Street Construction	Other Non-Major Governmental Funds	
<i>Assets</i>					
Cash and investments	\$ 5,704,816	8,413,277	-	14,644,641	28,762,734
Restricted cash and investments	-	-	-	692,802	692,802
Receivables:					
Property taxes	102,275	-	-	-	102,275
Intergovernmental	2,696,469	-	648,978	2,060,363	5,405,810
Other receivables	839,229	-	-	527,909	1,367,138
Inventory	5,788	-	-	142,501	148,289
Prepaid insurance	373,628	-	-	69,005	442,633
Due from other funds	556,000	-	-	-	556,000
<i>Total assets</i>	<u>\$ 10,278,205</u>	<u>8,413,277</u>	<u>648,978</u>	<u>18,137,221</u>	<u>37,477,681</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 34,508	136,944	14,184	107,195	292,831
Accrued payroll expenses	323,705	-	-	56,351	380,056
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deposits held in trust	109,072	-	-	-	109,072
Due to other funds	-	-	355,802	50,479	406,281
<i>Total liabilities</i>	<u>467,285</u>	<u>136,944</u>	<u>369,986</u>	<u>214,025</u>	<u>1,188,240</u>
<i>Deferred inflows of resources</i>	<u>60,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,686</u>
<i>Fund balances</i>					
Nonspendable	379,416	-	-	211,506	590,922
Restricted	-	8,276,333	278,992	2,611,909	11,167,234
Committed	-	-	-	12,508,342	12,508,342
Assigned	-	-	-	2,731,160	2,731,160
Unassigned	9,370,818	-	-	(139,721)	9,231,097
<i>Total fund balances</i>	<u>9,750,234</u>	<u>8,276,333</u>	<u>278,992</u>	<u>17,923,196</u>	<u>36,228,755</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 10,278,205</u>	<u>8,413,277</u>	<u>648,978</u>	<u>18,137,221</u>	<u>37,477,681</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 POSITION
As of June 30, 2013**

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

Fund balances - total governmental funds	\$	36,228,755
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		75,367,482
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		60,686
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		16,110
Bond premium		(94,633)
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(30,831)
Internal service funds assets and liabilities included governmental activities in the statement of net position		4,178,391
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		(730,841)
Noncurrent accrued compensated absences (less internal service fund)		(390,872)
Current bonds and notes payable		(1,631,000)
Bonds payable		(11,641,000)
Differences due to rounding		<u>1</u>
Net position of governmental activities	\$	<u><u>101,332,248</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, 2013**

	Major Funds			Other Non-major Governmental Funds	Total
	01, 18	22	87		
	General Fund	Street Improvement	Street Construction		
<i>Revenues:</i>					
Taxes:					
Property	\$ 1,806,979	-	-	-	1,806,979
Gross receipts	14,395,586	-	-	11,168,341	25,563,927
Gasoline and motor vehicle	32,132	-	-	566,137	598,269
Other	1,276,274	-	-	652,238	1,928,512
Intergovernmental:					
Federal operating grants	156,133	-	-	147,679	303,812
Federal capital grants	-	-	-	551,798	551,798
State operating grants	25,068	-	-	768,848	793,916
State capital grants	-	-	648,978	-	648,978
Charges for services	2,270,675	-	-	602,766	2,873,441
Fines, forfeitures, and penalties	110,223	-	-	13,669	123,892
Licenses and fees	375,833	-	-	396,155	771,988
Investment income	19,386	11,603	1,086	33,988	66,063
Miscellaneous	839,306	-	-	193,531	1,032,837
<i>Total revenues</i>	<u>21,307,595</u>	<u>11,603</u>	<u>650,064</u>	<u>15,095,150</u>	<u>37,064,412</u>
<i>Expenditures:</i>					
Current:					
General government	3,693,827	-	-	1,308,999	5,002,826
Public safety	14,023,388	-	-	290,221	14,313,609
Public works	285,063	104,622	-	3,101,468	3,491,153
Culture and recreation	2,107,750	-	-	2,415,531	4,523,281
Health and welfare	344,264	-	-	359,848	704,112
Capital outlay	378,269	725,281	1,178,700	2,373,389	4,655,639
Debt service:					
Principal	-	-	-	1,660,000	1,660,000
Interest	-	-	-	484,303	484,303
<i>Total expenditures</i>	<u>20,832,561</u>	<u>829,903</u>	<u>1,178,700</u>	<u>11,993,759</u>	<u>34,834,923</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>475,034</u>	<u>(818,300)</u>	<u>(528,636)</u>	<u>3,101,391</u>	<u>2,229,489</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	356,616	-	-	(399,439)	(42,823)
Proceeds from sale of capital asset	10,546	-	-	150	10,696
Proceeds from debt issuance	-	9,094,633	-	-	9,094,633
<i>Total other financing sources (uses)</i>	<u>367,162</u>	<u>9,094,633</u>	<u>-</u>	<u>(399,289)</u>	<u>9,062,506</u>
<i>Net change in fund balance</i>	842,196	8,276,333	(528,636)	2,702,102	11,291,995
<i>Beginning fund balance</i>	8,908,038	-	807,628	15,221,094	24,936,760
<i>Ending fund balance</i>	<u>\$ 9,750,234</u>	<u>8,276,333</u>	<u>278,992</u>	<u>17,923,196</u>	<u>36,228,755</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, 2013**

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

Net change in fund balances - total governmental funds	\$	11,291,995
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Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		4,655,639
Capital assets received as donations		865,730
Capital expenditures recorded in other expense lines		827,435

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds.		(4,950,957)
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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 position differs from the change in fund balance by the amount of loss recorded for deleted capital assets.		(270,175)
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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.		222,891
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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 position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond discounts		(1,343)
Amortization of bond issuance costs		(121,326)
Decrease in accrued interest		(12,962)
Increase in noncurrent and current accrued compensated absences		(35,803)
Issuance of long-term debt		(9,094,633)
Principal payments on bonds and notes payable		1,660,000

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.		6,915
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Change in net position of governmental activities	\$	5,043,406
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
CITY OF CLOVIS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues:</i>				
Taxes				
Property	\$ 1,776,593	1,776,593	1,805,808	29,215
Gross receipts	13,050,000	13,050,000	14,419,397	1,369,397
Gasoline and motor vehicle	28,000	28,000	32,148	4,148
Other	1,008,925	1,008,925	1,028,307	19,382
Intergovernmental income:				
Federal operating grants	361,154	454,742	232,772	(221,970)
Federal capital grants	-	-	-	-
State operating grants	14,340	61,018	25,068	(35,950)
State capital grants	-	-	-	-
Charges for services	2,062,700	2,062,700	2,296,250	233,550
Licenses and fees	352,000	352,000	375,833	23,833
Fines, forfeitures and penalties	152,000	152,000	110,223	(41,777)
Investment income	23,500	23,500	19,386	(4,114)
Miscellaneous	124,500	181,360	1,073,953	892,593
<i>Total revenues</i>	<u>18,953,712</u>	<u>19,150,838</u>	<u>21,419,145</u>	<u>2,268,307</u>
<i>Expenditures:</i>				
Current:				
General government	4,259,149	4,429,671	3,696,208	733,463
Public safety	15,091,972	15,620,082	14,056,509	1,563,573
Public Works	375,000	375,000	300,919	74,081
Culture and recreation	2,178,483	2,240,345	2,116,011	124,334
Health and welfare	446,156	453,687	345,546	108,141
Capital outlay	169,259	376,352	378,269	(1,917)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,520,019</u>	<u>23,495,137</u>	<u>20,893,462</u>	<u>2,601,675</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,566,307)</u>	<u>(4,344,299)</u>	<u>525,683</u>	<u>4,869,982</u>
<i>Other financing sources (uses)</i>				
Designated cash	3,566,307	4,344,299	-	(4,344,299)
Transfers in	-	-	2,938,761	2,938,761
Transfers out	-	-	(2,582,145)	(2,582,145)
<i>Total other financing sources (uses)</i>	<u>3,566,307</u>	<u>4,344,299</u>	<u>356,616</u>	<u>(3,987,683)</u>
<i>Net change in fund balance</i>	-	-	882,299	882,299
<i>Fund balance - beginning of year</i>	-	-	8,908,038	8,908,038
<i>Fund balance - end of year</i>	\$ -	-	<u>9,790,337</u>	<u>9,790,337</u>
Net change in fund balance (GAAP)				\$ 842,196
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				(101,005)
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				<u>60,902</u>
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 882,299</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
2012 GRT Improvement Bonds - 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, 2013

	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	-	-	11,603	11,603
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>11,603</u>	<u>11,603</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	105,000	104,622	378
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	7,424,448	588,337	6,836,111
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,529,448</u>	<u>692,959</u>	<u>6,836,489</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(7,529,448)</u>	<u>(681,356)</u>	<u>6,848,092</u>
<i>Other financing sources (uses)</i>				
Designated cash/ other assets	-	7,529,448	-	(7,529,448)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	9,094,633	9,094,633	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>16,624,081</u>	<u>9,094,633</u>	<u>(7,529,448)</u>
<i>Net change in fund balance</i>	-	9,094,633	8,413,277	(681,356)
<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>8,413,277</u>	<u>(681,356)</u>
Net change in fund balance (GAAP)			\$	8,276,333
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>(136,944)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>8,413,277</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Net Position
Proprietary Funds
As of June 30, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Assets</i>			
<i>Current Assets</i>			
Cash and investments	\$ 2,323,275	4,202,421	-
Receivables:			
Intergovernmental	85,687	-	-
Other receivables	-	166,667	-
Customer receivables, net of allowance	1,860,512	1,239,869	-
Inventory	15,068	16,823	-
Prepays	46,626	27,253	22,053
<i>Total current assets</i>	<u>4,331,168</u>	<u>5,653,033</u>	<u>22,053</u>
<i>Noncurrent Assets</i>			
Capital assets	16,912,352	49,621,949	27,319,696
Less: accumulated depreciation	<u>(8,325,755)</u>	<u>(24,171,715)</u>	<u>(7,864,639)</u>
<i>Total noncurrent assets</i>	<u>8,586,597</u>	<u>25,450,234</u>	<u>19,455,057</u>
<i>Total Assets</i>	<u>12,917,765</u>	<u>31,103,267</u>	<u>19,477,110</u>
<i>Deferred Outflows of Resources</i>	<u>-</u>	<u>1,054,364</u>	<u>-</u>
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 12,917,765</u>	<u>32,157,631</u>	<u>19,477,110</u>
<i>Liabilities and Net Position</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 1,222	99,613	1,411
Accrued payroll expenses	38,122	17,948	4,103
Accrued compensated absences	79,720	21,026	2,477
Accrued interest	-	45,860	-
Due to other funds	-	-	148,718
Current portion of bonds and notes payable	-	672,122	-
<i>Total current liabilities</i>	<u>119,064</u>	<u>856,569</u>	<u>156,709</u>
<i>Noncurrent Liabilities</i>			
Landfill closure	6,551,260	-	-
Bonds and notes payable	-	12,420,473	-
Bond premium, net of amortization of \$927	-	11,126	-
<i>Total noncurrent liabilities</i>	<u>6,551,260</u>	<u>12,431,599</u>	<u>-</u>
<i>Total liabilities</i>	<u>6,670,324</u>	<u>13,288,168</u>	<u>156,709</u>
<i>Deferred Inflows of Resources</i>	<u>-</u>	<u>1,054,364</u>	<u>-</u>
<i>Net Position:</i>			
Net investment in capital assets	8,586,597	12,357,639	19,455,057
Unrestricted	<u>(2,339,156)</u>	<u>5,457,460</u>	<u>(134,656)</u>
<i>Total Net Position</i>	<u>6,247,441</u>	<u>17,815,099</u>	<u>19,320,401</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	<u>\$ 12,917,765</u>	<u>32,157,631</u>	<u>19,477,110</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Net Position
Proprietary Funds, Cont.
As of June 30, 2013**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
<i>Assets</i>			
<i>Current Assets</i>			
Cash and investments	\$ -	6,525,696	4,127,650
Receivables:			
Intergovernmental	-	85,687	-
Other receivables	5,762	172,429	-
Customer receivables, net of allowance	-	3,100,381	-
Inventory	-	31,891	-
Prepays	3,728	99,660	1,176
<i>Total current assets</i>	<u>9,490</u>	<u>10,015,744</u>	<u>4,128,826</u>
<i>Noncurrent Assets</i>			
Capital assets	2,983,646	96,837,643	96,094
Less: accumulated depreciation	(113,567)	(40,475,676)	(42,181)
<i>Total noncurrent assets</i>	<u>2,870,079</u>	<u>56,361,967</u>	<u>53,913</u>
<i>Total Assets</i>	<u>2,879,569</u>	<u>66,377,711</u>	<u>4,182,739</u>
<i>Deferred Outflows of Resources</i>	-	1,054,364	-
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 2,879,569</u>	<u>67,432,075</u>	<u>4,182,739</u>
<i>Liabilities and Net Position</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 1,826	104,072	-
Accrued payroll expenses	-	60,173	1,690
Accrued compensated absences	-	103,223	2,658
Accrued interest	9,314	55,174	-
Due to other funds	1,000	149,718	-
Current portion of bonds and notes payable	112,000	784,122	-
<i>Total current liabilities</i>	<u>124,140</u>	<u>1,256,482</u>	<u>4,348</u>
<i>Noncurrent Liabilities</i>			
Landfill closure	-	6,551,260	-
Bonds and notes payable	2,574,000	14,994,473	-
Bond premium, net of amortization of \$309	-	11,126	-
<i>Total noncurrent liabilities</i>	<u>2,574,000</u>	<u>21,556,859</u>	<u>-</u>
<i>Total liabilities</i>	<u>2,698,140</u>	<u>22,813,341</u>	<u>4,348</u>
<i>Deferred Inflows of Resources</i>	-	1,054,364	-
<i>Net Position:</i>			
Net investment in capital assets	184,079	40,583,372	53,913
Unrestricted	(2,650)	2,980,998	4,124,478
<i>Total net position</i>	<u>181,429</u>	<u>43,564,370</u>	<u>4,178,391</u>
<i>Total Liabilities, Deferred Inflows or Resources, and Net Position</i>	<u>\$ 2,879,569</u>	<u>67,432,075</u>	<u>4,182,739</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 Position
Proprietary Funds
For the Year Ended June 30, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Operating revenues:</i>			
Charges for services	\$ 5,084,503	3,930,280	136,422
<i>Total operating revenues</i>	<u>5,084,503</u>	<u>3,930,280</u>	<u>136,422</u>
<i>Operating expenses:</i>			
General and administrative	293,785	52,261	-
Personnel services	1,804,808	729,530	191,395
Contractual services	-	68,191	117,342
Supplies and purchased power	98,241	242,666	-
Maintenance and materials	1,156,990	380,892	261,456
Utilities	44,219	287,305	40,194
Depreciation	545,051	1,658,927	665,365
Miscellaneous	-	10,254	-
<i>Total operating expenses</i>	<u>3,943,094</u>	<u>3,430,026</u>	<u>1,275,752</u>
<i>Operating income (loss)</i>	<u>1,141,409</u>	<u>500,254</u>	<u>(1,139,330)</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	(6,297)	(14,978)	(1,136)
Federal nonoperating grants	-	-	112,383
State nonoperating grants	-	166,667	96,001
Interest income	121,502	131,168	271
Interest expense	(23,274)	(351,602)	-
Gross receipts and other taxes	489,847	-	-
Miscellaneous	14,593	310,999	4,328
<i>Total non-operating revenues (expenses)</i>	<u>596,371</u>	<u>242,254</u>	<u>211,847</u>
Transfers in	1,903,364	1,494,184	499,674
Transfers out	<u>(3,597,662)</u>	<u>(649,278)</u>	<u>-</u>
<i>Net capital grants and transfers</i>	<u>(1,694,298)</u>	<u>844,906</u>	<u>499,674</u>
<i>Change in net position</i>	43,482	1,587,414	(427,809)
<i>Net position, beginning of year</i>	6,359,458	17,803,075	19,472,213
<i>Restatement</i>	<u>(155,499)</u>	<u>(1,575,390)</u>	<u>275,997</u>
<i>Beginning net position, as restated</i>	<u>6,203,959</u>	<u>16,227,685</u>	<u>19,748,210</u>
<i>Net position, end of year</i>	<u>\$ 6,247,441</u>	<u>17,815,099</u>	<u>19,320,401</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 Position
Proprietary Funds, Cont.
For the Year Ended June 30, 2013**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
<i>Operating revenues:</i>			
Charges for services	\$ 25,887	9,177,092	620,964
<i>Total operating revenues</i>	<u>25,887</u>	<u>9,177,092</u>	<u>620,964</u>
<i>Operating expenses:</i>			
General and administrative	1,265	347,311	380,720
Personnel services	-	2,725,733	81,886
Contractual services	-	185,533	-
Supplies and purchased power	-	340,907	-
Maintenance and materials	227,372	2,026,710	-
Utilities	54,160	425,878	-
Depreciation	63,519	2,932,862	8,108
Miscellaneous	-	10,254	-
<i>Total operating expenses</i>	<u>346,316</u>	<u>8,995,188</u>	<u>470,714</u>
<i>Operating income (loss)</i>	<u>(320,429)</u>	<u>181,904</u>	<u>150,250</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	-	(22,411)	-
Federal nonoperating grants	-	112,383	-
State nonoperating grants	-	262,668	-
Interest income	41	252,982	3,054
Interest expense	-	(374,876)	-
Gross receipts and other taxes	-	489,847	-
Miscellaneous	1,250	331,170	67,666
<i>Total non-operating revenues (expenses)</i>	<u>1,291</u>	<u>1,051,763</u>	<u>70,720</u>
Transfers in	400,320	4,297,542	15,000
Transfers out	-	(4,246,940)	(13,079)
<i>Net capital grants and transfers</i>	<u>400,320</u>	<u>50,602</u>	<u>1,921</u>
<i>Change in net position</i>	81,182	1,284,269	222,891
<i>Net position, beginning of year</i>	100,247	43,734,993	3,955,500
<i>Restatement</i>	-	(1,454,892)	-
<i>Beginning net position, as restated</i>	<u>100,247</u>	<u>42,280,101</u>	<u>3,955,500</u>
<i>Net position, end of year</i>	<u>\$ 181,429</u>	<u>43,564,370</u>	<u>4,178,391</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, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Cash flows from operating activities			
Receipts from customers and users	\$ 3,760,577	3,088,913	189,863
Receipts from interfund services provided	-	-	-
Payments to suppliers and employees	<u>(3,779,068)</u>	<u>(3,384,176)</u>	<u>(584,515)</u>
Net cash provided (used) by operating activities	<u>(18,491)</u>	<u>(295,263)</u>	<u>(394,652)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	1,903,364	1,494,184	499,674
Operating transfers to other funds	(3,587,170)	(627,237)	-
Payments received from note receivable	-	126,151	-
Tax receipts	489,847	-	-
Intergovernmental receipts	-	166,667	208,384
Miscellaneous income	<u>14,593</u>	<u>184,848</u>	<u>4,328</u>
Net cash provided (used) by noncapital financing activities	<u>(1,179,366)</u>	<u>1,344,613</u>	<u>712,386</u>
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(240,142)	(412,138)	(318,005)
Loss from sale of capital assets	(6,297)	(14,978)	-
Principal paid on notes payable	(489,371)	(659,335)	-
Interest paid on notes payable	(23,274)	(351,602)	-
Long-term debt proceeds	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(759,084)</u>	<u>(1,438,053)</u>	<u>(318,005)</u>
Cash flows from investing activities:			
Interest income	<u>121,502</u>	<u>131,168</u>	<u>271</u>
Net cash provided by investing activities	<u>121,502</u>	<u>131,168</u>	<u>271</u>
Net increase/(decrease) in cash and temporary investments	<u>\$ (1,835,439)</u>	<u>(257,535)</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, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Net increase/(decrease) in cash and cash equivalents-previous page	\$ (1,835,439)	(257,535)	-
Cash and investments June 30, 2012	<u>4,158,714</u>	<u>4,459,956</u>	<u>-</u>
Cash and investments June 30, 2013	<u>\$ 2,323,275</u>	<u>4,202,421</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,141,409	500,254	(1,139,330)
Restatement	(155,499)	(1,575,390)	275,997
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	545,051	1,658,927	665,365
(Increase) decrease in:			
Accounts receivable	(1,323,926)	(841,367)	53,441
Inventory	(2,985)	2,268	-
Prepays	49	(3,324)	(169)
(Decrease) increase in:			
Accounts payable	417	66,113	(150,552)
Accrued payroll	(1,158)	3,189	112
Unearned revenue	-	(126,151)	-
Compensated absences	(10,268)	(2,325)	(172)
Accrued interest	(3,694)	22,543	-
Due to other funds	-	-	(99,344)
Estimated landfill postclosure costs	<u>(207,887)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (18,491)</u>	<u>(295,263)</u>	<u>(394,652)</u>
Non-cash transfer of capital assets	<u>(10,492)</u>	<u>(22,041)</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, Cont.
For The Year Ended June 30, 2013**

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Major Funds		Internal
	19		48, 53, 54
	Golf		Internal
	Course	Total	Service Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 24,327	7,063,680	-
Receipts from interfund services provided	-	-	658,708
Payments to suppliers and employees	(286,403)	(8,034,162)	(460,230)
Net cash provided (used) by operating activities	(262,076)	(970,482)	198,478
Cash flows from noncapital financing activities:			
Transfers from other funds	400,320	4,297,542	15,000
Operating transfers to other funds	-	(4,214,407)	(13,079)
Payments received from note receivable	-	126,151	-
Tax receipts	-	489,847	-
Intergovernmental receipts	-	375,051	-
Miscellaneous income	1,250	205,019	67,667
Net cash provided (used) by noncapital financing activities	401,570	1,279,203	69,588
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(54,767)	(1,025,052)	(38,200)
Proceeds from sale of capital assets	-	(21,275)	-
Principal paid on notes payable	(111,000)	(1,259,706)	-
Interest paid on notes payable	-	(374,876)	-
Long-term debt proceeds	-	-	-
Net cash provided (used) by capital and related financing activities	(165,767)	(2,680,909)	(38,200)
Cash flows from investing activities:			
Interest income	41	252,982	3,054
Net cash provided by investing activities	41	252,982	3,054
Net increase (decrease) in cash and temporary investments	\$ (26,232)	(2,119,206)	232,920

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, 2013**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
Net increase (decrease) in cash and cash equivalents-previous page	\$ (26,232)	(2,119,206)	232,920
Cash and investments June 30, 2012	<u>26,232</u>	<u>8,644,902</u>	<u>3,894,730</u>
Cash and investments June 30, 2013	<u>\$ -</u>	<u>6,525,696</u>	<u>4,127,650</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (320,429)	181,904	150,250
Restatement	-	(1,454,892)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	63,519	2,932,862	8,108
(Increase) decrease in:			
Accounts receivable	(1,560)	(2,113,412)	37,744
Inventory	-	(717)	-
Prepays	1,237	(2,207)	(46)
(Decrease) increase in:			
Accounts payable	1,826	(82,196)	-
Accrued payroll	-	2,143	(237)
Deferred revenue	-	(126,151)	-
Compensated absences	(7,669)	(20,434)	2,659
Accrued interest	-	18,849	-
Due to other funds	1,000	(98,344)	-
Estimated landfill postclosure costs	<u>-</u>	<u>(207,887)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (262,076)</u>	<u>(970,482)</u>	<u>198,478</u>
Non-cash transfer of capital assets	<u>-</u>	<u>(32,533)</u>	<u>13,284</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Fiduciary Assets and Liabilities
Agency Funds
As of June 30, 2013**

Cash and investments	\$ <u>61,922</u>
<i>Total assets</i>	\$ <u><u>61,922</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ <u>61,922</u>
<i>Total liabilities</i>	\$ <u><u>61,922</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, 2013**

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 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. 61. 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. Based upon the application of these criteria, there were no component units identified as needing to be disclosed or presented as part of the reporting entity.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) 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 Position, 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 position is reported in three parts – investment in capital assets, net of related debt; restricted net position; and unrestricted net position.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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 receivables 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental 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.

Street Improvement Fund (Ordinance 1985-2012) - To account for all revenues directly related to or assigned to street improvements. This includes grants, charges for services, and other revenues.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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.

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

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, wastewater, and golf course 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

E. Deposits and Investments

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

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

Investments for the City are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

F. Receivables and Payables

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

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

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

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

G. Inventories and Prepaid Items

Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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, 2013, along with applicable PERA and Retiree Health Care.

J. Deferred Revenue/Unearned Revenue

There are two types of unearned 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 deferred inflow for deferred 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 deferred inflow for deferred revenue.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

L. Compensated Absences

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

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

M. Long-term Obligations

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

N. Net Position

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

- *Investment in capital assets, net of related debt* – Net position 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 Position* – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – All other net position that do not meet the definition of “restricted” or “investment 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.

O. 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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 include 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 per the table of contents 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.

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.

Q. Indirect expenses

The City allocated indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other administrative services. Allocations are charged to programs based on use of the services determined by various allocation methodologies.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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, 2013 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3 – Deposits and Investments

The City’s cash, cash equivalents, investments, and collateral pledged are listed on pages 117-118 of this report.

A summary of the City’s cash and investments as of June 30, 2013 is as follows:

<u>Cash and investments</u>	<u>Amount</u>
Cash and cash equivalents	
Cash on hand	\$ 7,680
Cash	22,402,600
Subtotal cash and cash equivalents	<u>22,410,280</u>
Investments	
State Treasurer's Investment Pool	11,887,256
Certificates of deposit - maturities > 90 days	5,873,269
Subtotal investments	<u>17,760,525</u>
Total cash and investments	<u>\$ 40,170,805</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

Cash and investments by fund type	Amount
Governmental funds	\$ 31,913,138
Internal service funds	1,670,049
Subtotal governmental activities	33,583,187
Enterprise funds	6,525,696
Fiduciary funds	61,922
Total cash and investments	\$ 40,170,805

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, 2013.

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.

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, 2013, \$29,467,599 of the City's bank balances of \$30,450,893 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, 2013, \$-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 see the separately issued financial statements for the NM Municipal Self Insurer's Fund 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, 2013, 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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 and certificates of deposit. These investments are 67% and 23%, respectively, of the City's total investments. The City's investments at June 30, 2013 include the following:

Investments	Maturity	Fair Value
New MexiGROW LGIP	WAM - 60 days	11,887,256
Certificates of deposit	12 months	5,873,269
Total		\$ 17,760,525

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, 2013.

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, 2013, the City's investments were rated as follows:

Investment Type	Rating
New MexiGROW LGIP	AAAm
Certificates of deposit	No rating

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

NOTE 4 – Receivables

Receivables as of June 30, 2013, 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	\$ 3,688,176	-	-	512,982	4,201,158
Taxes (Property, GRT, etc)	2,798,744	371,177	-	1,689,186	4,859,107
Grants:					
State	-	-	648,978	14,927	663,905
Federal	-	-	-	-	-
Other	-	-	-	-	-
Subtotal	<u>6,486,920</u>	<u>371,177</u>	<u>648,978</u>	<u>2,217,095</u>	<u>9,724,170</u>
Less: Allowance for uncollectibles	<u>(2,848,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,848,947)</u>
Net receivables	<u>\$ 3,637,973</u>	<u>371,177</u>	<u>648,978</u>	<u>2,217,095</u>	<u>6,875,223</u>
Proprietary Funds	(02) Solid Waste	(10) Wastewater	(12) Airport	(19) Golf Course	Total Proprietary
Accounts	\$ 1,918,359	1,239,869	151	5,762	3,164,141
Taxes (Property, GRT, etc)	85,687	-	-	-	85,687
Grants:					
State	-	166,667	-	-	166,667
Subtotal	<u>2,004,046</u>	<u>1,406,536</u>	<u>151</u>	<u>5,762</u>	<u>3,416,495</u>
Less: Allowance for uncollectibles	<u>(57,847)</u>	<u>-</u>	<u>(151)</u>	<u>-</u>	<u>(57,998)</u>
Net receivables	<u>\$ 1,946,199</u>	<u>1,406,536</u>	<u>-</u>	<u>5,762</u>	<u>3,358,497</u>

In accordance with GASB No. 63 and 65, the property tax revenues totaling \$60,686 that were not collected within the period of availability have been reclassified as deferred inflow of resources in the governmental fund financial statements.

NOTE 5 – Interfund Balances and Transfers

The City recorded interfund receivable/payable to reflect a temporary loan between funds. The purpose of the loans were to cover cash shortages until grant reimbursements could be obtained. All interfund receivables/payables are expected to repaid within one year. Interfund balances as of June 30, 2013, 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	87	355,802
General Fund	01	Airport Fund - Major Fund - Proprietary Fund	12	148,718
General Fund	01	Drug Control Fund - Non-major Spec Rev Fund	98	35,712
General Fund	01	Clovis Recycling Fund - Non-major Spec Rev Fund	76	14,767
General Fund	01	Golf Course Fund - Major Fund - Proprietary Fund	19	1,001
				<u>\$ 556,000</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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, 2013 is as follows:

	Transfers In								
	01	75	02, 20, 43	10, 11, 44 67, 68	12	19	Non-Major	48, 53, 54	
	General	Special Street	Solid Waste	Waste- water	Airport	Golf Course	Govern- mental	Internal Service	Total
General	\$ -	149,635	-	-	444,474	161,753	6,068,069	9,871	6,833,802
Transfers Out Solid Waste	291,901	-	-	-	-	-	-	-	291,901
Wastewater	150,000	-	-	-	-	-	-	-	150,000
Non-Major Governmental	2,529,760	238,000	1,903,364	1,494,184	55,200	238,567	-	5,129	6,464,204
Internal Service	-	-	-	-	-	-	13,079	-	13,079
Total	\$ 2,971,661	387,635	1,903,364	1,494,184	499,674	400,320	6,081,148	15,000	13,752,986

Of the transfers in to the general fund shown above, a total of \$45,612 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, 2013, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Primary Government

Governmental Activities includes

	Balance June 30, 2012	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2013
<i>Internal Service Funds</i>					
Capital assets not being depreciated:					
Land	\$ 2,982,378	-	-	-	2,982,378
Construction in progress	2,846,579	2,809,357	-	(3,481,254)	2,174,682
Total capital assets not being depreciated	5,828,957	2,809,357	-	(3,481,254)	5,157,060
Capital assets being depreciated:					
Land improvements	12,674,579	529,078	(54,842)	555,758	13,704,573
Buildings and improvements	27,450,662	542,612	-	607,089	28,600,363
Equipment and vehicles	19,800,602	1,439,195	(582,966)	-	20,656,831
Infrastructure	67,436,314	1,064,097	-	2,184,586	70,684,997
Total capital assets being depreciated	127,362,157	3,574,982	(637,808)	3,347,433	133,646,764
Total capital assets	133,191,114	6,384,339	(637,808)	(133,821)	138,803,824
Less accumulated depreciation:					
Land improvements	(4,488,663)	(596,749)	-	-	(5,085,412)
Buildings and improvements	(9,240,112)	(769,476)	-	619,022	(9,390,567)
Equipment and vehicles	(12,253,807)	(1,115,934)	367,633	(199,993)	(13,202,101)
Infrastructure	(32,607,993)	(2,476,905)	-	(619,451)	(35,704,349)
Total accumulated depreciation	(58,590,575)	(4,959,064)	367,633	(200,422)	(63,382,429)
Total capital assets net of depreciation	\$ 74,600,539	1,425,275	(270,175)	(334,243)	75,421,395

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

Proprietary Funds

Business-Type Activities

	Balance June 30, 2012	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 6,149,390	-	-	-	6,149,390
Construction in progress	8,587,850	1,389,359	-	(7,839,465)	2,137,744
Total capital assets not being depreciated	<u>14,737,240</u>	<u>1,389,359</u>	<u>-</u>	<u>(7,839,465)</u>	<u>8,287,134</u>
Capital assets being depreciated:					
Land improvements	9,136,376	128,597	-	-	9,264,974
Buildings and improvements	11,572,712	29,983	-	-	11,602,695
Equipment and vehicles	10,676,495	467,625	(136,746)	-	11,007,374
Infrastructure	49,708,893	516,467	-	6,450,106	56,675,466
Total capital assets being depreciated	<u>81,094,476</u>	<u>1,142,672</u>	<u>(136,746)</u>	<u>6,450,106</u>	<u>88,550,509</u>
Total capital assets	<u>95,831,716</u>	<u>2,532,031</u>	<u>(136,746)</u>	<u>(1,389,359)</u>	<u>96,837,643</u>
Less accumulated depreciation:					
Land improvements	(2,686,663)	(308,400)	-	(361)	(2,995,424)
Buildings and improvements	(4,501,450)	(380,070)	-	(925)	(4,882,445)
Equipment and vehicles	(7,296,540)	(440,669)	114,335	(39,799)	(7,662,672)
Infrastructure	(23,106,964)	(1,803,723)	-	(24,448)	(24,935,135)
Total accumulated depreciation	<u>(37,591,617)</u>	<u>(2,932,862)</u>	<u>114,335</u>	<u>(65,533)</u>	<u>(40,475,676)</u>
Total capital assets net of depreciation	<u>\$ 58,240,099</u>	<u>(400,831)</u>	<u>(22,411)</u>	<u>(1,454,892)</u>	<u>56,361,967</u>

Depreciation expense for the year ended June 30, 2013 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 267,218
Public safety	823,833
Public works	2,069,566
Culture and recreation	941,479
Health and welfare	848,860
Total	<u>4,950,956</u>
Internal Service Fund	<u>8,108</u>
Total governmental activities	<u>4,959,064</u>
Business type activities:	
Solid Waste	545,051
Wastewater	1,658,927
Airport	665,365
Golf Course	63,519
Total business-type activities	<u>\$ 2,932,862</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

NOTE 7 – Long-term Debt

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Balance 30-Jun-12	Additions	Retirements	Balance 30-Jun-13	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 2005	\$ 2,605,000	-	(160,000)	2,445,000	165,000
Series 2012	-	9,000,000	(1,360,000)	7,640,000	1,325,000
Total bonds payable	<u>2,605,000</u>	<u>9,000,000</u>	<u>(1,520,000)</u>	<u>10,085,000</u>	<u>1,490,000</u>
NMFA Notes payable					
2011 Clovis 6-A - Park Improvements	3,327,000	-	(140,000)	3,187,000	141,000
Total notes payable	<u>3,327,000</u>	<u>-</u>	<u>(140,000)</u>	<u>3,187,000</u>	<u>141,000</u>
Compensated Absences	<u>1,088,568</u>	<u>1,050,654</u>	<u>(1,014,851)</u>	<u>1,124,371</u>	<u>730,841</u>
Governmental-activities long-term liabilities	<u>\$ 7,020,568</u>	<u>10,050,654</u>	<u>(2,674,851)</u>	<u>14,396,371</u>	<u>2,361,841</u>
	Balance 30-Jun-12	Additions	Retirements	Balance 30-Jun-13	Due Within One Year
Business-type Activities:					
Notes Payable					
NM Environmental Dept.	\$ 7,256,930	-	(389,335)	6,867,595	397,122
NM Finance Authority	489,371	-	(489,371)	-	-
2011 Clovis 6-B - Golf Course	2,797,000	-	(111,000)	2,686,000	112,000
2013 NM Finance Authority	-	80,332	(80,332)	-	-
Total notes payable	<u>10,543,301</u>	<u>80,332</u>	<u>(1,070,038)</u>	<u>9,553,595</u>	<u>509,122</u>
Gross receipts tax revenue bonds					
Series 2010	6,495,000	-	(270,000)	6,225,000	275,000
Total bonds payable	<u>6,495,000</u>	<u>-</u>	<u>(270,000)</u>	<u>6,225,000</u>	<u>275,000</u>
Compensated Absences	<u>123,655</u>	<u>147,438</u>	<u>(167,870)</u>	<u>103,223</u>	<u>103,223</u>
Business-type-activities long-term liabilities	<u>\$ 17,161,956</u>	<u>227,770</u>	<u>(1,507,908)</u>	<u>15,881,818</u>	<u>887,345</u>

In prior years, the general fund has typically been used to liquidate long-term compensated absence liabilities. Bonds payable for governmental funds at June 30, 2013 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%

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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

The annual requirements to amortize the 2004 Bond Issue outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	190,000	72,169	262,169
2019-2023	1,070,000	239,376	1,309,376
2024-2028	490,000	31,450	521,450
\$	<u>2,445,000</u>	<u>664,386</u>	<u>3,109,386</u>

The October 3, 2012 Gross Receipts Tax Improvement Revenue Bonds, Series 2012, were issued for the purpose of acquiring, constructing, reconstructing, resurfacing, maintaining, repairing or otherwise improving municipal streets, including storm drainage and sanitary sewer projects directly related to a street project or combination of the foregoing and paying the costs of issuance of the bonds. The Bonds are being issued pursuant to Sections 3-31-1 through 3-31-12 NMSA 1978, as amended. The 2012 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 2012 Bond Issue outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 1,325,000	159,225	1,484,225
2015	1,350,000	132,725	1,482,725
2016	340,000	105,725	445,725
2017	340,000	98,925	438,925
2018	360,000	92,125	452,125
2019-2023	2,200,000	336,625	2,536,625
2024-2028	1,725,000	102,100	1,827,100
\$	<u>7,640,000</u>	<u>1,027,450</u>	<u>8,667,450</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

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 related 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.

The remaining proceeds were used for the improvement of park infrastructure. The note matures on June 30, 2031.

The annual requirements to amortize the note outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	150,000	97,252	247,252
2019-2023	814,000	422,676	1,236,676
2024-2028	966,000	270,060	1,236,060
2029-2032	681,000	60,573	741,573
	<u>\$ 3,187,000</u>	<u>1,264,430</u>	<u>4,451,430</u>

Bonds payable for proprietary funds at June 30, 2013 are comprised of the following:

Sales Tax Revenue Bonds Series September 21, 2010	
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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

The annual requirements to amortize the proprietary fund bonds outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	310,000	175,938	485,938
2019-2023	1,710,000	724,738	2,434,738
2024-2028	2,090,000	422,506	2,512,506
2029-2033	970,000	58,006	1,028,006
	<u>\$ 6,225,000</u>	<u>2,155,040</u>	<u>8,380,040</u>

The notes payable of the City's proprietary funds as of June 30, 2013 are comprised of the following:

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.	\$ 6,867,595
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	2,686,000
	<u>9,553,595</u>
Less current portion	(509,122)
Total outstanding long-term debt - proprietary funds	<u>\$ 9,044,473</u>

The annual requirements to amortize the proprietary fund loans outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 509,122	141,265	650,387
2015	518,064	133,120	651,184
2016	528,166	124,817	652,983
2017	539,429	116,352	655,781
2018	550,858	107,720	658,578
2019-2023	2,954,736	403,094	3,357,830
2024-2028	3,350,220	159,461	3,509,681
2029-2033	603,000	2,101	605,101
	<u>\$ 9,553,595</u>	<u>1,187,930</u>	<u>10,741,525</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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

fund by all other funds and are available to pay claims, claims reserves, and administrative costs of the program.

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

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

The Workers Compensation fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payout), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, 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, 2013, no claims activity had taken place in the fund. The only activity for the year ended June 30, 2013 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, 16.2% for fire protection employees; and 13.15% for municipal employees. The City was required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement plan members, 21.25% for fire protection plan members; and 9.15% 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, 2013, 2012 and 2011 were approximately \$746,047, \$628,008, and \$564,727, respectively, which equal the amount of the required contributions for all years.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

NOTE 10 – Pension Plan

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

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

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

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

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

For the years ended June 30, 2013, 2012, and 2011, the City's required and actual contributions totaled \$1,395,635, \$1,395,635, and \$1,377,992, 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 \$17,500 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 \$943,814, \$909,346 and \$894,976 for the years ended June 30, 2013, 2012 and 2011, 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City of Clovis' contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$260,184, \$243,180, and \$210,539, respectively, which equal the required contributions for each year.

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, 2013, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City of Clovis.

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013

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, 2013:

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 \$6,551,260 as of June 30, 2013, which is based on the cumulative capacity to date as a percentage of projected capacity at the time of landfill closure. This represents a decrease of \$207,887 from the prior year. It is estimated that an additional \$276,000 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 86.37% 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 \$6,827,260 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, 2013. 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 \$3,938,316 to offset the future estimated post-closure liability amounts. These are reported as restricted assets on the proprietary fund statement of net position. 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 (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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

Depreciation expense for the year ended June 30, 2013 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 Position. Historical cost and accumulated depreciation as of June 30, 2013 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 Position.

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
2014	\$ 141,526
2015	69,800
2016	-
2017	-
2018	-
	<u>\$ 211,326</u>

Lease expenditures for the year ended June 30, 2013 were approximately \$332,834.

NOTE 18 – Commitments

The City of Clovis has several projects under construction related to water and wastewater utilities. Below is a summary list of projects.

<u>Project</u>	<u>Contract Type</u>	<u>Contract Price</u>	<u>% of Completion</u>
Groundwater monitoring	Professional Service	\$ 72,224	0.00%
Cell 5 design & bidding	Professional Service	190,941	0.00%
Burn Building	Construction	915,938	22.00%
WWTPlant improvements	Construction	7,509,019	98.00%
West Side Sanitary Sewer Trunk Line	Construction	1,780,347	93.80%
West Side Sanitary Sewer Trunk Line	Professional Service	53,906	65.00%
Airport Master Plan	Professional Service	374,268	22.50%
Engineering for rebuild apron	Professional Service	132,232	0.00%
Zoo Improvements	Construction	1,000,000	85.00%
Norris St Improvements	Professional Service	74,179	14.80%
Norris St Improvements	Construction	4,276,717	13.50%
Llano/Thornton	Professional Service	72,881	0.00%
Effluent Reuse	Professional Service	280,141	40.40%
Effluent Reuse	Construction	4,030,091	27.40%
Emergency Action Plan	Professional Service	75,334	97.70%
US 60/70/84	Professional Service	135,150	31.50%
		<u>\$ 20,973,369</u>	

NOTE 19 – Restricted Net Position

The government-wide statement of net position reports \$11,547,825 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2013**

NOTE 20 – Surety Bonds

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

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

NOTE 21 – Deferred Inflows/Outflows of Resources

The balance in deferred inflows/outflows of resources at year end is composed of the following elements:

<u>Deferred Outflows of Resources</u>	
Long-term note receivable (Wastewater Fund)	\$ 1,054,364
Deferred property tax revenue (General Fund)	60,686
	<u>\$ 1,115,050</u>
<u>Deferred Inflows of Resources</u>	
Deferred note receivable revenue (Wastewater Fund)	\$ 1,054,364

NOTE 22 – Restatement of Net Position

Beginning net position were restated as follows:

<u>Description</u>	<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Government-wide statements	N/A	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	(334,243)
		Total governmental activities	<u>(334,243)</u>
Sanitation - Major enterprise fund	02	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	(155,499)
Wastewater - Major enterprise fund	10	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	(1,575,390)
Airport - Major enterprise fund	12	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	275,997
		Total enterprise funds	<u>(1,454,892)</u>
		Total restatements	<u>\$ (1,789,135)</u>

NOTE 23 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. The City recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The City's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The City has evaluated subsequent events through November 26, 2013, which is the date the financial statements were available to be issued.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2013**

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, 2013**

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

Special Street Fund (NMSA, 3-34-1 to 3-34-5; 7-19A-1 to 7-19A-7) – To account for specifically designated state shared gross receipts taxes. Expenditures are restricted to street maintenance.

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

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

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

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

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

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

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

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

NONMAJOR DEBT SERVICE FUNDS

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

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

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

NONMAJOR CAPITAL PROJECTS FUND

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
As of June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Assets</i>				
Cash and investments	\$ 14,351,138	-	293,503	14,644,641
Restricted Cash and investments	473,296	219,506	-	692,802
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	1,973,275	-	87,088	2,060,363
Other receivables	527,909	-	-	527,909
Inventory	142,501	-	-	142,501
Prepaid insurance	69,005	-	-	69,005
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>17,537,124</u>	<u>219,506</u>	<u>380,591</u>	<u>18,137,221</u>
<i>Liabilities</i>				
Accounts payable	107,195	-	-	107,195
Accrued payroll expenses	56,351	-	-	56,351
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	50,479	-	-	50,479
<i>Total liabilities</i>	<u>214,025</u>	<u>-</u>	<u>-</u>	<u>214,025</u>
<i>Fund balances</i>				
Nonspendable	211,506	-	-	211,506
Restricted	2,392,403	219,506	-	2,611,909
Committed	12,127,751	-	380,591	12,508,342
Assigned	2,731,160	-	-	2,731,160
Unassigned	(139,721)	-	-	(139,721)
<i>Total fund balances</i>	<u>17,323,099</u>	<u>219,506</u>	<u>380,591</u>	<u>17,923,196</u>
<i>Total liabilities and fund balances</i>	<u>\$ 17,537,124</u>	<u>219,506</u>	<u>380,591</u>	<u>18,137,221</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, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	10,669,069	-	499,272	11,168,341
Gasoline and motor vehicle	566,137	-	-	566,137
Other	652,238	-	-	652,238
Intergovernmental:				
Federal operating grants	147,679	-	-	147,679
Federal capital grants	551,798	-	-	551,798
State operating grants	768,848	-	-	768,848
State capital grants	-	-	-	-
Charges for services	602,766	-	-	602,766
Fines, forfeitures & penalties	13,669	-	-	13,669
Licenses and fees	396,155	-	-	396,155
Investment income	32,280	1,211	497	33,988
Miscellaneous	193,531	-	-	193,531
<i>Total revenues</i>	<u>14,594,170</u>	<u>1,211</u>	<u>499,769</u>	<u>15,095,150</u>
<i>Expenditures:</i>				
Current:				
General government	1,308,999	-	-	1,308,999
Public safety	290,221	-	-	290,221
Public works	3,101,399	-	69	3,101,468
Culture and recreation	2,415,531	-	-	2,415,531
Health and welfare	359,848	-	-	359,848
Capital outlay	1,975,489	-	397,900	2,373,389
Debt service:				
Principal	-	1,660,000	-	1,660,000
Interest	4,033	480,270	-	484,303
<i>Total expenditures</i>	<u>9,455,520</u>	<u>2,140,270</u>	<u>397,969</u>	<u>11,993,759</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,138,650</u>	<u>(2,139,059)</u>	<u>101,800</u>	<u>3,101,391</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(2,539,711)	2,140,272	-	(399,439)
Proceeds from sale of capital assets	150	-	-	150
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,539,561)</u>	<u>2,140,272</u>	<u>-</u>	<u>(399,289)</u>
<i>Net change in fund balances</i>	2,599,089	1,213	101,800	2,702,102
<i>Fund balances - beginning of year</i>	<u>14,724,010</u>	<u>218,293</u>	<u>278,791</u>	<u>15,221,094</u>
<i>Fund balances - end of year</i>	<u>\$ 17,323,099</u>	<u>219,506</u>	<u>380,591</u>	<u>17,923,196</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, 2013**

	3	4	5	6	7	8
	Municipal Road	Recreation	Older Adults Division	Environmental Tax	Fire Equipment	Sanitary Sewer Improvement
<i>Assets</i>						
Cash and investments	\$ -	32,751	37,876	3,938,316	96,822	108,200
Restricted Cash and investments	10,109	-	-	-	420,053	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	8,216	-	-	85,684	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	5,307	8,617	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>18,325</u>	<u>38,058</u>	<u>46,493</u>	<u>4,024,000</u>	<u>516,875</u>	<u>108,200</u>
<i>Liabilities</i>						
Accounts payable	-	639	1,364	-	96,822	-
Accrued payroll expenses	-	4,849	3,978	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>5,488</u>	<u>5,342</u>	<u>-</u>	<u>96,822</u>	<u>-</u>
<i>Fund balances</i>						
Nonspendable	-	5,307	8,617	-	-	-
Restricted	18,325	-	-	-	420,053	-
Committed	-	27,263	-	4,024,000	-	108,200
Assigned	-	-	-	-	-	-
Unassigned	-	-	32,534	-	-	-
<i>Total fund balances</i>	<u>18,325</u>	<u>32,570</u>	<u>41,151</u>	<u>4,024,000</u>	<u>420,053</u>	<u>108,200</u>
<i>Total liabilities and fund balances</i>	<u>\$ 18,325</u>	<u>38,058</u>	<u>46,493</u>	<u>4,024,000</u>	<u>516,875</u>	<u>108,200</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, 2013**

	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	\$ 65,120	59,868	540,566	451,499	120,526	175,595
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	87,088	87,088	87,088
Other receivables	-	-	-	-	-	-
Inventory	1,694	-	-	-	-	-
Prepaid insurance	4,197	9,734	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>71,011</u>	<u>69,602</u>	<u>540,566</u>	<u>538,587</u>	<u>207,614</u>	<u>262,683</u>
<i>Liabilities</i>						
Accounts payable	540	834	-	-	-	712
Accrued payroll expenses	2,655	13,878	-	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>3,195</u>	<u>14,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712</u>
<i>Fund balances</i>						
Nonspendable	5,891	9,734	-	-	-	-
Restricted	-	-	540,566	-	-	-
Committed	-	-	-	538,587	207,614	-
Assigned	61,925	45,156	-	-	-	261,971
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>67,816</u>	<u>54,890</u>	<u>540,566</u>	<u>538,587</u>	<u>207,614</u>	<u>261,971</u>
<i>Total liabilities and fund balances</i>	<u>\$ 71,011</u>	<u>69,602</u>	<u>540,566</u>	<u>538,587</u>	<u>207,614</u>	<u>262,683</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, 2013**

	63	64	65	66	72	75
	Special Designated	Economic Development	Capital Outlay Gross Receipts Tax	GRT Water Project	Emergency Medical Services	Special Street
<i>Assets</i>						
Cash and investments	\$ 1,268,046	1,971,873	1,920,587	868,992	-	1,350,713
Restricted Cash and investments	-	-	-	-	5	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	171,374	342,687	309,823	-	371,177
Other receivables	-	432,650	80,332	-	-	-
Inventory	-	-	-	-	-	140,807
Prepaid insurance	-	-	-	-	-	26,036
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>1,268,046</u>	<u>2,575,897</u>	<u>2,343,606</u>	<u>1,178,815</u>	<u>5</u>	<u>1,888,733</u>
<i>Liabilities</i>						
Accounts payable	-	183	-	-	-	5,124
Accrued payroll expenses	-	-	-	-	-	18,034
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,158</u>
<i>Fund balances</i>						
Nonspendable	-	-	-	-	-	166,843
Restricted	-	-	-	1,178,815	5	-
Committed	-	2,575,714	2,343,606	-	-	1,698,732
Assigned	1,268,046	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>1,268,046</u>	<u>2,575,714</u>	<u>2,343,606</u>	<u>1,178,815</u>	<u>5</u>	<u>1,865,575</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,268,046</u>	<u>2,575,897</u>	<u>2,343,606</u>	<u>1,178,815</u>	<u>5</u>	<u>1,888,733</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, 2013**

	<u>76</u>	<u>77+78</u>	<u>86</u>	<u>89</u>	<u>90</u>
	<u>Recycling</u>	<u>Lodger's Tax</u>	<u>Special Fire & Police</u>	<u>Local Government Corrections</u>	<u>Law Enforcement Protection</u>
<i>Assets</i>					
Cash and investments	\$ 5,099	1,071,407	197,913	-	-
Restricted Cash and investments	-	-	-	-	28,709
Receivables:					
Property taxes	-	-	-	-	-
Intergovernmental	-	74,699	348,351	-	-
Other receivables	14,927	-	-	-	-
Inventory	-	-	-	-	-
Prepaid insurance	-	-	-	-	-
Due from other funds	-	-	-	-	-
<i>Total assets</i>	<u>20,026</u>	<u>1,146,106</u>	<u>546,264</u>	<u>-</u>	<u>28,709</u>
<i>Liabilities</i>					
Accounts payable	-	566	-	-	-
Accrued payroll expenses	-	-	-	-	-
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Due to other funds	14,767	-	-	-	-
<i>Total liabilities</i>	<u>14,767</u>	<u>566</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	28,709
Committed	5,259	51,478	546,264	-	-
Assigned	-	1,094,062	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>5,259</u>	<u>1,145,540</u>	<u>546,264</u>	<u>-</u>	<u>28,709</u>
<i>Total liabilities and fund balances</i>	<u>\$ 20,026</u>	<u>1,146,106</u>	<u>546,264</u>	<u>-</u>	<u>28,709</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, 2013

	<u>96</u>	<u>98</u>	
	Department of Justice	Drug Control	Total Special Revenue Funds
<i>Assets</i>			
Cash and investments	\$ 1,034	-	14,351,138
Restricted Cash and investments	-	14,420	473,296
Receivables:			-
Property taxes	-	-	-
Intergovernmental	-	-	1,973,275
Other receivables	-	-	527,909
Inventory	-	-	142,501
Prepaid insurance	-	646	69,005
Due from other funds	-	-	-
<i>Total assets</i>	<u>1,034</u>	<u>15,066</u>	<u>17,537,124</u>
<i>Liabilities</i>			
Accounts payable	-	-	107,195
Accrued payroll expenses	-	-	56,351
Other accrued expenses	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	-	35,712	50,479
<i>Total liabilities</i>	<u>-</u>	<u>35,712</u>	<u>214,025</u>
<i>Fund balances</i>			
Nonspendable	-	646	211,506
Restricted	-	14,420	2,392,403
Committed	1,034	-	12,127,751
Assigned	-	-	2,731,160
Unassigned	-	(35,712)	(139,721)
<i>Total fund balances</i>	<u>1,034</u>	<u>(20,646)</u>	<u>17,323,099</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,034</u>	<u>15,066</u>	<u>17,537,124</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, 2013

	40	46	47	
	Drainage Improvement	Civic Center	Parks & Infrastructure	Total Debt Service Funds
<i>Assets</i>				
Cash and investments	\$ -	-	-	-
Restricted Cash and investments	556	66,630	152,320	219,506
Receivables:				-
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>556</u>	<u>66,630</u>	<u>152,320</u>	<u>219,506</u>
<i>Liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	-	-	-	-
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Restricted	556	66,630	152,320	219,506
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>556</u>	<u>66,630</u>	<u>152,320</u>	<u>219,506</u>
<i>Total liabilities and fund balances</i>	<u>\$ 556</u>	<u>66,630</u>	<u>152,320</u>	<u>219,506</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, 2013

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Assets</i>		
Cash and investments	\$ 293,503	293,503
Restricted Cash and investments	-	-
Receivables:		
Property taxes	-	-
Intergovernmental	87,088	87,088
Other receivables	-	-
Inventory	-	-
Prepaid insurance	-	-
Due from other funds	-	-
<i>Total assets</i>	380,591	380,591
<i>Liabilities</i>		
Accounts payable	-	-
Accrued payroll expenses	-	-
Other accrued expenses	-	-
Accrued compensated absences	-	-
Due to other funds	-	-
<i>Total liabilities</i>	-	-
<i>Fund balances</i>		
Nonspendable	-	-
Restricted	-	-
Committed	380,591	380,591
Assigned	-	-
Unassigned	-	-
<i>Total fund balances</i>	380,591	380,591
<i>Total liabilities and fund balances</i>	\$ 380,591	380,591

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, 2013

	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	-	-	-	489,837	-	-
Gasoline and motor vehicle	98,885	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	59,906	-	561,288	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	87,129
Investment income	7	29	3	3,411	1,204	460
Miscellaneous	-	360	4,978	3	-	-
<i>Total revenues</i>	<u>98,892</u>	<u>389</u>	<u>64,887</u>	<u>493,251</u>	<u>562,492</u>	<u>87,589</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	73,459	-
Public works	-	-	-	-	-	-
Culture and recreation	-	271,082	-	-	-	-
Health and welfare	-	-	315,309	-	-	-
Capital outlay	-	-	-	-	602,928	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>271,082</u>	<u>315,309</u>	<u>-</u>	<u>676,387</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>98,892</u>	<u>(270,693)</u>	<u>(250,422)</u>	<u>493,251</u>	<u>(113,895)</u>	<u>87,589</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(97,524)	286,530	284,452	1,437,517	-	(675,097)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(97,524)</u>	<u>286,530</u>	<u>284,452</u>	<u>1,437,517</u>	<u>-</u>	<u>(675,097)</u>
<i>Net change in fund balances</i>	1,368	15,837	34,030	1,930,768	(113,895)	(587,508)
<i>Fund balance - beginning 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>
<i>Fund balances - end of year</i>	<u>\$ 18,325</u>	<u>32,570</u>	<u>41,151</u>	<u>4,024,000</u>	<u>420,053</u>	<u>108,200</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, 2013

	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	-	-	-	499,246	499,246	499,273
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	1,156	43,956	-	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	8,441	-	-	-	524,009
Fines, forfeitures & penalties	-	13,669	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Investment income	15	81	9,290	784	68	130
Miscellaneous	-	166	-	-	-	757
<i>Total revenues</i>	<u>1,171</u>	<u>66,313</u>	<u>9,290</u>	<u>500,030</u>	<u>499,314</u>	<u>1,024,169</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	13,058	-	-	-
Culture and recreation	190,231	785,500	-	-	-	865,117
Health and welfare	-	-	-	-	-	-
Capital outlay	5,107	18,720	604,532	-	-	13,669
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>195,338</u>	<u>804,220</u>	<u>617,590</u>	<u>-</u>	<u>-</u>	<u>878,786</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(194,167)</u>	<u>(737,907)</u>	<u>(608,300)</u>	<u>500,030</u>	<u>499,314</u>	<u>145,383</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	220,544	749,635	(118,417)	(674,200)	(482,303)	(124,219)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>220,544</u>	<u>749,635</u>	<u>(118,417)</u>	<u>(674,200)</u>	<u>(482,303)</u>	<u>(124,219)</u>
<i>Net change in fund balances</i>	26,377	11,728	(726,717)	(174,170)	17,011	21,164
<i>Fund balances - beginning of year</i>	41,439	43,162	1,267,283	712,757	190,603	240,807
<i>Fund balances - end of year</i>	<u>\$ 67,816</u>	<u>54,890</u>	<u>540,566</u>	<u>538,587</u>	<u>207,614</u>	<u>261,971</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, 2013

	63	64	65	66	72	75
	Special Designated	Economic Development	Capital Outlay Gross Receipts Tax	GRT Water Project	Emergency Medical Services	Special Street
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	979,695	1,958,589	1,741,986	-	2,000,598
Gasoline and motor vehicle	-	-	-	-	-	467,252
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	17,790	-
State capital grants	-	-	-	-	-	-
Charges for services	31,258	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	218,095	-	-	-	-	-
Investment income	507	1,936	2,794	397	-	8,459
Miscellaneous	24,469	101,550	-	-	-	37,399
<i>Total revenues</i>	<u>274,329</u>	<u>1,083,181</u>	<u>1,961,383</u>	<u>1,742,383</u>	<u>17,790</u>	<u>2,513,708</u>
<i>Expenditures:</i>						
Current:						
General government	-	243,984	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	904,153	-	2,184,188
Culture and recreation	-	-	-	-	-	1
Health and welfare	-	-	-	-	18,353	-
Capital outlay	-	-	-	-	-	720,582
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	4,033	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>243,984</u>	<u>4,033</u>	<u>904,153</u>	<u>18,353</u>	<u>2,904,771</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>274,329</u>	<u>839,197</u>	<u>1,957,350</u>	<u>838,230</u>	<u>(563)</u>	<u>(391,063)</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(51,423)	(341,850)	(1,483,248)	-	-	387,635
Proceeds from sale of capital assets	150	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(51,273)</u>	<u>(341,850)</u>	<u>(1,483,248)</u>	<u>-</u>	<u>-</u>	<u>387,635</u>
<i>Net change in fund balances</i>	223,056	497,347	474,102	838,230	(563)	(3,428)
<i>Fund balances - beginning of year</i>	1,044,990	2,078,367	1,869,504	340,585	568	1,869,003
<i>Fund balances - end of year</i>	<u>\$ 1,268,046</u>	<u>2,575,714</u>	<u>2,343,606</u>	<u>1,178,815</u>	<u>5</u>	<u>1,865,575</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, 2013

	76	77+78	86	89	90
	<u>Recycling</u>	<u>Lodger's Tax</u>	<u>Special Fire & Police</u>	<u>Local Government Corrections</u>	<u>Law Enforcement Protection</u>
<i>Revenues:</i>					
Taxes:					
Property	\$ -	-	-	-	-
Gross receipts	-	-	2,000,599	-	-
Gasoline and motor vehicle	-	-	-	-	-
Other	-	652,238	-	-	-
Intergovernmental:					
Federal operating grants	-	-	-	-	-
Federal capital grants	-	-	-	-	-
State operating grants	21,752	-	-	-	63,000
State capital grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Licenses and fees	-	-	-	90,931	-
Investment income	-	2,156	194	1	334
Miscellaneous	3,354	-	-	-	-
<i>Total revenues</i>	<u>25,106</u>	<u>654,394</u>	<u>2,000,793</u>	<u>90,932</u>	<u>63,334</u>
<i>Expenditures:</i>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	42,061
Public works	-	-	-	-	-
Culture and recreation	-	303,600	-	-	-
Health and welfare	26,186	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>26,186</u>	<u>303,600</u>	<u>-</u>	<u>-</u>	<u>42,061</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,080)</u>	<u>350,794</u>	<u>2,000,793</u>	<u>90,932</u>	<u>21,273</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	-	(150,000)	(1,923,917)	(90,932)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(150,000)</u>	<u>(1,923,917)</u>	<u>(90,932)</u>	<u>-</u>
<i>Net change in fund balances</i>	(1,080)	200,794	76,876	-	21,273
<i>Fund balances - beginning of year</i>	6,339	944,746	469,388	-	7,436
<i>Fund balances - end of year</i>	<u>\$ 5,259</u>	<u>1,145,540</u>	<u>546,264</u>	<u>-</u>	<u>28,709</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, 2013**

	96	98	
	Dept of Justice	Drug Control	Total Special Revenue Funds
<i>Revenues:</i>			
<i>Taxes:</i>			
Property	\$ -	-	-
Gross receipts	-	-	10,669,069
Gasoline and motor vehicle	-	-	566,137
Other	-	-	652,238
<i>Intergovernmental:</i>			
Federal operating grants	6,000	141,679	147,679
Federal capital grants	-	-	551,798
State operating grants	-	-	768,848
State capital grants	-	-	-
Charges for services	-	-	602,766
Fines, forfeitures & penalties	-	-	13,669
Licenses and fees	-	-	396,155
Investment income	1	19	32,280
Miscellaneous	-	1,250	193,531
<i>Total revenues</i>	<u>6,001</u>	<u>142,948</u>	<u>14,594,170</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General government	-	-	1,308,999
Public safety	6,000	168,701	290,221
Public works	-	-	3,101,399
Culture and recreation	-	-	2,415,531
Health and welfare	-	-	359,848
Capital outlay	-	9,951	1,975,489
<i>Debt service:</i>			
Principal	-	-	-
Interest	-	-	4,033
<i>Total expenditures</i>	<u>6,000</u>	<u>178,652</u>	<u>9,455,520</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1</u>	<u>(35,704)</u>	<u>5,138,650</u>
<i>Other financing sources (uses)</i>			
Transfers in/(out)	-	-	(2,539,711)
Proceeds from sale of capital assets	-	-	150
Proceeds from debt issuance	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2,539,561)</u>
<i>Net change in fund balances</i>	1	(35,704)	2,599,089
<i>Fund balances - beginning of year</i>	<u>1,033</u>	<u>15,058</u>	<u>14,724,010</u>
<i>Fund balances - end of year</i>	<u>\$ 1,034</u>	<u>(20,646)</u>	<u>17,323,099</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, 2013

	40	46	47	
	Street 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	556	216	439	1,211
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>556</u>	<u>216</u>	<u>439</u>	<u>1,211</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,360,000	160,000	140,000	1,660,000
Interest	123,248	107,219	249,803	480,270
<i>Total expenditures</i>	<u>1,483,248</u>	<u>267,219</u>	<u>389,803</u>	<u>2,140,270</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,482,692)</u>	<u>(267,003)</u>	<u>(389,364)</u>	<u>(2,139,059)</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	1,483,248	267,219	389,805	2,140,272
<i>Total other financing sources (uses)</i>	<u>1,483,248</u>	<u>267,219</u>	<u>389,805</u>	<u>2,140,272</u>
<i>Net change in fund balances</i>	556	216	441	1,213
<i>Fund balances - beginning of year</i>	-	66,414	151,879	218,293
<i>Fund balances - end of year</i>	<u>\$ 556</u>	<u>66,630</u>	<u>152,320</u>	<u>219,506</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, 2013

	88	
	Drainage Improvement	Total Capital Project Funds
<i>Revenues:</i>		
Taxes:		
Property	\$ -	-
Gross receipts	499,272	499,272
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	497	497
Miscellaneous	-	-
<i>Total revenues</i>	499,769	499,769
<i>Expenditures:</i>		
Current:		
General government	-	-
Public safety	-	-
Public works	69	69
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	397,900	397,900
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	397,969	397,969
<i>Excess (deficiency) of revenues over expenditures</i>	101,800	101,800
<i>Other financing sources (uses)</i>		
Transfers in/(out)	-	-
<i>Total other financing sources (uses)</i>	-	-
<i>Net change in fund balances</i>	101,800	101,800
<i>Fund balances - beginning of year</i>	278,791	278,791
<i>Fund balances - end of year</i>	\$ 380,591	380,591

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, 2013**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 51,917	5,541	-	57,458
Municipal Court				
Cash and cash equivalents	<u>1,965</u>	<u>2,499</u>	<u>-</u>	<u>4,464</u>
<i>Total assets</i>	<u>\$ 53,882</u>	<u>8,040</u>	<u>-</u>	<u>61,922</u>
 LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 51,917	5,541	-	57,458
Municipal Court				
Deposits held in trust for others	<u>1,965</u>	<u>2,499</u>	<u>-</u>	<u>4,464</u>
<i>Total liabilities</i>	<u>\$ 53,882</u>	<u>8,040</u>	<u>-</u>	<u>61,922</u>

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

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	90,000	90,000	99,103	9,103
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	7	7
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>99,110</u>	<u>9,110</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>90,000</u>	<u>90,000</u>	<u>99,110</u>	<u>9,110</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(97,524)	(97,524)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(97,524)</u>	<u>(97,524)</u>
<i>Net change in fund balance</i>	90,000	90,000	1,586	(88,414)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,957</u>	<u>16,957</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>18,543</u>	<u>(71,457)</u>
Net change in fund balance (GAAP)			\$	1,368
Adjustments to revenue for applicable accruals and deferrals				(218)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>1,586</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, 2013**

	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	-	-	29	29
Miscellaneous	-	-	360	360
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>389</u>	<u>389</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	286,317	303,329	271,967	31,362
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>286,317</u>	<u>303,329</u>	<u>271,967</u>	<u>31,362</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(286,317)</u>	<u>(303,329)</u>	<u>(271,578)</u>	<u>31,751</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	286,317	303,329	-	(303,329)
Transfers in	-	-	286,530	286,530
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>286,317</u>	<u>303,329</u>	<u>286,530</u>	<u>(16,799)</u>
<i>Net change in fund balance</i>	-	-	14,952	14,952
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,733</u>	<u>16,733</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>31,685</u>	<u>31,685</u>
Net change in fund balance (GAAP)			\$	15,837
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>885</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>14,952</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, 2013**

	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	71,800	71,800	59,907	(11,893)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	3	3
Miscellaneous	-	4,666	4,978	312
<i>Total revenues</i>	<u>71,800</u>	<u>76,466</u>	<u>64,888</u>	<u>(11,578)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	336,653	364,440	316,062	48,378
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>336,653</u>	<u>364,440</u>	<u>316,062</u>	<u>48,378</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(264,853)</u>	<u>(287,974)</u>	<u>(251,174)</u>	<u>36,800</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	264,853	287,974	-	(287,974)
Transfers in	-	-	284,452	284,452
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>264,853</u>	<u>287,974</u>	<u>284,452</u>	<u>(3,522)</u>
<i>Net change in fund balance</i>	-	-	33,278	33,278
<i>Fund balance - beginning of year</i>	-	-	7,121	7,121
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>40,399</u>	<u>40,399</u>
Net change in fund balance (GAAP)			\$	34,030
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>752</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>33,278</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, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	450,000	450,000	490,071	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	6,000	6,000	3,411	(2,589)
Miscellaneous	-	-	3	3
<i>Total revenues</i>	456,000	456,000	493,485	(2,586)
<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>	456,000	456,000	493,485	(2,586)
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	1,437,517	1,437,517
<i>Total other financing sources (uses)</i>	-	-	1,437,517	1,437,517
<i>Net change in fund balance</i>	456,000	456,000	1,931,002	1,475,002
<i>Fund balance - beginning of year</i>	-	-	2,093,232	2,093,232
<i>Fund balance - end of year</i>	\$ -	-	4,024,234	3,568,234
Net change in fund balance (GAAP)			\$	1,930,768
Adjustments to revenue for applicable accruals and deferrals				(234)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	1,931,002

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, 2013**

	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	425,514	561,288	561,288	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,150	1,150	1,204	54
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>426,664</u>	<u>562,438</u>	<u>562,492</u>	<u>54</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	172,396	94,920	73,459	21,461
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	788,216	1,251,466	506,106	745,360
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>960,612</u>	<u>1,346,386</u>	<u>579,565</u>	<u>766,821</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(533,948)</u>	<u>(783,948)</u>	<u>(17,073)</u>	<u>766,875</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	533,948	783,948	-	(783,948)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>533,948</u>	<u>783,948</u>	<u>-</u>	<u>(783,948)</u>
<i>Net change in fund balance</i>	-	-	(17,073)	(17,073)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>533,948</u>	<u>533,948</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>516,875</u>	<u>516,875</u>
Net change in fund balance (GAAP)			\$ (113,895)	
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>(96,822)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ <u>(17,073)</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<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	90,000	90,000	87,129	(2,871)
Investment income	2,600	2,600	460	(2,140)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>92,600</u>	<u>92,600</u>	<u>87,589</u>	<u>(5,011)</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>92,600</u>	<u>92,600</u>	<u>87,589</u>	<u>(5,011)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(675,097)	(675,097)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(675,097)</u>	<u>(675,097)</u>
<i>Net change in fund balance</i>	92,600	92,600	(587,508)	(494,908)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>695,708</u>	<u>695,708</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>108,200</u>	<u>200,800</u>
Net change in fund balance (GAAP)			\$	(587,508)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(587,508)</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, 2013**

	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	1,156	(13,844)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	15	15
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>1,171</u>	<u>(13,829)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	257,551	260,813	192,014	68,799
Health and welfare	-	-	-	-
Capital outlay	15,000	15,000	5,107	9,893
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>272,551</u>	<u>275,813</u>	<u>197,121</u>	<u>78,692</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(257,551)</u>	<u>(260,813)</u>	<u>(195,950)</u>	<u>64,863</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	257,551	260,813	-	(260,813)
Transfers in	-	-	220,544	220,544
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>257,551</u>	<u>260,813</u>	<u>220,544</u>	<u>(40,269)</u>
<i>Net change in fund balance</i>	-	-	24,594	24,594
<i>Fund balance - beginning of year</i>	-	-	41,439	41,439
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>66,033</u>	<u>66,033</u>
Net change in fund balance (GAAP)			\$	26,377
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>1,783</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>24,594</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, 2013**

	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	42,459	49,911	43,956	(5,955)
State capital grants	-	-	-	-
Charges for services	6,900	6,900	8,441	1,541
Fines, forfeitures & penalties	15,500	15,500	13,669	(1,831)
Licenses and fees	-	-	-	-
Investment income	150	150	81	(69)
Miscellaneous	500	500	166	(334)
<i>Total revenues</i>	<u>65,509</u>	<u>72,961</u>	<u>66,313</u>	<u>(6,648)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	836,982	847,514	786,774	60,740
Health and welfare	-	-	-	-
Capital outlay	10,534	21,534	18,720	2,814
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>847,516</u>	<u>869,048</u>	<u>805,494</u>	<u>63,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(782,007)</u>	<u>(796,087)</u>	<u>(739,181)</u>	<u>56,906</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	782,007	796,087	-	(796,087)
Transfers in	-	-	749,635	749,635
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>782,007</u>	<u>796,087</u>	<u>749,635</u>	<u>(46,452)</u>
<i>Net change in fund balance</i>	-	-	10,454	10,454
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>43,162</u>	<u>43,162</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>53,616</u>	<u>53,616</u>
Net change in fund balance (GAAP)			\$	11,728
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>1,274</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>10,454</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
2011 GRT Park 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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	9,290	9,290
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,290</u>	<u>9,290</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	14,139	26,829	13,058	13,771
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,495,655	1,482,965	965,460	517,505
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,509,794</u>	<u>1,509,794</u>	<u>978,518</u>	<u>531,276</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,509,794)</u>	<u>(1,509,794)</u>	<u>(969,228)</u>	<u>540,566</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	1,509,794	1,509,794	-	(1,509,794)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,509,794</u>	<u>1,509,794</u>	<u>-</u>	<u>(1,509,794)</u>
<i>Net change in fund balance</i>	-	-	(969,228)	(969,228)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,267,283</u>	<u>1,267,283</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>298,055</u>	<u>298,055</u>
Net change in fund balance (GAAP)			\$	(726,717)
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				<u>242,511</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(969,228)</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	-	-	-	-
Gross receipts	\$ 450,000	450,000	499,255	49,255
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,800	1,800	784	(1,016)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>451,800</u>	<u>451,800</u>	<u>500,039</u>	<u>48,239</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>451,800</u>	<u>451,800</u>	<u>500,039</u>	<u>48,239</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(674,200)	(674,200)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(674,200)</u>	<u>(674,200)</u>
<i>Net change in fund balance</i>	451,800	451,800	(174,161)	(625,961)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>712,757</u>	<u>712,757</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>538,596</u>	<u>86,796</u>
Net change in fund balance (GAAP)			\$	(174,170)
Adjustments to revenue for applicable accruals and deferrals				(9)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(174,161)</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, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	450,000	450,000	499,255	49,255
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	700	700	68	(632)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>450,700</u>	<u>450,700</u>	<u>499,323</u>	<u>48,623</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>450,700</u>	<u>450,700</u>	<u>499,323</u>	<u>48,623</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(482,303)	(482,303)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(482,303)</u>	<u>(482,303)</u>
<i>Net change in fund balance</i>	450,700	450,700	17,020	(433,680)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>190,603</u>	<u>190,603</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>207,623</u>	<u>(243,077)</u>
Net change in fund balance (GAAP)			\$	17,011
Adjustments to revenue for applicable accruals and deferrals				(9)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>17,020</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, 2013**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	450,000	450,000	499,255	49,255
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	617,866	617,866	554,009	(63,857)
Licenses and fees	-	-	-	-
Investment income	60	60	130	70
Miscellaneous	-	-	757	757
<i>Total revenues</i>	<u>1,067,926</u>	<u>1,067,926</u>	<u>1,054,151</u>	<u>(13,775)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	930,066	943,666	864,637	79,029
Health and welfare	-	-	-	-
Capital outlay	-	13,879	13,669	210
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>930,066</u>	<u>957,545</u>	<u>878,306</u>	<u>79,239</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>137,860</u>	<u>110,381</u>	<u>175,845</u>	<u>65,464</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	150,000	150,000
Transfers out	-	-	(274,219)	(274,219)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(124,219)</u>	<u>(124,219)</u>
<i>Net change in fund balance</i>	137,860	110,381	51,626	(58,755)
<i>Fund balance - beginning of year</i>	-	-	240,807	240,807
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>292,433</u>	<u>182,052</u>
Net change in fund balance (GAAP)			\$	21,164
Adjustments to revenue for applicable accruals and deferrals				(29,982)
Adjustments to expenditures for applicable accruals and payments				(480)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>51,626</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, 2013**

	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	29,750	29,750	31,258	1,508
Licenses and fees	220,500	220,500	218,096	(2,404)
Investment income	2,000	2,000	507	(1,493)
Miscellaneous	6,250	6,250	24,469	18,219
<i>Total revenues</i>	<u>258,500</u>	<u>258,500</u>	<u>274,330</u>	<u>15,830</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>258,500</u>	<u>258,500</u>	<u>274,330</u>	<u>15,830</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(51,423)	(51,423)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(51,423)</u>	<u>(51,423)</u>
<i>Net change in fund balance</i>	258,500	258,500	222,907	(35,593)
<i>Fund balance - beginning of year</i>	-	-	1,044,990	1,044,990
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,267,897</u>	<u>1,009,397</u>
Net change in fund balance (GAAP)			\$	223,056
Adjustments to revenue for applicable accruals and deferrals				149
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>222,907</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Economic Development Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	900,000	900,000	980,172	80,172
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	3,000	3,000	1,936	(1,064)
Miscellaneous	-	-	177,900	177,900
<i>Total revenues</i>	<u>903,000</u>	<u>903,000</u>	<u>1,160,008</u>	<u>257,008</u>
<i>Expenditures:</i>				
Current:				
General government	1,017,448	1,017,448	243,802	773,646
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	150,000	150,000	-	150,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,167,448</u>	<u>1,167,448</u>	<u>243,802</u>	<u>923,646</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(264,448)</u>	<u>(264,448)</u>	<u>916,206</u>	<u>1,180,654</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	264,448	264,448	-	(264,448)
Transfers in	-	-	-	-
Transfers out	-	-	(341,850)	(341,850)
<i>Total other financing sources (uses)</i>	<u>264,448</u>	<u>264,448</u>	<u>(341,850)</u>	<u>(606,298)</u>
<i>Net change in fund balance</i>	-	-	574,356	574,356
<i>Fund balance - beginning of year</i>	-	-	2,078,367	2,078,367
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>2,652,723</u>	<u>2,652,723</u>
Net change in fund balance (GAAP)			\$	497,347
Adjustments to revenue for applicable accruals and deferrals				(76,827)
Adjustments to expenditures for applicable accruals and payments				(182)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>574,356</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, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,800,000	1,800,000	1,959,406	159,406
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	4,600	4,600	2,794	(1,806)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,804,600</u>	<u>1,804,600</u>	<u>1,962,200</u>	<u>157,600</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	80,332	80,332	80,332	-
Interest	4,033	4,033	4,033	-
<i>Total expenditures</i>	<u>84,365</u>	<u>84,365</u>	<u>84,365</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,720,235</u>	<u>1,720,235</u>	<u>1,877,835</u>	<u>157,600</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,483,248)	(1,483,248)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,483,248)</u>	<u>(1,483,248)</u>
<i>Net change in fund balance</i>	1,720,235	1,720,235	394,587	(1,325,648)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>340,585</u>	<u>340,585</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>735,172</u>	<u>(985,063)</u>
Net change in fund balance (GAAP)			\$	474,102
Adjustments to revenue for applicable accruals and deferrals				(816)
Adjustments to expenditures for applicable accruals and payments				80,331
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>394,587</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Gross Receipts Tax - Water Project 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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,600,000	1,600,000	1,736,145	136,145
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	-	-	397	397
Miscellaneous	-	-	-	-
Gain on sale of fixed asset	-	-	-	-
<i>Total revenues</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,736,542</u>	<u>136,542</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	904,153	904,153	904,153	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>904,153</u>	<u>904,153</u>	<u>904,153</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>695,847</u>	<u>695,847</u>	<u>832,389</u>	<u>136,542</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>	695,847	695,847	832,389	136,542
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>832,389</u>	<u>136,542</u>
Net change in fund balance (GAAP)				\$ 838,230
Adjustments to revenue for applicable accruals and deferrals				5,841
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 832,389</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	17,790	17,790	17,790	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,790</u>	<u>17,790</u>	<u>17,790</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	18,358	18,358	18,353	5
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,358</u>	<u>18,358</u>	<u>18,353</u>	<u>5</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(568)</u>	<u>(568)</u>	<u>(563)</u>	<u>5</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	568	568	-	(568)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>568</u>	<u>568</u>	<u>-</u>	<u>(568)</u>
<i>Net change in fund balance</i>	-	-	(563)	(563)
<i>Fund balance - beginning of year</i>	-	-	568	568
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>5</u>	<u>5</u>
Net change in fund balance (GAAP)			\$ (563)	
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			<u>\$ (563)</u>	

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, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,800,000	1,800,000	1,997,018	197,018
Gasoline and motor vehicle	423,000	423,000	444,426	21,426
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	283,549	283,549	225,000	(58,549)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	6,000	6,000	8,459	2,459
Miscellaneous	5,000	33,637	37,399	3,762
<i>Total revenues</i>	<u>2,517,549</u>	<u>2,546,186</u>	<u>2,712,302</u>	<u>166,116</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,742,331	2,794,873	2,245,946	548,927
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,127,836	1,364,922	759,659	605,263
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,870,167</u>	<u>4,159,795</u>	<u>3,005,605</u>	<u>1,154,190</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,352,618)</u>	<u>(1,613,609)</u>	<u>(293,303)</u>	<u>1,320,306</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	1,352,618	1,613,609	-	(1,613,609)
Transfers in	-	-	387,635	387,635
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,352,618</u>	<u>1,613,609</u>	<u>387,635</u>	<u>(1,225,974)</u>
<i>Net change in fund balance</i>	-	-	94,332	94,332
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>94,332</u>	<u>94,332</u>
Net change in fund balance (GAAP)			\$	(3,428)
Adjustments to revenue for applicable accruals and deferrals				(198,594)
Adjustments to expenditures for applicable accruals and payments				100,834
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>94,332</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, 2013**

	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	-	-	12,228	12,228
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	3,354	3,354
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,582</u>	<u>15,582</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	29,000	29,000	26,186	2,814
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,000</u>	<u>29,000</u>	<u>26,186</u>	<u>2,814</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,000)</u>	<u>(29,000)</u>	<u>(10,604)</u>	<u>18,396</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	29,000	29,000	-	(29,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>29,000</u>	<u>29,000</u>	<u>-</u>	<u>(29,000)</u>
<i>Net change in fund balance</i>	-	-	(10,604)	(10,604)
<i>Fund balance - beginning of year</i>	-	-	6,339	6,339
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(4,265)</u>	<u>(4,265)</u>
Net change in fund balance (GAAP)			\$	(1,080)
Adjustments to revenue for applicable accruals and deferrals				9,524
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(10,604)</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, 2013**

	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	525,000	630,000	625,603	(4,397)
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,600	1,600	2,156	556
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>526,600</u>	<u>631,600</u>	<u>627,759</u>	<u>(3,841)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	245,540	338,040	305,967	32,073
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>245,540</u>	<u>338,040</u>	<u>305,967</u>	<u>32,073</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>281,060</u>	<u>293,560</u>	<u>321,792</u>	<u>28,232</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	437,922	437,922
Transfers out	-	-	(587,922)	(587,922)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
<i>Net change in fund balance</i>	281,060	293,560	171,792	(121,768)
<i>Fund balance - beginning of year</i>	-	-	944,746	944,746
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,116,538</u>	<u>822,978</u>
Net change in fund balance (GAAP)			\$	200,794
Adjustments to revenue for applicable accruals and deferrals				26,635
Adjustments to expenditures for applicable accruals and payments				<u>2,367</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>171,792</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, 2013**

	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	1,800,000	1,800,000	1,997,018	197,018
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	300	300	194	(106)
<i>Total revenues</i>	<u>1,800,300</u>	<u>1,800,300</u>	<u>1,997,212</u>	<u>196,912</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>1,800,300</u>	<u>1,800,300</u>	<u>1,997,212</u>	<u>196,912</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,923,917)	(1,923,917)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,923,917)</u>	<u>(1,923,917)</u>
<i>Net change in fund balance</i>	1,800,300	1,800,300	73,295	(1,727,005)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>469,388</u>	<u>469,388</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>542,683</u>	<u>(1,257,617)</u>
Net change in fund balance (GAAP)			\$	76,876
Adjustments to revenue for applicable accruals and deferrals				3,581
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>73,295</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, 2013**

	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	124,000	124,000	90,930	(33,070)
Investment income	-	-	2	2
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>124,000</u>	<u>124,000</u>	<u>90,932</u>	<u>(33,068)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>124,000</u>	<u>124,000</u>	<u>90,932</u>	<u>(33,068)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(90,932)	(90,932)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(90,932)</u>	<u>(90,932)</u>
<i>Net change in fund balance</i>	124,000	124,000	-	(124,000)
<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>(124,000)</u>
Net change in fund balance (GAAP)			\$	-
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>-</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
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, 2013**

	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	63,500	63,500	63,000	(500)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	500	500	334	(166)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	64,000	64,000	63,334	(666)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	71,436	71,436	42,062	29,374
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	71,436	71,436	42,062	29,374
<i>Excess (deficiency) of revenues over expenditures</i>	(7,436)	(7,436)	21,272	28,708
<i>Other financing sources (uses)</i>				
Designated cash/other assets	7,436	7,436	-	(7,436)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	7,436	7,436	-	(7,436)
<i>Net change in fund balance</i>	-	-	21,272	21,272
<i>Fund balance - beginning of year</i>	-	-	7,436	7,436
<i>Fund balance - end of year</i>	\$ -	-	28,708	28,708
Net change in fund balance (GAAP)			\$	21,273
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				1
Net change in fund balance (non-GAAP budgetary basis)			\$	21,272

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, 2013**

	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	957,078	957,078	598,697	(358,381)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	44,000	44,000	39,058	(4,942)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,001,078</u>	<u>1,009,676</u>	<u>657,000</u>	<u>(352,676)</u>
<i>Expenditures:</i>				
Current:				
General government	1,450,338	1,471,938	1,079,027	392,911
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	27,000	27,000	-	27,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,477,338</u>	<u>1,498,938</u>	<u>1,079,027</u>	<u>419,911</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(476,260)</u>	<u>(489,262)</u>	<u>(422,027)</u>	<u>67,235</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	476,260	489,262	-	(489,262)
Transfers in	-	-	307,106	307,106
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>476,260</u>	<u>489,262</u>	<u>307,106</u>	<u>(182,156)</u>
<i>Net change in fund balance</i>	-	-	(114,921)	(114,921)
<i>Fund balance - beginning of year</i>	-	-	217,243	217,243
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>102,322</u>	<u>102,322</u>
Net change in fund balance (GAAP)			\$	(147,808)
Adjustments to revenue for applicable accruals and deferrals				(46,899)
Adjustments to expenditures for applicable accruals and payments				14,012
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(114,921)</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, 2013**

	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	54,401	54,401	30,594	(23,807)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	54,401	54,401	30,595	(23,806)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	6,089	6,089	6,000	89
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	23,717	23,717	-	23,717
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	29,806	29,806	6,000	23,806
<i>Excess (deficiency) of revenues over expenditures</i>	24,595	24,595	24,595	-
<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>	24,595	24,595	24,595	-
<i>Fund balance - beginning of year</i>	-	-	1,033	1,033
<i>Fund balance - end of year</i>	\$ -	-	25,628	1,033
Net change in fund balance (GAAP)			\$	1
Adjustments to revenue for applicable accruals and deferrals				(24,594)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	24,595

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, 2013**

	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	213,541	223,492	160,512	(62,980)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	19	19
Miscellaneous	-	-	1,250	1,250
<i>Total revenues</i>	<u>213,541</u>	<u>223,492</u>	<u>161,781</u>	<u>(61,711)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	194,707	194,707	168,718	25,989
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	9,951	9,951	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>194,707</u>	<u>204,658</u>	<u>178,669</u>	<u>25,989</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>18,834</u>	<u>18,834</u>	<u>(16,888)</u>	<u>(35,722)</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>	18,834	18,834	(16,888)	(35,722)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>15,058</u>	<u>15,058</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(1,830)</u>	<u>(20,664)</u>
Net change in fund balance (GAAP)			\$	(35,704)
Adjustments to revenue for applicable accruals and deferrals				(18,833)
Adjustments to expenditures for applicable accruals and payments				17
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(16,888)</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<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	-	-	556	556
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>556</u>	<u>556</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	1,360,000	1,360,000	-
Interest	-	123,248	123,248	-
<i>Total expenditures</i>	<u>-</u>	<u>1,483,248</u>	<u>1,483,248</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,483,248)</u>	<u>(1,482,692)</u>	<u>556</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	1,483,248	-	(1,483,248)
Transfers in	-	-	1,483,248	1,483,248
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,483,248</u>	<u>1,483,248</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	556	556
<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>556</u>	<u>556</u>
Net change in fund balance (GAAP)			\$	556
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>556</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Civic Center Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	300	300	216	(84)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>300</u>	<u>300</u>	<u>216</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	160,000	160,000	-	160,000
Interest	107,219	107,219	-	107,219
<i>Total expenditures</i>	<u>267,219</u>	<u>267,219</u>	<u>-</u>	<u>267,219</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(266,919)</u>	<u>(266,919)</u>	<u>216</u>	<u>267,135</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	266,919	266,919	-	(266,919)
Transfers in	-	-	267,219	267,219
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>266,919</u>	<u>266,919</u>	<u>267,219</u>	<u>300</u>
<i>Net change in fund balance</i>	-	-	267,435	267,435
<i>Fund balance - beginning of year</i>	-	-	66,414	66,414
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>333,849</u>	<u>333,849</u>
Net change in fund balance (GAAP)			\$	216
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>(267,219)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>267,435</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, 2013

	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	500	500	439	(61)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>439</u>	<u>(61)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	251,000	251,000	251,000	-
Interest	218,975	218,975	218,973	2
<i>Total expenditures</i>	<u>469,975</u>	<u>469,975</u>	<u>469,973</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(469,475)</u>	<u>(469,475)</u>	<u>(469,534)</u>	<u>(59)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	469,475	469,475	-	(469,475)
Transfers in	-	-	469,975	469,975
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>469,475</u>	<u>469,475</u>	<u>469,975</u>	<u>500</u>
<i>Net change in fund balance</i>	-	-	441	441
<i>Fund balance - beginning of year</i>	-	-	151,879	151,879
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>152,320</u>	<u>152,320</u>
Net change in fund balance (GAAP)			\$	441
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>441</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<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	4,391,450	4,391,450	-	(4,391,450)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1,086	1,086
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,391,450</u>	<u>4,391,450</u>	<u>1,086</u>	<u>(4,390,364)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	4,619,787	4,619,787	1,164,516	3,455,271
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,619,787</u>	<u>4,619,787</u>	<u>1,164,516</u>	<u>3,455,271</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(228,337)</u>	<u>(228,337)</u>	<u>(1,163,430)</u>	<u>(935,093)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	228,337	228,337	-	(228,337)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>228,337</u>	<u>228,337</u>	<u>-</u>	<u>(228,337)</u>
<i>Net change in fund balance</i>	-	-	(1,163,430)	(1,163,430)
<i>Fund balance - beginning of year</i>	-	-	807,628	807,628
<i>Fund balance - end of year</i>	\$ -	-	<u>(355,802)</u>	<u>(355,802)</u>
Net change in fund balance (GAAP)			\$	(528,636)
Adjustments to revenue for applicable accruals and deferrals				648,978
Adjustments to expenditures for applicable accruals and payments				<u>(14,184)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(1,163,430)</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, 2013**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	450,000	450,000	499,255	49,255
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	497	(3)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	450,500	450,500	499,752	49,252
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	69	69	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	494,577	504,096	397,900	106,196
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	494,577	504,165	397,969	106,196
<i>Excess (deficiency) of revenues over expenditures</i>	(44,077)	(53,665)	101,783	155,448
<i>Other financing sources (uses)</i>				
Designated cash/other assets	44,077	53,665	-	(53,665)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	44,077	53,665	-	(53,665)
<i>Net change in fund balance</i>	-	-	101,783	101,783
<i>Fund balance - beginning of year</i>	-	-	278,791	278,791
<i>Fund balance - end of year</i>	\$ -	-	380,574	380,574
Net change in fund balance (GAAP)			\$	101,800
Adjustments to revenue for applicable accruals and deferrals				17
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	101,783

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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Solid Waste Proprietary Fund
For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 3,817,000	3,867,942	3,760,339	(107,603)
<i>Total operating revenues</i>	<u>3,817,000</u>	<u>3,867,942</u>	<u>3,760,339</u>	<u>(107,603)</u>
<i>Operating expenses:</i>				
General and administrative	830,468	815,278	783,981	31,297
Personnel services	1,935,293	1,974,873	1,816,234	158,639
Contractual services	-	-	-	-
Supplies and purchased power	947,995	1,089,999	697,363	392,636
Maintenance and materials	1,002,868	1,269,021	1,157,804	111,217
Utilities	25,383	46,083	43,801	2,282
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>4,742,007</u>	<u>5,195,254</u>	<u>4,499,183</u>	<u>696,071</u>
<i>Operating income (loss)</i>	<u>(925,007)</u>	<u>(1,327,312)</u>	<u>(738,844)</u>	<u>588,468</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	25,500	28,225	14,593	(13,632)
Interest income	88,617	87,011	121,502	34,491
Interest expense	(23,274)	(23,274)	(23,274)	-
Net proceeds from sale of capital assets	-	-	-	-
Gross receipts and other taxes	450,000	450,000	490,086	40,086
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>540,843</u>	<u>541,962</u>	<u>602,907</u>	<u>60,945</u>
Capital grants	-	-	-	-
Transfers in	-	-	1,903,364	1,903,364
Transfers out	-	-	(3,599,881)	(3,599,881)
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>(1,696,517)</u>	<u>(1,696,517)</u>
<i>Change in net position</i>	<u>(384,164)</u>	<u>(785,350)</u>	<u>(1,832,454)</u>	<u>(1,047,104)</u>
Designated cash/other assets	<u>384,164</u>	<u>785,350</u>	<u>-</u>	<u>-</u>
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,203,959</u>	<u>6,203,959</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>4,371,505</u>	<u>5,156,855</u>
Net change in net position (GAAP)				\$ 43,483
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				1,317,629
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				1,109,656
Depreciation and other non-cash items				<u>(551,348)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ (1,832,454)</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Statement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
Wastewater Proprietary Fund
For the Year Ended June 30, 2013**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Budgetary Basis)</u>	<u>Favorable (Unfavorable)</u>
<i>Operating revenues:</i>				
Charges for services	\$ 2,959,500	2,959,500	3,129,429	169,929
<i>Total operating revenues</i>	<u>2,959,500</u>	<u>2,959,500</u>	<u>3,129,429</u>	<u>169,929</u>
<i>Operating expenses:</i>				
General and administrative	69,224	69,224	52,399	16,825
Personnel services	867,871	878,178	728,666	149,512
Contractual services	10,982	92,642	73,774	18,868
Supplies and purchased power	1,547,419	3,332,522	1,897,677	1,434,845
Maintenance and materials	665,700	666,028	457,098	208,930
Utilities	345,422	345,422	303,751	41,671
Miscellaneous	674,335	674,335	669,589	4,746
<i>Total operating expenses</i>	<u>4,180,953</u>	<u>6,058,351</u>	<u>4,182,954</u>	<u>1,875,397</u>
<i>Operating income (loss)</i>	<u>(1,221,453)</u>	<u>(3,098,851)</u>	<u>(1,053,525)</u>	<u>2,045,326</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	160,811	343,904	183,093
Interest income	79,970	79,970	97,954	17,984
Interest expense	(352,377)	(352,377)	(352,376)	1
Net proceeds from sale of capital assets	-	-	1,573	1,573
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
Issuance of debt	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(113,041)</u>	<u>(111,596)</u>	<u>91,055</u>	<u>202,651</u>
Capital grants	500,000	500,000	-	(500,000)
Transfers in	-	-	1,494,184	1,494,184
Transfers out	-	-	(627,237)	(627,237)
<i>Capital grants and net transfers</i>	<u>500,000</u>	<u>500,000</u>	<u>866,947</u>	<u>366,947</u>
<i>Change in net position</i>	<u>(834,494)</u>	<u>(2,710,447)</u>	<u>(95,523)</u>	<u>2,614,924</u>
Designated cash/other assets	<u>834,494</u>	<u>2,710,447</u>	<u>-</u>	<u>-</u>
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,227,685</u>	<u>-</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>16,132,162</u>	<u>2,614,924</u>
Net change in net position (GAAP)				\$ 1,587,414
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				967,827
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				2,387,442
Depreciation and other non-cash items				<u>(1,672,332)</u>
Net change in net position (non-GAAP budgetary basis)				\$ <u>(95,523)</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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Airport Proprietary Fund
For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 125,560	125,560	136,422	10,862
<i>Total operating revenues</i>	<u>125,560</u>	<u>125,560</u>	<u>136,422</u>	<u>10,862</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	188,968	192,867	191,455	1,412
Contractual services	3,087	249,687	117,342	132,345
Supplies and purchased power	-	-	-	-
Maintenance and materials	873,911	915,155	453,216	461,939
Utilities	48,080	47,580	41,347	6,233
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>1,114,046</u>	<u>1,405,289</u>	<u>803,360</u>	<u>601,929</u>
<i>Operating income (loss)</i>	<u>(988,486)</u>	<u>(1,279,729)</u>	<u>(666,938)</u>	<u>612,791</u>
<i>Non-operating revenues (expenses):</i>				
Capital grants	544,681	776,316	261,825	(514,491)
Miscellaneous income	3,392	4,401	4,328	(73)
Interest income	340	340	271	(69)
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>548,413</u>	<u>781,057</u>	<u>266,424</u>	<u>(514,633)</u>
Transfers in	-	-	499,674	499,674
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>499,674</u>	<u>499,674</u>
<i>Change in net position</i>	(440,073)	(498,672)	99,160	597,832
Designated cash/other assets	440,073	498,672	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,472,213</u>	<u>19,472,213</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>19,571,373</u>	<u>597,832</u>
Net change in net position (GAAP)				\$ (427,810)
Adjustments to revenue for charges for services and miscellaneous revenue accruals				(53,441)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				191,836
Depreciation				(665,365)
Net change in net position (non-GAAP budgetary basis)				<u>\$ 99,160</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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Golf Course Proprietary Fund
For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 30,000	30,000	24,076	(5,924)
<i>Total operating revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>24,076</u>	<u>(5,924)</u>
<i>Operating expenses:</i>				
General and administrative	-	-	19	(19)
Personnel services	-	-	-	-
Contractual services	-	-	-	-
Supplies and purchased power	-	-	-	-
Maintenance and materials	86,800	176,800	171,399	5,401
Utilities	52,000	52,335	52,334	1
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>138,800</u>	<u>229,135</u>	<u>223,752</u>	<u>5,383</u>
<i>Operating income (loss)</i>	<u>(108,800)</u>	<u>(199,135)</u>	<u>(199,676)</u>	<u>(541)</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	3,000	3,000	1,500	(1,500)
Interest income	-	-	41	41
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>3,000</u>	<u>3,000</u>	<u>1,541</u>	<u>(1,459)</u>
Capital grants	-	-	-	-
Transfers in	-	-	170,903	170,903
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>170,903</u>	<u>170,903</u>
<i>Change in net position</i>	<u>(105,800)</u>	<u>(196,135)</u>	<u>(27,232)</u>	<u>168,903</u>
Designated cash/other assets	<u>105,800</u>	<u>196,135</u>	<u>-</u>	<u>-</u>
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(27,232)</u>	<u>168,903</u>
Net change in net position (GAAP)			\$	81,182
Adjustments to revenue for charges for services and miscellaneous revenue accruals				230,978
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(59,045)
Depreciation				<u>(63,519)</u>
Net change in net position (non-GAAP budgetary basis)			\$	<u>(27,232)</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, 2013**

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, 2013**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash and investments	\$ 3,459,443	517,192	151,015	4,127,650
Receivables	-	-	-	-
Prepays	1,176	-	-	1,176
<i>Total current assets</i>	<u>3,460,619</u>	<u>517,192</u>	<u>151,015</u>	<u>4,128,826</u>
<i>Noncurrent assets</i>				
Restricted Cash and investments	-	-	-	-
Capital assets	96,094	-	-	96,094
Less: accumulated depreciation	(42,181)	-	-	(42,181)
<i>Total noncurrent assets</i>	<u>53,913</u>	<u>-</u>	<u>-</u>	<u>53,913</u>
<i>Total Assets</i>	<u><u>3,514,532</u></u>	<u><u>517,192</u></u>	<u><u>151,015</u></u>	<u><u>4,182,739</u></u>
<i>Liabilities and Net Position</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	1,690	-	-	1,690
Accrued compensated absences	2,658	-	-	2,658
<i>Total current liabilities</i>	<u>4,348</u>	<u>-</u>	<u>-</u>	<u>4,348</u>
<i>Net Position:</i>				
Investment in capital assets, net of related debt	53,913	-	-	53,913
Restricted	-	-	-	-
Unrestricted	3,456,271	517,192	151,015	4,124,478
<i>Total net position</i>	<u>3,510,184</u>	<u>517,192</u>	<u>151,015</u>	<u>4,178,391</u>
<i>Total Liabilities and Net Position</i>	<u><u>\$ 3,514,532</u></u>	<u><u>517,192</u></u>	<u><u>151,015</u></u>	<u><u>4,182,739</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 Position
Internal Service Funds
For the Year Ended June 30, 2013**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 620,964	-	-	620,964
<i>Total operating revenues</i>	<u>620,964</u>	<u>-</u>	<u>-</u>	<u>620,964</u>
<i>Operating expenses:</i>				
General and administrative	340,884	39,836	-	380,720
Personnel services	81,886	-	-	81,886
Depreciation	8,108	-	-	8,108
<i>Total operating expenses</i>	<u>430,878</u>	<u>39,836</u>	<u>-</u>	<u>470,714</u>
<i>Operating income (loss)</i>	<u>190,086</u>	<u>(39,836)</u>	<u>-</u>	<u>150,250</u>
<i>Non-operating revenues (expenses):</i>				
Gain/(loss) on disposal of capital assets	-	-	-	-
Interest income	2,014	805	235	3,054
Miscellaneous	230	67,436	-	67,666
<i>Total non-operating revenues (expenses)</i>	<u>2,244</u>	<u>68,241</u>	<u>235</u>	<u>70,720</u>
Transfers in	15,000	-	-	15,000
Transfers out	(13,079)	-	-	(13,079)
<i>Net transfers</i>	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>1,921</u>
<i>Change in net position</i>	194,251	28,405	235	222,891
<i>Net position, beginning of year</i>	3,315,933	488,787	150,780	3,955,500
<i>Restatement</i>	-	-	-	-
<i>Beginning net position, as restated</i>	<u>3,315,933</u>	<u>488,787</u>	<u>150,780</u>	<u>3,955,500</u>
<i>Net position, end of year</i>	<u>\$ 3,510,184</u>	<u>517,192</u>	<u>151,015</u>	<u>4,178,391</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, 2013**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 658,708	-	-	658,708
Payments to suppliers and employees	(420,394)	(39,836)	-	(460,230)
Net cash provided by operating activities	<u>238,314</u>	<u>(39,836)</u>	<u>-</u>	<u>198,478</u>
Cash flows from noncapital financing activities:				
Transfers in (out)	1,921	-	-	1,921
Miscellaneous income	231	67,436	-	67,667
Net cash provided (used) by noncapital financing activities	<u>2,152</u>	<u>67,436</u>	<u>-</u>	<u>69,588</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	(38,200)	-	-	(38,200)
Net cash provided (used) by capital and related financing activities	<u>(38,200)</u>	<u>-</u>	<u>-</u>	<u>(38,200)</u>
Cash flows from investing activities:				
Interest income	2,014	805	235	3,054
Net cash provided by investing activities	<u>2,014</u>	<u>805</u>	<u>235</u>	<u>3,054</u>
Net increase in cash and investments	<u>\$ 204,280</u>	<u>28,405</u>	<u>235</u>	<u>232,920</u>
Balances-beginning of year	<u>3,255,163</u>	<u>488,787</u>	<u>150,780</u>	<u>3,894,730</u>
Balances-end of year	<u>\$ 3,459,443</u>	<u>517,192</u>	<u>151,015</u>	<u>4,127,650</u>
Reconciliation of operating income (loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ 190,086	(39,836)	-	150,250
Adjustments:				
Depreciation expense	8,108	-	-	8,108
(Increase) decrease in:				
Receivables	37,744	-	-	37,744
Prepays	(46)	-	-	(46)
(Decrease) increase in:				
Accrued payroll	(237)	-	-	(237)
Compensated absences	2,659	-	-	2,659
Net cash provided by operating activities	<u>\$ 238,314</u>	<u>(39,836)</u>	<u>-</u>	<u>198,478</u>
Non-cash transfer of capital assets into fund	<u>13,284</u>	<u>-</u>	<u>-</u>	<u>13,284</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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Workers Compensation Internal Service Fund
For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 800,583	800,583	658,705	(141,878)
<i>Total operating revenues</i>	<u>800,583</u>	<u>800,583</u>	<u>658,705</u>	<u>(141,878)</u>
<i>Operating expenses:</i>				
General and administrative	475,522	477,204	301,094	176,110
Personnel services	95,482	90,222	79,464	10,758
<i>Total operating expenses</i>	<u>571,004</u>	<u>567,426</u>	<u>380,558</u>	<u>186,868</u>
<i>Operating income (loss)</i>	<u>229,579</u>	<u>233,157</u>	<u>278,147</u>	<u>44,990</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	(67,206)	(67,206)
Interest income	21,000	21,000	1,209	(19,791)
<i>Total non-operating revenues (expenses)</i>	<u>21,000</u>	<u>21,000</u>	<u>(65,997)</u>	<u>(86,997)</u>
Transfers in	-	-	3,229	3,229
Transfers out	-	-	-	-
<i>Change in net position</i>	<u>250,579</u>	<u>254,157</u>	<u>215,379</u>	<u>(38,778)</u>
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,315,933</u>	<u>3,315,933</u>
<i>Total net position, end of year</i>	<u>\$ 250,579</u>	<u>254,157</u>	<u>3,531,312</u>	<u>3,277,155</u>
Net change in net position (GAAP)				\$ 194,251
Adjustments to revenue for charges for services, miscellaneous revenue and grant accruals				30,500
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(43,520)
Depreciation				<u>(8,108)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 215,379</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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Unemployment Reserve Internal Service Fund
For the Year Ended June 30, 2013**

	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	39,836	26,391
<i>Total operating expenses</i>	<u>66,227</u>	<u>66,227</u>	<u>39,836</u>	<u>26,391</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>(39,836)</u>	<u>(39,836)</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	67,436	67,436
Interest income	5,000	5,000	805	(4,195)
<i>Total non-operating revenues (expenses)</i>	<u>5,000</u>	<u>5,000</u>	<u>68,241</u>	<u>63,241</u>
<i>Change in net position</i>	5,000	5,000	28,405	23,405
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>488,787</u>	<u>488,787</u>
<i>Total net position, end of year</i>	<u>\$ 5,000</u>	<u>5,000</u>	<u>517,192</u>	<u>512,192</u>
Net change in net position (GAAP)				\$ 28,405
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 28,405</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 Position
Budget (Non-GAAP Budgetary Basis) and Actual
Property and Liability Self-Insurance Internal Service Fund
For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	-	-	-	-
<i>Total operating revenues</i>	-	-	-	-
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	-	-	-	-
<i>Total operating expenses</i>	-	-	-	-
<i>Operating income (loss)</i>	-	-	-	-
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	-	-
Interest income	300	300	235	(65)
<i>Total non-operating revenues (expenses)</i>	300	300	235	(65)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
<i>Change in net position</i>	300	300	235	(65)
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	-	-	150,780	150,780
<i>Total net position, end of year</i>	\$ 300	300	151,015	150,715
Net change in net position (GAAP)				\$ 235
No adjustments to revenues				-
No adjustments to expenses				-
Net change in net position (non-GAAP budgetary basis)				\$ 235

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013**

	<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	(1) 20.507		\$ 688,340
Highway Safety Cluster			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	12-PT-DS-023	5,605
Safety Belt Performance Grant	20.609	13-OP-RF-023	9,136
Subtotal Highway Safety Cluster			<u>14,741</u>
Airport Improvement Program	20.106	3-35-0011-025	10,172
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	13-AL-K8-023	35,823
Total U.S. Department of Transportation			<u>749,076</u>
U.S. Department of Justice			
Passed through NM Department of Public Safety			
Bulletproof Vest Partnership Program	16.607		1,430
Metro Task Force	16.503	12-JAG-Region V	155,366
Edward Byrne Memorial Grant Program	16.738	10-JAG-WC Clovis	9,951
Total U.S. Department of Justice			<u>166,747</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security			
Emergency Management Performance Grants	97.042		52,170
Total U.S. Department of Homeland Security			<u>52,170</u>
Total Federal Financial Assistance			\$ <u><u>967,993</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, 2013**

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, 2013.

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, 2013**

	Major Funds				
	01, 18	22	87		
	General Fund	Street Improvement	Street Construction	Other Non-Major Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ 5,788	-	-	142,501	148,289
Prepaid expenses	373,628	-	-	69,005	442,633
Subtotal nonspendable	<u>379,416</u>	<u>-</u>	<u>-</u>	<u>211,506</u>	<u>590,922</u>
Restricted for:					
Operate/maintain recreational facilities	-	8,276,333	-	540,566	8,816,899
Road/drainage improvements	-	-	278,992	1,197,140	1,476,132
Transportation services	-	-	-	191,510	191,510
Drug abuse prevention/awareness	-	-	-	14,420	14,420
Debt service reserve	-	-	-	219,506	219,506
Fire fighting efforts/equipment	-	-	-	420,058	420,058
Law enforcement enhancement	-	-	-	28,709	28,709
Subtotal restricted	<u>-</u>	<u>8,276,333</u>	<u>278,992</u>	<u>2,611,909</u>	<u>11,167,234</u>
Committed to:					
Operate/maintain recreational facilities	-	-	-	234,877	234,877
Operating/administering senior citizens facility	-	-	-	-	-
Improvement of sewer distribution lines	-	-	-	108,200	108,200
Public safety efforts/equipment	-	-	-	547,298	547,298
Improvement of City property/equipment	-	-	-	2,343,606	2,343,606
Recycling efforts	-	-	-	5,259	5,259
Economic development projects	-	-	-	2,627,192	2,627,192
Road/drainage improvements	-	-	-	2,617,910	2,617,910
Environmental projects	-	-	-	4,024,000	4,024,000
Subtotal committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,508,342</u>	<u>12,508,342</u>
Assigned to:					
Operate/maintain recreational facilities	-	-	-	61,925	61,925
Library operations	-	-	-	45,156	45,156
Departmental improvements	-	-	-	1,268,046	1,268,046
Economic development projects	-	-	-	1,094,062	1,094,062
Multi-purpose special events center	-	-	-	261,971	261,971
Subtotal assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,731,160</u>	<u>2,731,160</u>
Unassigned:	9,370,818	-	-	(139,721)	9,231,097
Total fund balances	<u>9,750,234</u>	<u>8,276,333</u>	<u>278,992</u>	<u>17,923,196</u>	<u>36,228,755</u>

See independent auditors' report.

CITY OF CLOVIS
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2013

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, 2013

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, 2013**

Account Name	Account Type	New Mexico				NM		Reconciling Items	Book Balance
		Bank and Trust	Citizen's Bank	Bank of Clovis	Western Bank	Self-Insurer's Fund			
Cash and cash equivalents									
General Fund Investment	Money Market*	4,150,167	-	-	-	-	(1,558,884)	2,591,283	
Series 2010 Revenue Bonds WWTP	Money Market*	8,990,623	-	-	-	-	(577,346)	8,413,277	
Money Market Account	Money Market*	6,300,273	-	-	-	-	-	6,300,273	
Fire Account (7)	Money Market*	734,511	-	-	-	-	(237,438)	497,073	
Payroll Account (18)	Money Market*	93,828	-	-	-	-	(61,404)	32,424	
Dept of Justice	Money Market*	1,034	-	-	-	-	-	1,034	
Credit Cards Account	Money Market*	165,965	-	-	-	-	(112,208)	53,757	
Finance Credit Card	Money Market*	4,957	-	-	-	-	(4,274)	683	
Zoo Credit Card	Money Market*	8,277	-	-	-	-	(2,001)	6,276	
Landfill Credit Card	Money Market*	132,666	-	-	-	-	-	132,666	
EFT Account	Money Market*	1,529	-	-	-	-	-	1,529	
Municipal Court	Money Market*	3,391	-	-	-	-	991	4,382	
Drug Control Fund	Money Market*	2,848	-	-	-	-	(1,848)	1,000	
Series 2011 Revenue Bonds Construction	Money Market*	-	1,917,849	-	-	-	561,651	2,479,500	
General Fund	Checking*	-	1,101,043	-	-	-	(38,225)	1,062,818	
Special Streets	Checking*	-	27,063	-	-	-	(1,145)	25,918	
NM Law Enforcement	Checking*	-	635,348	-	-	-	(128,317)	507,031	
Lodgers' Tax	Money Market*	-	-	-	233,294	-	(14,576)	218,718	
Policy Deposit	Deposit	-	-	-	-	72,958	-	72,958	
NMFA Debt Service	Money Market*	-	-	-	-	-	-	-	
Petty cash	Petty Cash	-	-	-	-	-	-	7,680	
Subtotal cash and cash equivalents		<u>20,590,069</u>	<u>3,681,303</u>	<u>-</u>	<u>233,294</u>	<u>72,958</u>	<u>(2,175,024)</u>	<u>22,410,280</u>	
Investments									
Certificates of deposit	CD maturity >90 days	-	-	5,873,269	-	-	-	5,873,269	
State of New Mexico	L.GIP Fund	-	-	-	-	-	-	11,887,256	
State of New Mexico	L.GIP Reserve	-	-	-	-	-	-	-	
Subtotal investments		<u>-</u>	<u>-</u>	<u>5,873,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,760,525</u>	
Total amount of deposit in bank		20,590,069	3,681,303	5,873,269	233,294	72,958		<u>40,170,805</u>	
FDIC coverage		(250,000)	(250,000)	(250,000)	(233,294)	-			
Total uninsured public funds		<u>20,340,069</u>	<u>3,431,303</u>	<u>5,623,269</u>	<u>-</u>	<u>72,958</u>			
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 10,170,035	1,715,652	2,811,635	-	36,479			
Pledged security at:									
New Mexico Bank & Trust 5.25% - 31394KNR1 Due 7/15/32		\$ 42,530	-	-	-	-			
New Mexico Bank & Trust 6.25% - 31396LFD7 Due 10/25/36		815,231	-	-	-	-			
New Mexico Bank & Trust 5.00% - 31397RLX2 Due 2/15/35		882,977	-	-	-	-			
New Mexico Bank & Trust 6.00% - 3140KG73 Due 6/1/37		2,639,331	-	-	-	-			
New Mexico Bank & Trust 5.00% - 254845JH4 Due 10/1/31		2,593,680	-	-	-	-			
New Mexico Bank & Trust 5.00% - 83165JT2 Due 5/25/37		7,453,453	-	-	-	-			
New Mexico Bank & Trust 3.66% - 38376GZU7 Due 9/16/41		1,557,631	-	-	-	-			
New Mexico Bank & Trust 4.06% - 83165AJS4 Due 5/25/37		5,176,502	-	-	-	-			

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF CASH, INVESTMENTS AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2013**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	Western Bank	NM Self-Insurer's Fund	Reconciling Items	Book Balance
The Independent Bankers, Dallas, TX								
		-	529,684	-	-	-		
		-	175,811	-	-	-		
		-	2,309,867	-	-	-		
		-	2,781,786	-	-	-		
		-	2,274,513	-	-	-		
		-	2,839,855	-	-	-		
		-	2,104,150	-	-	-		
		-	7,218,517	-	-	-		
		-	639,164	-	-	-		
		-	805,340	-	-	-		
		-	-	-	85,151	-		
Plains Capital Bank								
		-	-	118,675	-	-		
		-	-	431,768	-	-		
		-	-	801,075	-	-		
		-	-	115,927	-	-		
		-	-	429,524	-	-		
		-	-	522,620	-	-		
		-	-	271,223	-	-		
		-	-	581,526	-	-		
		-	-	1,061,270	-	-		
		-	-	536,050	-	-		
		-	-	575,787	-	-		
		-	-	800,033	-	-		
The Independent Bankers, Dallas, TX								
	See NMSIF audited financials	-	-	-	-	72,958		
	Total collateral	-	21,161,335	21,678,687	6,245,478	85,151	72,958	
	Amount over/(under) collateralized	-	\$ 10,991,301	19,963,036	3,433,844	85,151	36,479	
Total book balance								
		-	\$ 18,035,656	4,075,267	5,873,269	218,718	72,958	

*denotes interest bearing account

**INDEPENDENT AUDITORS' 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
To the City Manager and City Commission
The City of Clovis
Clovis, New Mexico

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the City of Clovis (City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual finds and related budgetary comparisons of the City presented as supplemental information of and have issued our report thereon dated November 26, 2013

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 13-01 and 13-02.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified no deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.

The City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hinkle + Landers, P.C.
Albuquerque, NM 87102
November 26, 2013



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Hector Balderas
New Mexico State Auditor
The City Commission
City of Clovis
Clovis, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the City of Clovis, State of New Mexico's (City) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Hinkle + Landers, P.C.
Albuquerque, NM
November 26, 2013

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------|--------|--------------------------------------------------------------------|--|--|
| 1. Internal control over major programs: | | | | | | |
| a. Material weaknesses identified? | | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | | No | | | | |
| 2. Type of auditors' report issued on compliance for major programs | | Unmodified | | | | |
| 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="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; text-align: center;"><u>CFDA
Number</u></td> <td style="width: 60%; text-align: center;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;">20.507</td> <td style="text-align: center;">Federal Transit Formula Grants –
Urbanized Area Formula Program</td> </tr> </table> | <u>CFDA
Number</u> | <u>Federal Program</u> | 20.507 | Federal Transit Formula Grants –
Urbanized Area Formula Program | | |
| <u>CFDA
Number</u> | <u>Federal Program</u> | | | | | |
| 20.507 | Federal Transit Formula Grants –
Urbanized Area Formula 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, 2013**

Finding	Status of Current and Prior Year Findings	Financial Statement Finding	Federal Awards Finding
Prior Year Findings			
12-01 PROCUREMENT DOCUMENTATION	Resolved	yes	no
Current Year Findings			
13-01 SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR	Current	yes	no
13-02 CAPITAL ASSET TRACKING	Current	yes	no

PRIOR YEAR FINDINGS

ALL RESOLVED

CURRENT YEAR FINDINGS

13-01 – SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR – MATERIAL WEAKNESS

Statement of Condition

Statement of Auditing Standards (SAS) 115 effectively states that an auditor cannot serve as a part of the internal controls of the client. While conducting the audit of the City of Clovis, it was determined that the City operates on a cash basis and does not add a 13th period to the end of their accounting cycle to transition into modified accrual (the reporting basis for the fund financials). It has been common practice at the City to rely on the auditors to make that transition for them. This is potentially acceptable if the client were to provide all of the necessary information to the auditors on any and all accruals necessary in order to satisfy that they were able to identify the necessary adjustments to take the books into modified accrual. During the audit, it was determined that while controls were in place to properly capture information for cash basis presentation, not all adjustments were identified by the City to transition into modified accrual. In particular, it was discovered that activity for fund 46 (Civic Center Bond Debt Service Fund) had been omitted from the year end trial provided to the auditors only after inquiry of City personnel about potential payments of debt. Had that inquiry not occurred, it is possible that the entire fund may have gone unreported.

Criteria

Some of the key underlying concepts of Statement of Auditing Standards (SAS) 115 are

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

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

Effect

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Cause

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

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

Recommendation

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

Management Response

At year end and in the month directly after year end, management will identify the necessary accruals and deferrals that are required to show the books on a modified-accrual basis. Once identified, the accruals and deferrals will be prepared timely before the arrival of the auditors.

13-02 – CAPITAL ASSET TRACKING – MATERIAL WEAKNESS

Statement of Condition

While conducting the audit, it was observed that the City maintains its capital asset and accumulated depreciation listings in Excel spreadsheets. Given the size and complexity of the City's operations and the ease of modifying or corrupting formulas and other data within Excel, this seems to be a relatively weak method for tracking capital assets and calculating depreciation and as a result, restatements were necessary for both governmental (\$334,243) and proprietary funds (\$1,454,892).

Criteria

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

Effect

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

Cause

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

Recommendation

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

Management Response

The Finance Department has begun the process of converting to a stand-alone asset and depreciation module that interfaces with the City's current accounting software. Employee turnover in that area has caused a slight delay and training on the software will be accomplished in the next few months and the plan is to present the auditors with the new reports for the fiscal year 2014 audit cycle.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Exit Conference
For the Year Ended June 30, 2013**

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 26, 2013. The following individuals were in attendance.

City of Clovis Officials

David Lansford, Mayor
Chris Bryant, Commissioner
Joe Thomas, City Manager
Don Clifton, Budget Director
LeighAnn Melancon, Finance Director

Hinkle + Landers, P.C.

Farley Vener, CPA, CFE
Maclen Enriquez