



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**STATE OF NEW MEXICO
CITY OF CLOVIS**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**STATE OF NEW MEXICO
CITY OF CLOVIS
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For the Year Ended June 30, 2014**

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**STATE OF NEW MEXICO
CITY OF CLOVIS
Official Roster
As of June 30, 2014**

City Officials

Name	Title
David Lansford	Mayor
Chris Bryant	City Commissioner – District 4
Randy Crowder	City Commissioner – District 1
Juan F. Garza	Mayor Pro Tem – District 1
Fidel Madrid	City Commissioner – District 3
Robert Sandoval	City Commissioner – District 3
Thomas W. Martin III	City Commissioner – District 4
Sandra Taylor-Sawyer	City Commissioner – District 2
Gary L. Elliot	City Commissioner – District 2

Administrative Officials

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



INDEPENDENT AUDITOR’S 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, 2014, 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, internal service funds, fiduciary funds, and the budgetary comparisons for the major capital project funds, debt service funds, proprietary funds, and all nonmajor funds presented as supplementary information, 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, 2014, 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.

Auditor’s 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, 2014, 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, internal service, and fiduciary fund of the City as of June 30, 2014, 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.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the 2014 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 25, 2014 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 25, 2014

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

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, 2014. 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 \$121,665,101 (*net position*). Of this amount, \$34,708,344 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$23,231,517. The majority of this decrease is due to the adjustments and corrections in assets.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$32,991,324 a decrease of \$3,237,431 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$9,019,471 or 41 percent of total general fund expenditures.
- The City of Clovis' total debt increased by \$3,958,000 (14 percent), during the current fiscal year. The key factor in this increase was a \$4,888,665 gross receipts tax debt issue for landfill Cell #5 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 12 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, 2014**

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-five 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-five 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 52 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 56 thru 109 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 \$121,665,101 at the close of the most recent fiscal year.

The largest portion of the City of Clovis' net position (69 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, 2014**

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, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Current and other assets	\$ 39,562	41,216	11,680	10,920	51,242	52,136
Capital assets, net of accumulated depreciation	<u>55,233</u>	<u>75,421</u>	<u>57,045</u>	<u>56,362</u>	<u>112,278</u>	<u>131,783</u>
Total assets	<u><u>94,795</u></u>	<u><u>116,637</u></u>	<u><u>68,725</u></u>	<u><u>67,282</u></u>	<u><u>163,519</u></u>	<u><u>183,919</u></u>
Long-term liabilities outstanding	10,476	12,129	25,171	22,611	35,647	34,740
Other Liabilities	<u>4,573</u>	<u>3,176</u>	<u>1,634</u>	<u>1,107</u>	<u>6,207</u>	<u>4,283</u>
Total liabilities	<u><u>15,049</u></u>	<u><u>15,305</u></u>	<u><u>26,805</u></u>	<u><u>23,718</u></u>	<u><u>41,854</u></u>	<u><u>39,023</u></u>
Net position	<u><u>\$ 79,746</u></u>	<u><u>101,332</u></u>	<u><u>41,919</u></u>	<u><u>43,564</u></u>	<u><u>121,665</u></u>	<u><u>144,896</u></u>

An additional portion of the City of Clovis' net position of \$7,687,729 (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$34,708,344 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 \$19,505,681 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 decreased the City of Clovis' net position by \$21,586,459. Key elements of this increase are as follows:

- The total expenses for governmental activities increased by \$36,801, while revenues increased \$1,208,514 due mainly to increased taxes and operating grants.
- The gross receipts tax revenue increased \$17,361.

Business-type activities. Business-type activities increased the City of Clovis' net position by \$1,645,058.

- Revenues increased \$714,330 due to an increase in federal grants in the Airport Fund. Expenses experienced an increase of \$349,935.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Revenues						
Taxes	\$ 29,842	29,958	491	490	30,332	30,448
Intergovernmental	4,935	3,181	492	375	5,427	3,556
Charges for services	2,212	2,444	7,404	9,177	9,617	11,621
Other	2,997	2,829	719	562	3,716	3,391
Total revenue	39,986	38,412	9,106	10,604	49,092	49,016
Expenses						
General government	5,909	5,728	-	-	5,909	5,728
Public safety	15,159	15,090	-	-	15,159	15,090
Public works	6,870	4,784	-	-	6,870	4,784
Culture and recreation	5,971	5,785	-	-	5,971	5,785
Health and welfare	941	1,451	-	-	941	1,451
Interest on long-term debt	505	480	-	-	505	480
Solid waste	-	-	4,935	3,966	4,935	3,966
Wastewater	-	-	3,280	3,782	3,280	3,782
Airport	-	-	1,142	1,276	1,142	1,276
Golf Course	-	-	363	346	363	346
Total expenses	35,355	33,318	9,720	9,370	45,075	42,688
Transfers	1,311	(51)	(1,311)	51	-	-
Change in net position	\$ 5,941	5,043	(1,925)	1,285	4,016	6,328

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 \$32,991,324 a decrease of \$3,237,431 in comparison with the prior year. Approximately 27 percent of this total amount, \$9,019,471 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remainder, \$23,971,853 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 \$9,001,631 and represents 41 percent of total general fund expenditures.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

The fund balance of the City of Clovis' general fund decreased by \$652,194 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 \$2,727,938 less than the final budget amount (favorable variance). This was due primarily to the police department (public safety component) favorable variance of \$1,397,617.

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, 2014, amounts to \$112,277,681 (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, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Land	\$ 1,088	2,982	6,176	6,149	7,264	9,132
Land improvements	487	8,619	84	6,270	571	14,889
Buildings and improvements	5,521	19,210	5,675	6,720	11,196	25,930
Equipment and vehicles	7,412	7,455	3,141	3,345	10,553	10,799
Infrastructure	37,456	34,981	35,834	31,740	73,290	66,721
Construction in progress	<u>3,268</u>	<u>2,175</u>	<u>6,135</u>	<u>2,138</u>	<u>9,403</u>	<u>4,312</u>
Net capital assets	<u>\$ 55,233</u>	<u>75,421</u>	<u>57,045</u>	<u>56,362</u>	<u>112,278</u>	<u>131,782</u>

Additional information on the City of Clovis' capital assets can be found in Note 6 on pages 39-40 of this report.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$19,433,665 and loans and notes outstanding of \$13,574,988.

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

	Governmental Activities		Business-type Activities		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Revenue bonds	\$ 8,595	10,085	10,839	6,225	19,434	16,310
Notes payable	3,046	3,187	10,529	9,554	13,575	12,741
	<u>\$ 11,641</u>	<u>13,272</u>	<u>21,368</u>	<u>15,779</u>	<u>33,009</u>	<u>29,051</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, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 32,537,040	7,587,554	40,124,594
Receivables:			
Property taxes receivable	389,619	-	389,619
Intergovernmental	4,511,774	99,286	4,611,060
Other receivables	1,365,326	5,273	1,370,599
Customer receivables	-	2,918,121	2,918,121
Prepays	330,013	82,279	412,292
Inventory	71,776	60,731	132,507
Internal balances	-	-	-
Total Current Assets	39,205,548	10,753,244	49,958,792
Noncurrent assets			
Restricted cash and investments	341,589	-	341,589
Bond discounts, net of amortization of \$12,083	14,767	-	14,767
Capital assets	124,753,896	95,413,542	220,167,438
Less: accumulated depreciation	(69,521,085)	(38,368,672)	(107,889,757)
Total Noncurrent Assets	55,589,167	57,044,870	112,634,037
Total Assets	94,794,715	67,798,114	162,592,829
Deferred Outflows of Resources	-	926,431	926,431
Total Assets and Deferred Outflows of Resources	\$ 94,794,715	68,724,545	163,519,260

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, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 1,543,482	68,214	1,611,696
Accrued payroll expenses	475,597	70,388	545,985
Accrued compensated absences	754,426	116,895	871,321
Accrued interest	27,640	38,896	66,536
Meter and other refundable deposits	109,072	-	109,072
Current portion of bonds and notes payable	1,663,000	1,339,428	3,002,428
Total Current Liabilities	4,573,217	1,633,821	6,207,038
Noncurrent liabilities			
Accrued compensated absences	406,230	-	406,230
Meter and other refundable deposits	-	-	-
Landfill closure liability	-	4,206,866	4,206,866
Bond premium, net of amortization of \$5,318	91,479	9,890	101,369
Bonds and notes payable	9,978,000	20,028,225	30,006,225
Total noncurrent liabilities	10,475,709	24,244,981	34,720,690
Total Liabilities	15,048,926	25,878,802	40,927,728
Deferred Inflows of Resources	-	926,431	926,431
Net Position			
Net investment in capital assets	43,500,332	35,677,217	79,177,549
Restricted for:			
Debt service	298,492	-	298,492
Capital projects and improvements	3,880,590	-	3,880,590
Other purposes	3,508,647	-	3,508,647
Unrestricted	28,557,728	6,242,095	34,799,823
Total Net Position	79,745,789	41,919,312	121,665,101
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 94,794,715	68,724,545	163,519,260

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, 2014**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
General government	\$ 5,908,897	55,785	1,535,963	-	(4,317,149)	-	(4,317,149)
Public safety	15,159,141	1,958,570	893,299	-	(12,307,272)	-	(12,307,272)
Public works	6,870,290	-	-	2,403,601	(4,466,689)	-	(4,466,689)
Culture and recreation	5,971,206	156,124	102,287	-	(5,712,795)	-	(5,712,795)
Health and welfare	940,828	41,779	-	-	(899,049)	-	(899,049)
Interest on long-term debt	504,768	-	-	-	(504,768)	-	(504,768)
<i>Total governmental activities</i>	<u>35,355,130</u>	<u>2,212,258</u>	<u>2,531,549</u>	<u>2,403,601</u>	<u>(28,207,722)</u>	<u>-</u>	<u>(28,207,722)</u>
Business-type Activities:							
Solid Waste	4,935,174	4,054,623	-	-	-	(880,551)	(880,551)
Wastewater	3,280,091	3,171,172	-	333,333	-	224,414	224,414
Airport	1,141,842	122,040	-	158,547	-	(861,255)	(861,255)
Golf Course	363,150	56,657	-	-	-	(306,493)	(306,493)
<i>Total business-type activities</i>	<u>9,720,257</u>	<u>7,404,492</u>	<u>-</u>	<u>491,880</u>	<u>-</u>	<u>(1,823,885)</u>	<u>(1,823,885)</u>
<i>Total Primary Government</i>	<u><u>45,075,387</u></u>	<u><u>9,616,750</u></u>	<u><u>2,531,549</u></u>	<u><u>2,895,481</u></u>	<u><u>(28,207,722)</u></u>	<u><u>(1,823,885)</u></u>	<u><u>(30,031,607)</u></u>
General Revenues:							
Taxes							
Property taxes, levied for general purposes					\$ 1,967,043	-	1,967,043
Gross receipts taxes					25,581,290	490,615	26,071,905
Gasoline and motor vehicle taxes					580,731	-	580,731
Franchise taxes					1,084,148	-	1,084,148
Cigarette and lodger's taxes					628,457	-	628,457
Licenses and fees					424,964	-	424,964
Fines, forfeitures, and penalties					266,960	-	266,960
Investment income					121,554	342,839	464,393
Miscellaneous income					2,183,104	376,235	2,559,339
Gain/(loss) on sale of capital assets					-	-	-
Transfers					1,310,645	(1,310,645)	-
Total general revenues and transfers					<u>34,148,896</u>	<u>(100,956)</u>	<u>34,047,940</u>
Change in net position					5,941,174	(1,924,841)	4,016,333
Beginning net position					101,332,248	43,564,370	144,896,618
Restatement					<u>(27,527,633)</u>	<u>279,783</u>	<u>(27,247,850)</u>
Beginning net position as restated					<u>73,804,615</u>	<u>43,844,153</u>	<u>117,648,768</u>
Ending net position					<u>\$ 79,745,789</u>	<u>41,919,312</u>	<u>121,665,101</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, 2014**

	Major Funds				Total
	01, 18	22	23		
	General Fund	Spec Revenue Street Improvement	Cap Projects Landfill Cell #5	Other Non-Major Governmental Funds	
<i>Assets</i>					
Cash and investments	\$ 5,833,529	887,682	4,177,769	17,248,254	28,147,234
Restricted cash and investments	-	-	-	341,589	341,589
Receivables:					
Property taxes	102,061	-	-	-	102,061
Intergovernmental	2,712,546	-	-	2,073,494	4,786,040
Other receivables	983,576	-	-	395,043	1,378,619
Inventory	8,130	-	-	63,646	71,776
Prepaid insurance	280,832	-	-	48,342	329,174
Due from other funds	54,254	-	-	-	54,254
<i>Total assets</i>	<u>\$ 9,974,928</u>	<u>887,682</u>	<u>4,177,769</u>	<u>20,170,368</u>	<u>35,210,747</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 133,507	56,194	1,315,650	38,130	1,543,481
Accrued payroll expenses	402,859	-	-	70,860	473,719
Other accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deposits held in trust	109,072	-	-	-	109,072
Due to other funds	-	-	-	54,254	54,254
<i>Total liabilities</i>	<u>645,438</u>	<u>56,194</u>	<u>1,315,650</u>	<u>163,244</u>	<u>2,180,526</u>
<i>Deferred inflows of resources</i>	<u>38,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,897</u>
<i>Fund balances</i>					
Nonspendable	288,962	-	-	111,988	400,950
Restricted	-	831,488	2,862,119	3,586,472	7,280,079
Committed	-	-	-	13,257,867	13,257,867
Assigned	-	-	-	3,050,797	3,050,797
Unassigned	9,001,631	-	-	-	9,001,631
<i>Total fund balances</i>	<u>9,290,593</u>	<u>831,488</u>	<u>2,862,119</u>	<u>20,007,124</u>	<u>32,991,324</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,974,928</u>	<u>887,682</u>	<u>4,177,769</u>	<u>20,170,368</u>	<u>35,210,747</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, 2014**

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

Fund balances - total governmental funds	\$	32,991,324
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		55,195,013
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		38,897
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		14,767
Bond premium		(91,479)
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(27,640)
Internal service funds assets and liabilities included governmental activities in the statement of net position		4,423,636
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		(754,426)
Noncurrent accrued compensated absences (less internal service fund)		(403,302)
Current bonds and notes payable		(1,663,000)
Bonds payable		(9,978,000)
Differences due to rounding		(1)
Net position of governmental activities	\$	<u><u>79,745,789</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, 2014

	Major Funds			Other Non-major Governmental Funds	Total
	01, 18 General Fund	22 Spec Revenue Street Improvement	23 Cap Projects Landfill Cell #5		
<i>Revenues:</i>					
<i>Taxes:</i>					
Property	\$ 1,928,146	-	-	-	1,928,146
Gross receipts	14,408,572	-	-	11,172,718	25,581,290
Gasoline and motor vehicle	38,443	-	-	542,288	580,731
Other	1,087,152	-	-	625,453	1,712,605
<i>Intergovernmental:</i>					
Federal operating grants	161,807	-	-	159,593	321,400
Federal capital grants	-	-	-	541,784	541,784
State operating grants	47,113	-	-	675,301	722,414
State capital grants	-	-	-	2,403,601	2,403,601
Charges for services	2,034,607	-	-	690,176	2,724,783
Fines, forfeitures, and penalties	106,429	-	-	13,187	119,616
Licenses and fees	353,072	-	-	344,917	697,989
Investment income	38,986	6,874	8,824	43,257	97,941
Miscellaneous	911,368	-	-	382,421	1,293,789
<i>Total revenues</i>	<u>21,115,695</u>	<u>6,874</u>	<u>8,824</u>	<u>17,594,696</u>	<u>38,726,089</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General government	3,854,617	-	-	999,572	4,854,189
Public safety	14,150,441	-	89,494	408,965	14,648,900
Public works	341,612	-	-	3,778,280	4,119,892
Culture and recreation	2,296,018	-	-	2,334,053	4,630,071
Health and welfare	368,937	-	-	335,314	704,251
Capital outlay	1,379,680	7,122,126	1,291,513	2,637,260	12,430,579
<i>Debt service:</i>					
Principal	-	-	-	1,631,000	1,631,000
Interest	-	-	-	480,747	480,747
<i>Total expenditures</i>	<u>22,391,305</u>	<u>7,122,126</u>	<u>1,381,007</u>	<u>12,605,191</u>	<u>43,499,629</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,275,610)</u>	<u>(7,115,252)</u>	<u>(1,372,183)</u>	<u>4,989,505</u>	<u>(4,773,540)</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	660,320	(329,593)	4,234,302	(3,252,485)	1,312,544
Proceeds from sale of capital asset	-	-	-	240	240
Proceeds from debt issuance	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>660,320</u>	<u>(329,593)</u>	<u>4,234,302</u>	<u>(3,252,245)</u>	<u>1,312,784</u>
<i>Net change in fund balance</i>	(615,290)	(7,444,845)	2,862,119	1,737,260	(3,460,756)
<i>Beginning fund balance</i>	9,750,234	8,276,333	-	18,202,189	36,228,756
<i>Restatement</i>	155,649	-	-	67,675	223,324
<i>Beginning fund balance as restated</i>	<u>9,905,883</u>	<u>8,276,333</u>	<u>-</u>	<u>18,269,864</u>	<u>36,452,080</u>
<i>Ending fund balance</i>	<u>\$ 9,290,593</u>	<u>831,488</u>	<u>2,862,119</u>	<u>20,007,124</u>	<u>32,991,324</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, 2014**

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

Net change in fund balances - total governmental funds	\$	(3,460,756)
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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		12,430,579
Capital assets received as donations		-
Capital expenditures recorded in other expense lines		5,322,650
Less: CIP reclassifications		(5,522,567)

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.		(4,699,285)
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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.		-
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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.		285,917
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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)
Decrease in accrued interest		3,190
Change in noncurrent and current accrued compensated absences		(36,285)
Issuance of long-term debt		-
Principal payments on bonds and notes payable		1,631,000

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.		(11,926)
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Change in net position of governmental activities	\$	<u>5,941,174</u>
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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, 2014**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ (1,841,121)	(1,841,121)	1,863,369	3,704,490
Gross receipts	(13,485,000)	(13,485,000)	14,548,170	28,033,170
Gasoline and motor vehicle	(30,000)	(30,000)	29,614	59,614
Other	(1,008,925)	(1,008,925)	1,085,846	2,094,771
Intergovernmental income:				
Federal operating grants	(275,700)	(398,144)	225,083	623,227
Federal capital grants	-	-	-	-
State operating grants	-	(142,731)	37,151	179,882
State capital grants	-	-	-	-
Charges for services	(2,170,900)	(2,170,900)	2,014,519	4,185,419
Licenses and fees	(349,000)	(349,000)	353,072	702,072
Fines, forfeitures and penalties	(138,000)	(138,000)	106,429	244,429
Investment income	(21,000)	(21,000)	38,986	59,986
Miscellaneous	(125,000)	(491,718)	1,278,409	1,770,127
<i>Total revenues</i>	<u>(19,444,646)</u>	<u>(20,076,539)</u>	<u>21,580,648</u>	<u>41,657,187</u>
<i>Expenditures:</i>				
Current:				
General government	4,351,424	4,747,490	3,820,586	926,904
Public safety	14,805,630	15,394,032	13,996,415	1,397,617
Public Works	375,000	375,000	318,969	56,031
Culture and recreation	2,250,074	2,435,983	2,261,053	174,930
Health and welfare	419,188	439,654	344,085	95,569
Capital outlay	596,946	1,456,567	1,379,680	76,887
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,798,262</u>	<u>24,848,726</u>	<u>22,120,788</u>	<u>2,727,938</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(42,242,908)</u>	<u>(44,925,265)</u>	<u>(540,140)</u>	<u>44,385,125</u>
<i>Other financing sources (uses)</i>				
Designated cash	42,242,908	44,925,265	-	(44,925,265)
Transfers in	-	-	3,366,360	3,366,360
Transfers out	-	-	(2,706,040)	(2,706,040)
<i>Total other financing sources (uses)</i>	<u>42,242,908</u>	<u>44,925,265</u>	<u>660,320</u>	<u>(44,264,945)</u>
<i>Net change in fund balance</i>	-	-	120,180	120,180
<i>Fund balance - beginning of year</i>	-	-	9,750,234	9,750,234
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>9,870,414</u>	<u>9,870,414</u>
Net change in fund balance (GAAP)				\$ (615,290)
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				(464,953)
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				(270,517)
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 120,180</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, 2014

	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	-	(250,000)	-	250,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	6,874	6,874
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>(250,000)</u>	<u>6,874</u>	<u>256,874</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	7,119,518	7,773,650	7,202,877	570,773
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,119,518</u>	<u>7,773,650</u>	<u>7,202,877</u>	<u>570,773</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,119,518)</u>	<u>(8,023,650)</u>	<u>(7,196,003)</u>	<u>827,647</u>
<i>Other financing sources (uses)</i>				
Designated cash/ other assets	7,119,518	8,023,650	-	(8,023,650)
Transfers in	-	-	-	-
Transfers out	-	-	(329,593)	(329,593)
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,119,518</u>	<u>8,023,650</u>	<u>(329,593)</u>	<u>(8,353,243)</u>
<i>Net change in fund balance</i>	-	-	(7,525,596)	(7,525,596)
<i>Fund balance - beginning of year</i>	-	-	8,276,333	8,276,333
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>750,737</u>	<u>750,737</u>
Net change in fund balance (GAAP)			\$	(7,444,845)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>80,751</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(7,525,596)</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, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Assets</i>			
<i>Current Assets</i>			
Cash and investments	\$ 2,615,623	4,322,453	607,214
Receivables:			
Intergovernmental	80,932	-	18,354
Other receivables	-	-	-
Customer receivables, net of allowance	1,649,170	1,268,951	-
Inventory	26,941	33,790	-
Prepays	32,469	29,901	19,385
<i>Total current assets</i>	<u>4,405,135</u>	<u>5,655,095</u>	<u>644,953</u>
<i>Noncurrent Assets</i>			
Capital assets	16,173,127	57,763,343	19,083,721
Less: accumulated depreciation	(8,646,340)	(24,173,260)	(5,424,812)
<i>Total noncurrent assets</i>	<u>7,526,787</u>	<u>33,590,083</u>	<u>13,658,909</u>
<i>Total Assets</i>	<u>11,931,922</u>	<u>39,245,178</u>	<u>14,303,862</u>
<i>Deferred Outflows of Resources</i>			
	-	926,431	-
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 11,931,922</u>	<u>40,171,609</u>	<u>14,303,862</u>
<i>Liabilities and Net Position</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 28,412	27,871	3,167
Accrued payroll expenses	46,051	19,665	4,672
Accrued compensated absences	94,229	19,395	3,271
Accrued interest	7,753	22,063	-
Due to other funds	-	-	-
Current portion of bonds and notes payable	460,630	765,798	-
<i>Total current liabilities</i>	<u>637,075</u>	<u>854,792</u>	<u>11,110</u>
<i>Noncurrent Liabilities</i>			
Landfill closure	4,206,866	-	-
Bonds and notes payable	4,428,035	13,139,190	-
Bond premium, net of amortization of \$2,163	-	9,890	-
<i>Total noncurrent liabilities</i>	<u>8,634,901</u>	<u>13,149,080</u>	<u>-</u>
<i>Total liabilities</i>	<u>9,271,976</u>	<u>14,003,872</u>	<u>11,110</u>
<i>Deferred Inflows of Resources</i>			
	-	926,431	-
<i>Net Position:</i>			
Net investment in capital assets	2,638,122	19,685,095	13,658,909
Unrestricted	21,824	5,556,211	633,843
<i>Total Net Position</i>	<u>2,659,946</u>	<u>25,241,306</u>	<u>14,292,752</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	<u>\$ 11,931,922</u>	<u>40,171,609</u>	<u>14,303,862</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, 2014**

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Major Funds		
	19		48, 53, 54
	Golf Course	Total	Internal Service Funds
<i>Assets</i>			
<i>Current Assets</i>			
Cash and investments	\$ 42,264	7,587,554	4,389,806
Receivables:			
Intergovernmental	-	99,286	-
Other receivables	5,273	5,273	-
Customer receivables, net of allowance	-	2,918,121	-
Inventory	-	60,731	-
Prepays	524	82,279	838
<i>Total current assets</i>	<u>48,061</u>	<u>10,753,244</u>	<u>4,390,644</u>
<i>Noncurrent Assets</i>			
Capital assets	2,393,351	95,413,542	97,115
Less: accumulated depreciation	(124,260)	(38,368,672)	(59,317)
<i>Total noncurrent assets</i>	<u>2,269,091</u>	<u>57,044,870</u>	<u>37,798</u>
<i>Total Assets</i>	<u>2,317,152</u>	<u>67,798,114</u>	<u>4,428,442</u>
<i>Deferred Outflows of Resources</i>	-	926,431	-
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 2,317,152</u>	<u>68,724,545</u>	<u>4,428,442</u>
<i>Liabilities and Net Position</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 8,764	68,214	-
Accrued payroll expenses	-	70,388	1,878
Accrued compensated absences	-	116,895	2,928
Accrued interest	9,080	38,896	-
Due to other funds	-	-	-
Current portion of bonds and notes payable	113,000	1,339,428	-
<i>Total current liabilities</i>	<u>130,844</u>	<u>1,633,821</u>	<u>4,806</u>
<i>Noncurrent Liabilities</i>			
Landfill closure	-	4,206,866	-
Bonds and notes payable	2,461,000	20,028,225	-
Bond premium, net of amortization of \$2.163	-	9,890	-
<i>Total noncurrent liabilities</i>	<u>2,461,000</u>	<u>24,244,981</u>	<u>-</u>
<i>Total liabilities</i>	<u>2,591,844</u>	<u>25,878,802</u>	<u>4,806</u>
<i>Deferred Inflows of Resources</i>	-	926,431	-
<i>Net Position:</i>			
Net investment in capital assets	(304,909)	35,677,217	37,798
Unrestricted	(387,843)	5,824,035	4,385,838
<i>Total net position</i>	<u>(274,692)</u>	<u>41,919,312</u>	<u>4,423,636</u>
<i>Total Liabilities, Deferred Inflows or Resources, and Net Position</i>	<u>\$ 2,317,152</u>	<u>68,724,545</u>	<u>4,428,442</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, 2014

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
<i>Operating revenues:</i>			
Charges for services	\$ 4,054,623	3,171,172	122,040
<i>Total operating revenues</i>	<u>4,054,623</u>	<u>3,171,172</u>	<u>122,040</u>
<i>Operating expenses:</i>			
General and administrative	279,760	60,370	-
Personnel services	1,779,037	768,177	198,055
Contractual services	13,580	-	-
Supplies and purchased power	638,185	125,834	-
Maintenance and materials	1,547,185	190,833	297,276
Utilities	35,541	277,646	50,617
Depreciation	634,133	1,541,839	595,894
Miscellaneous	-	-	-
<i>Total operating expenses</i>	<u>4,927,421</u>	<u>2,964,699</u>	<u>1,141,842</u>
<i>Operating income (loss)</i>	<u>(872,798)</u>	<u>206,473</u>	<u>(1,019,802)</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	-	-	-
Federal nonoperating grants	-	-	-
State nonoperating grants	-	333,333	158,547
Interest income	185,122	157,450	256
Interest expense	(7,753)	(315,392)	-
Gross receipts and other taxes	490,615	-	-
Miscellaneous	55,562	294,854	264
<i>Total non-operating revenues (expenses)</i>	<u>723,546</u>	<u>470,245</u>	<u>159,067</u>
Transfers in	35,000	2,536,339	716,923
Transfers out	<u>(4,571,116)</u>	<u>(351,838)</u>	<u>-</u>
<i>Net capital grants and transfers</i>	<u>(4,536,116)</u>	<u>2,184,501</u>	<u>716,923</u>
<i>Change in net position</i>	<u>(4,685,368)</u>	<u>2,861,219</u>	<u>(143,812)</u>
<i>Net position, beginning of year</i>	6,247,441	17,815,099	19,320,401
<i>Restatement</i>	<u>1,097,873</u>	<u>4,564,988</u>	<u>(4,883,837)</u>
<i>Beginning net position, as restated</i>	<u>7,345,314</u>	<u>22,380,087</u>	<u>14,436,564</u>
<i>Net position, end of year</i>	<u>\$ 2,659,946</u>	<u>25,241,306</u>	<u>14,292,752</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, 2014

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Major Funds		
	19		48, 53, 54
	Golf		Internal
	Course	Total	Service Funds
<i>Operating revenues:</i>			
Charges for services	\$ 56,657	7,404,492	633,698
<i>Total operating revenues</i>	<u>56,657</u>	<u>7,404,492</u>	<u>633,698</u>
<i>Operating expenses:</i>			
General and administrative	-	340,130	360,133
Personnel services	-	2,745,269	74,741
Contractual services	-	13,580	-
Supplies and purchased power	-	764,019	-
Maintenance and materials	173,961	2,209,255	-
Utilities	69,789	433,593	-
Depreciation	119,400	2,891,266	6,442
Miscellaneous	-	-	-
<i>Total operating expenses</i>	<u>363,150</u>	<u>9,397,112</u>	<u>441,316</u>
<i>Operating income (loss)</i>	<u>(306,493)</u>	<u>(1,992,620)</u>	<u>192,382</u>
<i>Non-operating revenues (expenses):</i>			
Gain/loss on disposal of capital assets	-	-	-
Federal nonoperating grants	-	-	-
State nonoperating grants		491,880	
Interest income	11	342,839	23,615
Interest expense	-	(323,145)	-
Gross receipts and other taxes	-	490,615	-
Miscellaneous	25,555	376,235	71,820
<i>Total non-operating revenues (expenses)</i>	<u>25,566</u>	<u>1,378,424</u>	<u>95,435</u>
Transfers in	324,047	3,612,309	-
Transfers out	-	(4,922,954)	(1,900)
<i>Net capital grants and transfers</i>	<u>324,047</u>	<u>(1,310,645)</u>	<u>(1,900)</u>
<i>Change in net position</i>	43,120	(1,924,841)	285,917
<i>Net position, beginning of year</i>	181,429	43,564,370	4,178,392
<i>Restatement</i>	(499,241)	279,783	(40,673)
<i>Beginning net position, as restated</i>	<u>(317,812)</u>	<u>43,844,153</u>	<u>4,137,719</u>
<i>Net position, end of year</i>	<u>\$ (274,692)</u>	<u>41,919,312</u>	<u>4,423,636</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, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Cash flows from operating activities			
Receipts from customers and users	\$ 4,270,720	3,436,690	103,686
Receipts from interfund services provided	-	-	-
Payments to suppliers and employees	<u>(4,085,127)</u>	<u>(1,665,860)</u>	<u>(41,583)</u>
Net cash provided (used) by operating activities	<u>185,593</u>	<u>1,770,830</u>	<u>62,103</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	35,000	2,536,339	716,923
Operating transfers to other funds	(4,571,116)	(351,838)	-
Payments received from note receivable	-	127,933	-
Tax receipts	490,615	-	-
Intergovernmental receipts	-	333,333	158,547
Miscellaneous income	<u>55,562</u>	<u>166,921</u>	<u>264</u>
Net cash provided (used) by noncapital financing activities	<u>(3,989,939)</u>	<u>2,812,688</u>	<u>875,734</u>
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(969,340)	(3,552,889)	(330,879)
Loss from sale of capital assets	-	-	-
Principal paid on notes payable	-	(752,655)	-
Interest paid on notes payable	(7,753)	(315,392)	-
Long-term debt proceeds	<u>4,888,665</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>3,911,572</u>	<u>(4,620,936)</u>	<u>(330,879)</u>
Cash flows from investing activities:			
Interest income	<u>185,122</u>	<u>157,450</u>	<u>256</u>
Net cash provided by investing activities	<u>185,122</u>	<u>157,450</u>	<u>256</u>
Net increase/(decrease) in cash and temporary investments	<u>\$ 292,348</u>	<u>120,032</u>	<u>607,214</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, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Major Funds		
	2	10	12
	Solid Waste	Wastewater	Airport
Net increase/(decrease) in cash and cash equivalents-previous page	\$ 292,348	120,032	607,214
Cash and investments June 30, 2013	<u>2,323,275</u>	<u>4,202,421</u>	<u>-</u>
Cash and investments June 30, 2014	<u><u>\$ 2,615,623</u></u>	<u><u>4,322,453</u></u>	<u><u>607,214</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (872,798)	206,473	(1,019,802)
Restatement	2,500,641	-	498,576
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	634,133	1,541,839	595,894
(Increase) decrease in:			
Accounts receivable	216,097	265,518	(18,354)
Inventory	(11,872)	(16,967)	-
Prepays	14,157	(2,647)	2,668
(Decrease) increase in:			
Accounts payable	27,190	(71,742)	1,757
Accrued payroll	7,929	1,717	570
Unearned revenue	-	(127,933)	-
Compensated absences	14,510	(1,631)	794
Accrued interest	-	(23,797)	-
Due to other funds	-	-	-
Estimated landfill postclosure costs	<u>(2,344,394)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ 185,593</u></u>	<u><u>1,770,830</u></u>	<u><u>62,103</u></u>
Non-cash transfer of capital assets	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><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, 2014**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Major Funds		
	19 Golf Course	Total	48, 53, 54 Internal Service Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 57,147	7,868,243	-
Receipts from interfund services provided	-	-	633,698
Payments to suppliers and employees	(233,842)	(6,026,412)	(434,078)
Net cash provided (used) by operating activities	(176,695)	1,841,831	199,620
Cash flows from noncapital financing activities:			
Transfers from other funds	324,047	3,612,309	-
Operating transfers to other funds	-	(4,922,954)	(1,900)
Payments received from note receivable	-	127,933	-
Tax receipts	-	490,615	-
Intergovernmental receipts	-	491,880	-
Miscellaneous income	25,297	248,044	71,821
Net cash provided (used) by noncapital financing activities	349,344	47,827	69,921
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(18,396)	(4,871,504)	(31,000)
Proceeds from sale of capital assets	-	-	-
Principal paid on notes payable	(112,000)	(864,655)	-
Interest paid on notes payable	-	(323,145)	-
Long-term debt proceeds	-	4,888,665	-
Net cash provided (used) by capital and related financing activities	(130,396)	(1,170,639)	(31,000)
Cash flows from investing activities:			
Interest income	11	342,839	23,615
Net cash provided by investing activities	11	342,839	23,615
Net increase (decrease) in cash and temporary investments	\$ 42,264	1,061,858	262,156

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, 2014**

	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	\$ 42,264	1,061,858	262,156
Cash and investments June 30, 2013	-	6,525,696	4,127,650
Cash and investments June 30, 2014	\$ 42,264	7,587,554	4,389,806
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (306,493)	(1,992,620)	192,382
Restatement	-	2,999,217	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	119,400	2,891,266	6,442
(Increase) decrease in:			
Accounts receivable	490	463,751	-
Inventory	-	(28,839)	-
Prepays	3,204	17,382	338
(Decrease) increase in:			
Accounts payable	6,938	(35,857)	-
Accrued payroll	-	10,216	188
Unearned revenue	-	(127,933)	-
Compensated absences	-	13,673	270
Accrued interest	(234)	(24,031)	-
Due to other funds	-	-	-
Estimated landfill postclosure costs	-	(2,344,394)	-
Net cash provided (used) by operating activities	\$ (176,695)	1,841,831	199,620
Non-cash transfer of capital assets	\$ -	-	-

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, 2014**

Cash and investments	\$ <u>63,523</u>
<i>Total assets</i>	\$ <u><u>63,523</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ <u>63,523</u>
<i>Total liabilities</i>	\$ <u><u>63,523</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, 2014**

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 – net investment in capital assets; restricted net position; and unrestricted net position.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2014**

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.

GRT Improvement Revenue Bonds Series 2014 (Cell#5)- Acquiring, constructing, extending, enlarging, bettering, repairing and otherwise improving or maintaining the

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2014**

City's Landfill or any combination of the foregoing and paying the costs of issuance of the Bonds, providing that the bonds will be payable and collectible from and secured by a pledge of the State-shared gross receipts tax.

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.

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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

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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, 2014, along with applicable PERA and Retiree Health Care.

J. Unearned Revenue/Deferred 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 liability for unearned revenue. The other type of unearned 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 of resources.

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.

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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:

- *Net investment in capital assets* – 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

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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.

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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, 2014 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 identified on the table of contents of this report.

A summary of the City’s cash and investments as of June 30, 2014 is as follows:

Cash and investments	Amount
Cash and cash equivalents	
Cash on hand	\$ 7,680
Cash	22,716,648
Subtotal cash and cash equivalents	<u>22,724,328</u>
Investments	
State Treasurer's Investment Pool	11,887,256
Certificates of deposit - maturities > 90 days	5,918,122
Subtotal investments	<u>17,805,378</u>
Total cash and investments	<u>\$ 40,529,706</u>

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<u>Cash and investments by fund type</u>	<u>Amount</u>
Governmental funds	\$ 28,488,823
Internal service funds	<u>4,389,806</u>
Subtotal governmental activities	32,878,629
Enterprise funds	7,587,554
Fiduciary funds	<u>63,523</u>
Total cash and investments	<u>\$ 40,529,706</u>

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2014.

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 50% of the amount on deposit or 102% of the amount on deposit in the case of repurchase agreements with the institution. At June 30, 2014, \$28,657,322 of the City's bank balances of \$29,577,480 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, 2014, \$-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, 2014, 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

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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, 2014 include the following:

Investments	Maturity	Fair Value
New MexiGROW LGIP	WAM - 60 days	11,887,256
Certificates of deposit	12 months	5,918,122
Total		\$ 17,805,378

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, 2014.

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, 2014, the City's investments were rated as follows:

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

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NOTE 4 – Receivables

Receivables as of June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds	(01) General Fund	(22) Street Improvement	(23) Landfill Cell #5	Nonmajor Funds	Total Governmental
Accounts	\$ 4,246,779	-	-	382,908	4,629,687
Taxes (Property, GRT, etc.)	2,783,824	-	-	1,954,118	4,737,942
Grants:					
State	7,255	-	-	72,426	79,681
Federal	23,528	-	-	59,084	82,612
Other	-	-	-	-	-
Subtotal	<u>7,061,386</u>	<u>-</u>	<u>-</u>	<u>2,468,536</u>	<u>9,529,922</u>
Less: Allowance for uncollectibles	<u>(3,263,203)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,263,203)</u>
Net receivables	<u>\$ 3,798,183</u>	<u>-</u>	<u>-</u>	<u>2,468,536</u>	<u>6,266,719</u>
Proprietary Funds	(02) Solid Waste	(10) Wastewater	(12) Airport	(19) Golf Course	Total Proprietary
Accounts	\$ 1,703,376	1,268,951	151	5,273	2,977,751
Taxes (Property, GRT, etc.)	80,932	-	-	-	80,932
Grants:					
State	-	-	18,354	-	18,354
Subtotal	<u>1,784,308</u>	<u>1,268,951</u>	<u>18,505</u>	<u>5,273</u>	<u>3,077,037</u>
Less: Allowance for uncollectibles	<u>(54,206)</u>	<u>-</u>	<u>(151)</u>	<u>-</u>	<u>(54,357)</u>
Net receivables	<u>\$ 1,730,102</u>	<u>1,268,951</u>	<u>18,354</u>	<u>5,273</u>	<u>3,022,680</u>

In accordance with GASB No. 63 and 65, the property tax revenues totaling \$38,897 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 be repaid within one year. Interfund balances as of June 30, 2014, are as follows:

Due from other funds	Fund #	Due to other funds	Fund #	Amount
General Fund	01	Drug Control Fund - Non-major Spec Rev Fund	98	39,729
General Fund	01	Clovis Recycling Fund - Non-major Spec Rev Fund	76	13,368
General Fund	01	Dept of Justice Fund - Non-major Spec Rev Fund	96	1,157
				<u>\$ 54,254</u>

The City recorded interfund transfers to reflect transfers of cash in accordance with the budget. Transfers and payments within the City are substantially for the purpose of subsidizing operating functions and funding capital projects, primarily street projects. All transfers made during the year were considered routine and were consistent with the general characteristics of the City's transfer policy. The composition of interfund transfers during the year ended June 30, 2014 is as follows:

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	Transfers In								Total
	01	22	23	02, 20, 43	10, 11, 44 67, 68	12	19	Non-Major	
	General	Street Improv.	Landfill Cell #5	Solid Waste	Waste- water	Airport	Golf Course	Govern- mental	
General	\$ -	-	-	-	-	588,123	210,090	1,907,827	2,706,040
Street Improv.	-	-	-	-	-	-	-	329,593	329,593
Solid Waste	259,000	-	4,234,302	-	-	-	-	77,813	4,571,116
Wastewater	150,000	-	-	-	201,838	-	-	-	351,838
Non-Major Governmental	2,955,460	-	-	35,000	2,334,501	128,800	113,957	3,176,396	8,744,114
Internal Service	1,900	-	-	-	-	-	-	-	1,900
Total	\$ 3,366,360	-	4,234,302	35,000	2,536,339	716,923	324,047	5,491,629	16,704,601

Of the transfers in to the general fund shown above, a total of \$-0- 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, 2014, 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

Internal Service Funds

Capital assets not being depreciated:

	Balance June 30, 2013	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2014
Land	\$ 2,982,378	10,000	-	(1,904,345)	1,088,033
Construction in progress	2,174,682	7,586,504	(5,522,567)	(970,258)	3,268,361
Total capital assets not being depreciated	5,157,060	7,596,504	(5,522,567)	(2,874,603)	4,356,394

Capital assets being depreciated:

Land improvements	13,704,573	49,796	-	(13,110,093)	644,276
Buildings and improvements	28,600,363	1,427,865	-	(7,676,209)	22,352,019
Equipment and vehicles	20,656,831	1,599,213	-	(1,581,604)	20,674,440
Infrastructure	70,684,997	7,110,851	-	(1,069,082)	76,726,766
Total capital assets being depreciated	133,646,764	10,187,725	-	(23,436,988)	120,397,501
Total capital assets	138,803,824	17,784,229	(5,522,567)	(26,311,591)	124,753,895

Less accumulated depreciation:

Land improvements	(5,085,412)	(23,552)	-	4,951,742	(157,222)
Buildings and improvements	(9,390,567)	(570,180)	-	(6,870,140)	(16,830,887)
Equipment and vehicles	(13,202,101)	(1,193,990)	-	1,134,079	(13,262,012)
Infrastructure	(35,704,349)	(2,911,563)	-	(655,051)	(39,270,963)
Total accumulated depreciation	(63,382,429)	(4,699,285)	-	(1,439,370)	(69,521,084)
Total capital assets net of depreciation	\$ 75,421,395	13,084,944	(5,522,567)	(27,750,961)	55,232,811

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Proprietary Funds

Business-Type Activities

	Balance June 30, 2013	Additions and Transfers In	Deletions and Transfers Out	Reclass and Adjustments	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 6,149,390	-	-	26,443	6,175,833
Construction in progress	2,137,744	5,384,975	(2,603,994)	1,216,320	6,135,045
Total capital assets not being depreciated	<u>8,287,134</u>	<u>5,384,975</u>	<u>(2,603,994)</u>	<u>1,242,763</u>	<u>12,310,878</u>
Capital assets being depreciated:					
Land improvements	9,264,974	-	-	(9,105,681)	159,294
Buildings and improvements	11,602,695	26,127	-	(1,335,124)	10,293,698
Equipment and vehicles	11,007,374	721,387	-	(515,273)	11,213,488
Infrastructure	56,675,466	2,765,101	-	1,995,618	61,436,185
Total capital assets being depreciated	<u>88,550,509</u>	<u>3,512,615</u>	<u>-</u>	<u>(8,960,460)</u>	<u>83,102,665</u>
Total capital assets	<u>96,837,643</u>	<u>8,897,590</u>	<u>(2,603,994)</u>	<u>(7,717,697)</u>	<u>95,413,543</u>
Less accumulated depreciation:					
Land improvements	(2,995,424)	(7,301)	-	2,927,810	(74,915)
Buildings and improvements	(4,882,445)	(252,920)	-	516,709	(4,618,656)
Equipment and vehicles	(7,662,672)	(260,671)	-	(149,366)	(8,072,709)
Infrastructure	(24,935,135)	(2,370,374)	-	1,703,116	(25,602,393)
Total accumulated depreciation	<u>(40,475,676)</u>	<u>(2,891,266)</u>	<u>-</u>	<u>4,998,269</u>	<u>(38,368,673)</u>
Total capital assets net of depreciation	<u>\$ 56,361,967</u>	<u>6,006,324</u>	<u>(2,603,994)</u>	<u>(2,719,428)</u>	<u>57,044,870</u>

Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 261,432
Public safety	825,078
Public works	2,719,590
Culture and recreation	645,661
Health and welfare	241,082
Total	<u>4,692,843</u>
Internal Service Fund	<u>6,442</u>
Total governmental activities	<u>4,699,285</u>
Business type activities:	
Solid Waste	634,133
Wastewater	1,541,839
Airport	595,894
Golf Course	119,400
Total business-type activities	<u>\$ 2,891,266</u>

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NOTE 7 – Long-term Debt

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance 30-Jun-13	Additions	Retirements	Balance 30-Jun-14	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 2005	\$ 2,445,000	-	(165,000)	2,280,000	170,000
Series 2012	7,640,000	-	(1,325,000)	6,315,000	1,350,000
Total bonds payable	<u>10,085,000</u>	<u>-</u>	<u>(1,490,000)</u>	<u>8,595,000</u>	<u>1,520,000</u>
NMFA Notes payable					
2011 Clovis 6-A - Park Improvements	3,187,000	-	(141,000)	3,046,000	143,000
Total notes payable	<u>3,187,000</u>	<u>-</u>	<u>(141,000)</u>	<u>3,046,000</u>	<u>143,000</u>
Compensated Absences	<u>1,124,371</u>	<u>1,744,832</u>	<u>(1,708,547)</u>	<u>1,160,656</u>	<u>754,426</u>
Governmental-activities long-term liabilities	<u>\$ 14,396,371</u>	<u>1,744,832</u>	<u>(3,339,547)</u>	<u>12,801,656</u>	<u>2,417,426</u>
	Balance 30-Jun-13	Additions	Retirements	Balance 30-Jun-14	Due Within One Year
Business-type Activities:					
Notes Payable					
NM Environmental Dept.	\$ 6,867,595	-	(397,122)	6,470,473	405,064
2011 Clovis 6-B - Golf Course	2,686,000	-	(112,000)	2,574,000	113,000
2013 NM Finance Authority	-	1,565,048	(80,533)	1,484,515	80,734
Total notes payable	<u>9,553,595</u>	<u>1,565,048</u>	<u>(589,655)</u>	<u>10,528,988</u>	<u>598,798</u>
Gross receipts tax revenue bonds					
Series 2010	6,225,000	-	(275,000)	5,950,000	280,000
Series 2014	-	4,888,665	-	4,888,665	460,630
Total bonds payable	<u>6,225,000</u>	<u>4,888,665</u>	<u>(275,000)</u>	<u>10,838,665</u>	<u>740,630</u>
Compensated Absences	<u>103,223</u>	<u>272,043</u>	<u>(258,371)</u>	<u>116,895</u>	<u>116,895</u>
Business-type-activities long-term liabilities	<u>\$ 15,881,818</u>	<u>6,725,756</u>	<u>(1,123,026)</u>	<u>21,484,548</u>	<u>1,456,323</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, 2014 are comprised of the following:

	Bonds Series June 1, 2005	Bonds Series October 3, 2012
Original issue:	6/1/2005	10/3/2012
Principal:	\$ 3,580,000	\$ 9,000,000
Interest:	June 1 & December 1	June 1 & December 1
Rates:	3.50% to 4.25%	2.00% to 2.50%

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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 2005 Bond Issue outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 170,000	94,218	264,218
2016	175,000	86,568	261,568
2017	185,000	79,568	264,568
2018	190,000	72,168	262,168
2019	200,000	64,568	264,568
2020-2024	1,110,000	195,634	1,305,634
2025-2029	250,000	10,626	260,626
\$	<u>2,280,000</u>	<u>603,350</u>	<u>2,883,350</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, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 1,350,000	132,726	1,482,726
2016	340,000	105,726	445,726
2017	340,000	98,926	438,926
2018	360,000	92,126	452,126
2019	440,000	84,126	524,126
2020-2024	1,320,000	292,190	1,612,190
2025-2029	2,165,000	91,618	2,256,618
\$	<u>6,315,000</u>	<u>897,438</u>	<u>7,212,438</u>

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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, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 143,000	104,718	247,718
2016	145,000	102,702	247,702
2017	147,000	100,236	247,236
2018	150,000	97,252	247,252
2019	154,000	93,712	247,712
2020-2024	838,000	397,210	1,235,210
2025-2029	1,005,000	231,538	1,236,538
2030-2033	464,000	30,848	494,848
	\$ 3,046,000	1,158,216	4,204,216

Bonds payable for proprietary funds at June 30, 2014 are comprised of the following:

	Sales Tax Revenue Bonds Series September 21, 2010	Sales Tax Revenue Bonds Series April 18, 2014
Original issue:	9/21/2010	4/18/2014
Principal: \$	7,000,000	4,888,665
Interest:	June 1 & December 1	June 1 & December 1
Rates:	2.00% to 4.00%	0.25% to 2.79%

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.

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The annual requirements to amortize the 2010 Bond Issue outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 280,000	196,338	476,338
2016	290,000	190,738	480,738
2017	300,000	184,938	484,938
2018	310,000	175,878	485,878
2019	315,000	166,638	481,638
2020-2024	1,780,000	669,678	2,449,678
2025-2029	2,180,000	349,136	2,529,136
2030-2034	495,000	19,800	514,800
\$	<u>5,950,000</u>	<u>1,953,144</u>	<u>7,903,144</u>

The April 18, 2014 Gross Receipts Tax Improvement Revenue Bonds, Series 2014 were issued for the purpose of acquiring, constructing, extending, enlarging, bettering, repairing, and otherwise improving or maintaining the City's landfill or any 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 2014 Bonds and all payments of principal and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenues payable from 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, as amended and 7-1-6.15, 1978 as amended. The Bonds mature June 1, 2014.

The annual requirements to amortize the 2014 Bond Issue outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 460,630	84,062	544,692
2016	470,751	73,942	544,693
2017	472,539	72,152	544,691
2018	475,375	69,318	544,693
2019	479,605	65,086	544,691
2020-2024	2,529,765	197,692	2,727,457
\$	<u>4,888,665</u>	<u>562,252</u>	<u>5,450,917</u>

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The notes payable of the City's proprietary funds as of June 30, 2014 are comprised of the following:

Wastewater loan with the NM Environment Department dated, June 18, 2008 with annual principal installments ranging from \$359,686 to \$523,994 due June 30 annually. Interest rate at 2.0%. The loan matures on June 11, 2027.	\$ 6,470,473
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.	2,574,000
Aeration Identification Treatment Plant Loan with NM Finance Authority with annual principal installments ranging from \$80,332 to \$84,233 due June 1, annually. Interest rate at 2.50%. The loan matures on June 1, 2032.	1,484,515
	10,528,988
Less current portion	(598,798)
Total outstanding long-term debt - proprietary funds	\$ 9,930,190

The annual requirements to amortize the proprietary fund loans outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 598,798	242,076	840,874
2016	609,102	231,739	840,841
2017	620,568	220,630	841,198
2018	632,199	208,718	840,917
2019	645,000	196,130	841,130
2020-2024	3,438,162	768,723	4,206,885
2025-2029	3,321,085	350,416	3,671,501
2030-2034	664,074	34,018	698,092
	\$ 10,528,988	2,252,450	12,781,438

NOTE 8 – Risk Management

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

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

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

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

The City continues to carry commercial insurance for all other risks. The City is in the process of establishing a fund for property and liability self-insurance. As of June 30, 2014, no claims activity had taken place in the fund. The only activity for the year ended June 30, 2014 consisted of interest earned from the fund’s bank account.

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: 17.8% for law enforcement, 17.7% for fire protection employees; and 14.65% 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, 2014, 2013 and 2012 were approximately \$731,401, \$746,047, and \$628,008, respectively, which equal the amount of the required contributions for all years.

NOTE 10 – Pension Plan

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

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

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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, 2014, 2013, and 2012, the City's required and actual contributions totaled \$1,320,328, \$1,310,925, and \$1,395,635, 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 \$941,493, \$943,814 and \$909,346 for the years ended June 30, 2014, 2013 and 2012, respectively.

NOTE 12 – Post Employment Benefits – State Retiree Healthcare Plan

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

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

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

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

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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, 2014, 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, 2014, 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, 2014, 2013, and 2012 were \$263,790, \$260,184, and \$243,180, 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, 2014, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City of Clovis.

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

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

U.S. generally accepted accounting principles require disclosures of certain information concerning individual funds including:

Deficit fund balances of individual funds:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Golf Course-19	Proprietary	\$ <u><u>(274,692)</u></u>

Excess of expenditures over appropriations:

None

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Designated cash appropriation in excess of available balances. The following funds exceeded approved budgetary authority for the year ended June 30, 2014:

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 \$4,206,866 as of June 30, 2014, 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 \$2,344,394 from the prior year as a result of current engineering estimates. It is estimated that an additional \$441,963 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 89.70% 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 \$4,882,071 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, 2014. 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 \$4,440,115 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. Depreciation expense for the year ended June 30, 2014 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, 2014 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2014**

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
2015	\$ 124,800
2016	55,000
2017	-
2018	-
2019	-
	<u>\$ 179,800</u>

Lease expenditures for the year ended June 30, 2014 were approximately \$238,477.

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 Construction oversight	Professional Service	207,572	19.00%
Burn Building	Construction	915,938	22.00%
Airport Master Plan	Professional Service	374,268	22.50%
Engineering for rebuild apron	Professional Service	132,232	27.00%
Zoo Improvements	Construction	1,000,000	90.00%
Effluent Reuse	Professional Service	280,141	94.00%
Emergency Action Plan	Professional Service	75,334	97.70%
US 60/70/84	Professional Service	135,150	96.00%
Wilhite Design	Professional Service	371,042	15.00%
Master Drainage Plan	Professional Service	441,697	0.00%
Norris St Rt Turn Bay	Professional Service	26,258	0.00%
Effluent Reuse Phase 2	Professional Service	345,193	16.00%
Cell 5 Construction	Construction	4,628,465	95.00%
Cell 5 Bridge Design	Professional Service	145,140	78.00%
		<u>\$ 9,150,654</u>	

NOTE 19 – Restricted Net Position

The government-wide statement of net position reports \$7,737,130 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see schedules in the supplementary information section of this report.

NOTE 20 – Surety Bonds

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

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2014**

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) - Government-Wide	\$	926,431
Deferred property tax revenue (General Fund) - Fund Financials		<u>38,897</u>
	\$	965,328
<u>Deferred Inflows of Resources</u>		
Deferred note receivable revenue (Wastewater Fund) - Government-Wide	\$	<u>926,431</u>

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	\$ (27,750,956)
General fund	01	Prior period adjustment to agree federal receivables and federal revenues with current supporting documentation	<u>223,323</u>
		Total governmental activities	<u>(27,527,633)</u>
Sanitation - Major enterprise fund	02	Prior period adjustment to reduce landfill closure to current year engineering estimates.	(2,500,641)
Sanitation - Major enterprise fund	02	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	3,598,514
Wastewater - Major enterprise fund	10	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	4,564,988
Airport - Major enterprise fund	12	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	(5,382,413)
Airport - Major enterprise fund	12	Prior period adjustment to agree federal receivables and federal revenues with current supporting documentation	498,576
Golf Course - Major enterprise fund	19	Prior period adjustment to agree depreciation expense, accumulated depreciation, and capital assets to current supporting documentation	<u>(499,241)</u>
		Total enterprise funds	<u>279,783</u>
		Total restatements	<u>\$ (27,247,850)</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2014**

NOTE 23 – IMPLEMENTATION OF NEW GASB STANDARDS

In June 2012, The Governmental Accounting Standards Board (GASB) approved Statement No. 67, Financial Reporting for Pension Plans, which applies to pension plans that administer pension benefits. The Public Employees Retirement Association (PERA) administers the pension for the City. Statement No. 68, Accounting and Financial Reporting for Pensions, which applies to governments that provide pension benefits to their employees.

GASB 67 Financial Reporting for Pension Plans

Requires changes to presentation in financial statements, notes to the financial statements, and required supplementary information in PERA's financial report. GASB 67 will be implemented in FY 2014 by PERA.

GASB 68 Accounting and Financial Reporting for Pensions

Applies the changes implemented at the pension plan level (PERA) under GASB 67 and segregates and divides, or allocates, the pension liability to each participating employer (state, municipal, judicial, magistrate, volunteer firefighters, and legislative). The statement implementation date is FY 2015.

PERA's Current Implementation and Timeline

Implementation GASB 67

GASB 67 will require the net pension liability to be disclosed in PERA's FY 2014 financial report. The total "collective" pension liability will then be allocated to the participant employers for FY 2015 financial reporting.

PERA plans to separately issue an audited report, referred to as the "Schedule of Employer Allocations" that will allocate the total pension liability by employer. The report will also include other required information that will be used by each employer participant for disclosure in each employer's FY 2015 financial reports.

Anticipated process and timeline is as follows:

1. The "Schedule of Employer Allocations" is provided to PERA's external auditor in January of 2015.
2. PERA's external auditor's will audit the "Schedule of Employer Allocations" in February of 2015 and submit that report to the State Auditor's Office for review in March of 2015. (See also 2.2.2.10 NMAC Sections CC and DD)
3. The "Schedule of Employer Allocations" will be provided to employers in April of 2015, allowing enough time for incorporation into financial reports as required by GASB 68, after the June 30, 2015 year end.

In FY 15, the City will report a net pension liability based on its proportion of the collective net pension liability of all of the governments participating.

NOTE 24 – Evaluation of 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 25, 2014, 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, 2014**

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.

2011 GRT 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, 2014**

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.

GRT Improvement Revenue Bonds Series 2014 (Cell#5) – To account for the accumulation of resources for, and the payment of governmental activities long term debt principal, interest, and related costs specifically for acquiring, constructing, extending, enlarging, bettering, repairing and otherwise improving or maintaining the City's Landfill.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Nonmajor Funds
For the Year Ended June 30, 2014**

NONMAJOR CAPITAL PROJECTS FUND

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

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
As of June 30, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Assets</i>				
Cash and investments	\$ 16,293,660	77,824	876,770	17,248,254
Restricted Cash and investments	120,921	220,668	-	341,589
Receivables:				
Property taxes	-	-	-	-
Intergovernmental	1,931,793	-	141,701	2,073,494
Other receivables	395,043	-	-	395,043
Inventory	63,646	-	-	63,646
Prepaid insurance	48,342	-	-	48,342
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>18,853,405</u>	<u>298,492</u>	<u>1,018,471</u>	<u>20,170,368</u>
<i>Liabilities</i>				
Accounts payable	38,130	-	-	38,130
Accrued payroll expenses	70,860	-	-	70,860
Other accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	54,254	-	-	54,254
<i>Total liabilities</i>	<u>163,244</u>	<u>-</u>	<u>-</u>	<u>163,244</u>
<i>Fund balances</i>				
Nonspendable	111,988	-	-	111,988
Restricted	2,677,159	298,492	610,821	3,586,472
Committed	12,850,217	-	407,650	13,257,867
Assigned	3,050,797	-	-	3,050,797
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>18,690,161</u>	<u>298,492</u>	<u>1,018,471</u>	<u>20,007,124</u>
<i>Total liabilities and fund balances</i>	<u>\$ 18,853,405</u>	<u>298,492</u>	<u>1,018,471</u>	<u>20,170,368</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, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	10,672,930	-	499,788	11,172,718
Gasoline and motor vehicle	542,288	-	-	542,288
Other	625,453	-	-	625,453
<i>Intergovernmental:</i>				
Federal operating grants	159,593	-	-	159,593
Federal capital grants	541,784	-	-	541,784
State operating grants	675,301	-	-	675,301
State capital grants	-	-	2,403,601	2,403,601
Charges for services	690,176	-	-	690,176
Fines, forfeitures & penalties	13,187	-	-	13,187
Licenses and fees	344,917	-	-	344,917
Investment income	41,458	1,170	629	43,257
Miscellaneous	382,421	-	-	382,421
<i>Total revenues</i>	<u>14,689,508</u>	<u>1,170</u>	<u>2,904,018</u>	<u>17,594,696</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	999,572	-	-	999,572
Public safety	408,965	-	-	408,965
Public works	3,778,280	-	-	3,778,280
Culture and recreation	2,334,053	-	-	2,334,053
Health and welfare	335,314	-	-	335,314
Capital outlay	1,768,300	-	868,960	2,637,260
<i>Debt service:</i>				
Principal	-	1,631,000	-	1,631,000
Interest	3,913	476,834	-	480,747
<i>Total expenditures</i>	<u>9,628,397</u>	<u>2,107,834</u>	<u>868,960</u>	<u>12,605,191</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,061,111</u>	<u>(2,106,664)</u>	<u>2,035,058</u>	<u>4,989,505</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(3,761,965)	2,185,650	(1,676,170)	(3,252,485)
Proceeds from sale of capital assets	240	-	-	240
Proceeds from debt issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,761,725)</u>	<u>2,185,650</u>	<u>(1,676,170)</u>	<u>(3,252,245)</u>
<i>Net change in fund balances</i>	1,299,386	78,986	358,888	1,737,260
<i>Fund balances - beginning of year</i>	<u>17,323,100</u>	<u>219,506</u>	<u>659,583</u>	<u>18,202,189</u>
<i>Fund balances - end of year</i>	<u>\$ 18,690,161</u>	<u>298,492</u>	<u>1,018,471</u>	<u>20,007,124</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, 2014**

	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	\$ -	30,383	26,410	4,440,115	-	32,828
Restricted Cash and investments	7,529	-	-	-	76,925	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	8,705	-	-	80,926	-	-
Other receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	2,998	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>16,234</u>	<u>33,381</u>	<u>26,410</u>	<u>4,521,041</u>	<u>76,925</u>	<u>32,828</u>
<i>Liabilities</i>						
Accounts payable	-	1,988	3,822	-	-	-
Accrued payroll expenses	-	5,363	4,748	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>7,351</u>	<u>8,570</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Nonspendable	-	2,998	-	-	-	-
Restricted	16,234	-	-	-	76,925	-
Committed	-	23,032	17,840	4,521,041	-	32,828
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>16,234</u>	<u>26,030</u>	<u>17,840</u>	<u>4,521,041</u>	<u>76,925</u>	<u>32,828</u>
<i>Total liabilities and fund balances</i>	<u>\$ 16,234</u>	<u>33,381</u>	<u>26,410</u>	<u>4,521,041</u>	<u>76,925</u>	<u>32,828</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, 2014**

	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	\$ 127,073	79,816	469,878	387,528	126,721	334,657
Restricted Cash and investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	82,568	82,568	82,568
Other receivables	-	-	-	-	-	-
Inventory	1,815	-	-	-	-	-
Prepaid insurance	1,486	13,830	-	-	-	-
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>130,374</u>	<u>93,646</u>	<u>469,878</u>	<u>470,096</u>	<u>209,289</u>	<u>417,225</u>
<i>Liabilities</i>						
Accounts payable	881	2,360	-	-	-	472
Accrued payroll expenses	3,522	14,776	-	-	-	-
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>4,403</u>	<u>17,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472</u>
<i>Fund balances</i>						
Nonspendable	3,301	13,830	-	-	-	-
Restricted	-	-	469,878	-	-	-
Committed	-	-	-	470,096	209,289	-
Assigned	122,670	62,680	-	-	-	416,753
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>125,971</u>	<u>76,510</u>	<u>469,878</u>	<u>470,096</u>	<u>209,289</u>	<u>416,753</u>
<i>Total liabilities and fund balances</i>	<u>\$ 130,374</u>	<u>93,646</u>	<u>469,878</u>	<u>470,096</u>	<u>209,289</u>	<u>417,225</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, 2014**

	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	\$ 1,196,003	2,719,685	2,036,415	1,641,180	-	1,099,552
Restricted Cash and investments	-	-	-	-	3	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	161,863	323,567	287,557	-	362,076
Other receivables	-	381,750	-	-	-	-
Inventory	-	-	-	-	-	61,831
Prepaid insurance	-	-	-	-	-	19,246
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>1,196,003</u>	<u>3,263,298</u>	<u>2,359,982</u>	<u>1,928,737</u>	<u>3</u>	<u>1,542,705</u>
<i>Liabilities</i>						
Accounts payable	-	932	-	-	-	26,044
Accrued payroll expenses	-	-	-	-	-	29,508
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,552</u>
<i>Fund balances</i>						
Nonspendable	-	-	-	-	-	81,077
Restricted	-	-	-	1,928,737	3	-
Committed	-	3,262,366	2,359,982	-	-	1,406,076
Assigned	1,196,003	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>1,196,003</u>	<u>3,262,366</u>	<u>2,359,982</u>	<u>1,928,737</u>	<u>3</u>	<u>1,487,153</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,196,003</u>	<u>3,263,298</u>	<u>2,359,982</u>	<u>1,928,737</u>	<u>3</u>	<u>1,542,705</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, 2014

	<u>76</u>	<u>77+78</u>	<u>86</u>	<u>89</u>	<u>90</u>	<u>92</u>
	Recycling	Lodger's Tax	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Clovis Area Transit System
<i>Assets</i>						
Cash and investments	\$ 6,724	1,236,317	158,234	-	-	129,581
Restricted Cash and investments	-	-	-	-	19,161	-
Receivables:						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	68,882	330,271	-	-	32,881
Other receivables	13,293	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	10,253
Due from other funds	-	-	-	-	-	-
<i>Total assets</i>	<u>20,017</u>	<u>1,305,199</u>	<u>488,505</u>	<u>-</u>	<u>19,161</u>	<u>172,715</u>
<i>Liabilities</i>						
Accounts payable	-	1,030	-	-	-	601
Accrued payroll expenses	-	-	-	-	-	12,943
Other accrued expenses	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Due to other funds	13,367	-	-	-	-	-
<i>Total liabilities</i>	<u>13,367</u>	<u>1,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,544</u>
<i>Fund balances</i>						
Nonspendable	-	-	-	-	-	10,253
Restricted	-	-	-	-	19,161	148,918
Committed	6,650	51,478	488,505	-	-	-
Assigned	-	1,252,691	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balances</i>	<u>6,650</u>	<u>1,304,169</u>	<u>488,505</u>	<u>-</u>	<u>19,161</u>	<u>159,171</u>
<i>Total liabilities and fund balances</i>	<u>\$ 20,017</u>	<u>1,305,199</u>	<u>488,505</u>	<u>-</u>	<u>19,161</u>	<u>172,715</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, 2014

	<u>96</u>	<u>98</u>	
	<u>Department of Justice</u>	<u>Drug Control</u>	<u>Total Special Revenue Funds</u>
<i>Assets</i>			
Cash and investments	\$ 1,034	13,526	16,293,660
Restricted Cash and investments	-	17,303	120,921
Receivables:			-
Property taxes	-	-	-
Intergovernmental	1,158	26,203	1,931,793
Other receivables	-	-	395,043
Inventory	-	-	63,646
Prepaid insurance	-	529	48,342
Due from other funds	-	-	-
<i>Total assets</i>	<u>2,192</u>	<u>57,561</u>	<u>18,853,405</u>
<i>Liabilities</i>			
Accounts payable	-	-	38,130
Accrued payroll expenses	-	-	70,860
Other accrued expenses	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	1,158	39,729	54,254
<i>Total liabilities</i>	<u>1,158</u>	<u>39,729</u>	<u>163,244</u>
<i>Fund balances</i>			
Nonspendable	-	529	111,988
Restricted	-	17,303	2,677,159
Committed	1,034	-	12,850,217
Assigned	-	-	3,050,797
Unassigned	-	-	-
<i>Total fund balances</i>	<u>1,034</u>	<u>17,832</u>	<u>18,690,161</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,192</u>	<u>57,561</u>	<u>18,853,405</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, 2014

	40	41	46	47	
	Drainage Improvement	Landfill Cell #5	Civic Center	Parks & Infrastructure	Total Debt Service Funds
<i>Assets</i>					
Cash and investments	\$ -	77,824	-	-	77,824
Restricted Cash and investments	1,105	-	66,932	152,631	220,668
Receivables:					-
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid insurance	-	-	-	-	-
Due from other funds	-	-	-	-	-
<i>Total assets</i>	<u>1,105</u>	<u>77,824</u>	<u>66,932</u>	<u>152,631</u>	<u>298,492</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>	<u>-</u>
<i>Fund balances</i>					
Nonspendable	-	-	-	-	-
Restricted	1,105	77,824	66,932	152,631	298,492
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>1,105</u>	<u>77,824</u>	<u>66,932</u>	<u>152,631</u>	<u>298,492</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,105</u>	<u>77,824</u>	<u>66,932</u>	<u>152,631</u>	<u>298,492</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, 2014

	<u>87</u>	<u>88</u>	
	<u>Street Construction</u>	<u>Drainage Improvement</u>	<u>Total Capital Project Funds</u>
<i>Assets</i>			
Cash and investments	\$ 551,688	325,082	876,770
Restricted Cash and investments	-	-	-
Receivables:			
Property taxes	-	-	-
Intergovernmental	59,133	82,568	141,701
Other receivables	-	-	-
Inventory	-	-	-
Prepaid insurance	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>610,821</u>	<u>407,650</u>	<u>1,018,471</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>
<i>Fund balances</i>			
Nonspendable	-	-	-
Restricted	610,821	-	610,821
Committed	-	407,650	407,650
Assigned	-	-	-
Unassigned	-	-	-
<i>Total fund balances</i>	<u>610,821</u>	<u>407,650</u>	<u>1,018,471</u>
<i>Total liabilities and fund balances</i>	<u>\$ 610,821</u>	<u>407,650</u>	<u>1,018,471</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, 2014

	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	-	-	-	490,585	-	-
Gasoline and motor vehicle	102,013	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	546,986	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	52,676
Investment income	5	23	34	6,456	422	68
Miscellaneous	-	-	7,627	-	50	-
<i>Total revenues</i>	<u>102,018</u>	<u>23</u>	<u>7,661</u>	<u>497,041</u>	<u>547,458</u>	<u>52,744</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	205,849	-
Public works	-	-	-	-	-	-
Culture and recreation	-	273,903	-	-	-	-
Health and welfare	-	-	293,808	-	-	-
Capital outlay	-	-	8,145	-	684,737	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>273,903</u>	<u>301,953</u>	<u>-</u>	<u>890,586</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>102,018</u>	<u>(273,880)</u>	<u>(294,292)</u>	<u>497,041</u>	<u>(343,128)</u>	<u>52,744</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(104,109)	267,340	270,981	-	-	(128,116)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(104,109)</u>	<u>267,340</u>	<u>270,981</u>	<u>-</u>	<u>-</u>	<u>(128,116)</u>
<i>Net change in fund balances</i>	(2,091)	(6,540)	(23,311)	497,041	(343,128)	(75,372)
<i>Fund balance - beginning of year</i>	18,325	32,570	41,151	4,024,000	420,053	108,200
<i>Fund balances - end of year</i>	<u>\$ 16,234</u>	<u>26,030</u>	<u>17,840</u>	<u>4,521,041</u>	<u>76,925</u>	<u>32,828</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, 2014**

	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	-	-	-	499,787	499,788	499,787
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	8,593	12,797	-	-	-	-
State capital grants	-	-	-	-	-	-
Charges for services	-	10,090	-	-	-	608,733
Fines, forfeitures & penalties	-	13,187	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Investment income	42	62	4,261	366	528	103
Miscellaneous	33,868	26,247	3,350	-	-	-
<i>Total revenues</i>	<u>42,503</u>	<u>62,383</u>	<u>7,611</u>	<u>500,153</u>	<u>500,316</u>	<u>1,108,623</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	23,692	-	-	-
Culture and recreation	183,673	756,376	-	-	-	801,320
Health and welfare	-	-	-	-	-	-
Capital outlay	-	121,310	54,607	-	-	29,702
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>183,673</u>	<u>877,686</u>	<u>78,299</u>	<u>-</u>	<u>-</u>	<u>831,022</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(141,170)</u>	<u>(815,303)</u>	<u>(70,688)</u>	<u>500,153</u>	<u>500,316</u>	<u>277,601</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	199,325	836,923	-	(568,644)	(498,641)	(122,819)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>199,325</u>	<u>836,923</u>	<u>-</u>	<u>(568,644)</u>	<u>(498,641)</u>	<u>(122,819)</u>
<i>Net change in fund balances</i>	58,155	21,620	(70,688)	(68,491)	1,675	154,782
<i>Fund balances - beginning of year</i>	67,816	54,890	540,566	538,587	207,614	261,971
<i>Fund balances - end of year</i>	<u>\$ 125,971</u>	<u>76,510</u>	<u>469,878</u>	<u>470,096</u>	<u>209,289</u>	<u>416,753</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, 2014

	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>						
<i>Taxes:</i>						
Property	\$ -	-	-	-	-	-
Gross receipts	-	981,230	1,960,273	1,743,182	-	1,999,149
Gasoline and motor vehicle	-	-	-	-	-	440,275
Other	-	-	-	-	-	-
<i>Intergovernmental:</i>						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	-
State operating grants	-	-	-	-	20,000	-
State capital grants	-	-	-	-	-	-
Charges for services	29,574	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	208,923	-	-	-	-	-
Investment income	541	6,662	5,106	1,309	-	12,894
Miscellaneous	16,667	235,738	-	-	-	42,468
<i>Total revenues</i>	<u>255,705</u>	<u>1,223,630</u>	<u>1,965,379</u>	<u>1,744,491</u>	<u>20,000</u>	<u>2,494,786</u>
<i>Expenditures:</i>						
<i>Current:</i>						
General government	-	195,128	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	994,569	-	2,760,019
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	7,056	-
Capital outlay	-	-	-	-	12,946	796,582
<i>Debt service:</i>						
Principal	-	-	-	-	-	-
Interest	-	-	3,913	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>195,128</u>	<u>3,913</u>	<u>994,569</u>	<u>20,002</u>	<u>3,556,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>255,705</u>	<u>1,028,502</u>	<u>1,961,466</u>	<u>749,922</u>	<u>(2)</u>	<u>(1,061,815)</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	(327,988)	(341,850)	(1,945,090)	-	-	683,393
Proceeds from sale of capital assets	240	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(327,748)</u>	<u>(341,850)</u>	<u>(1,945,090)</u>	<u>-</u>	<u>-</u>	<u>683,393</u>
<i>Net change in fund balances</i>	(72,043)	686,652	16,376	749,922	(2)	(378,422)
<i>Fund balances - beginning of year</i>	1,268,046	2,575,714	2,343,606	1,178,815	5	1,865,575
<i>Fund balances - end of year</i>	<u>\$ 1,196,003</u>	<u>3,262,366</u>	<u>2,359,982</u>	<u>1,928,737</u>	<u>3</u>	<u>1,487,153</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, 2014**

	76	77+78	86	89	90	92
	Recycling	Lodger's Tax	Special Fire & Police	Local Government Corrections	Law Enforcement Protection	Clovis Area Transit System
<i>Revenues:</i>						
Taxes:						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	1,999,149	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-
Other	-	625,453	-	-	-	-
Intergovernmental:						
Federal operating grants	-	-	-	-	-	-
Federal capital grants	-	-	-	-	-	541,784
State operating grants	26,925	-	-	-	60,000	-
State capital grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	41,779
Fines, forfeitures & penalties	-	-	-	-	-	-
Licenses and fees	-	-	-	83,318	-	-
Investment income	-	1,957	205	1	397	-
Miscellaneous	8,916	-	-	-	-	7,445
<i>Total revenues</i>	<u>35,841</u>	<u>627,410</u>	<u>1,999,354</u>	<u>83,319</u>	<u>60,397</u>	<u>591,008</u>
<i>Expenditures:</i>						
Current:						
General government	-	-	-	-	-	804,444
Public safety	-	-	-	-	69,945	-
Public works	-	-	-	-	-	-
Culture and recreation	-	318,781	-	-	-	-
Health and welfare	34,450	-	-	-	-	-
Capital outlay	-	-	-	-	-	23,271
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>34,450</u>	<u>318,781</u>	<u>-</u>	<u>-</u>	<u>69,945</u>	<u>827,715</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,391</u>	<u>308,629</u>	<u>1,999,354</u>	<u>83,319</u>	<u>(9,548)</u>	<u>(236,707)</u>
<i>Other financing sources (uses)</i>						
Transfers in/(out)	-	(150,000)	(2,057,113)	(83,319)	-	294,479
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(150,000)</u>	<u>(2,057,113)</u>	<u>(83,319)</u>	<u>-</u>	<u>294,479</u>
<i>Net change in fund balances</i>	1,391	158,629	(57,759)	-	(9,548)	57,772
<i>Fund balances - beginning of year</i>	5,259	1,145,540	546,264	-	28,709	69,436
<i>Restatement</i>	-	-	-	-	-	31,963
<i>Fund balance - beginning of year, as restated</i>	<u>5,259</u>	<u>1,145,540</u>	<u>546,264</u>	<u>-</u>	<u>28,709</u>	<u>101,399</u>
<i>Fund balances - end of year</i>	<u>\$ 6,650</u>	<u>1,304,169</u>	<u>488,505</u>	<u>-</u>	<u>19,161</u>	<u>159,171</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, 2014**

	96	98	
	Dept of Justice	Drug Control	Total Special Revenue Funds
<i>Revenues:</i>			
<i>Taxes:</i>			
Property	\$ -	-	-
Gross receipts	-	-	10,672,930
Gasoline and motor vehicle	-	-	542,288
Other	-	-	625,453
<i>Intergovernmental:</i>			
Federal operating grants	38,731	120,862	159,593
Federal capital grants	-	-	541,784
State operating grants	-	-	675,301
State capital grants	-	-	-
Charges for services	-	-	690,176
Fines, forfeitures & penalties	-	-	13,187
Licenses and fees	-	-	344,917
Investment income	1	15	41,458
Miscellaneous	-	45	382,421
<i>Total revenues</i>	<u>38,732</u>	<u>120,922</u>	<u>14,689,508</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General government	-	-	999,572
Public safety	15,015	118,156	408,965
Public works	-	-	3,778,280
Culture and recreation	-	-	2,334,053
Health and welfare	-	-	335,314
Capital outlay	37,000	-	1,768,300
<i>Debt service:</i>			
Principal	-	-	-
Interest	-	-	3,913
<i>Total expenditures</i>	<u>52,015</u>	<u>118,156</u>	<u>9,628,397</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(13,283)</u>	<u>2,766</u>	<u>5,061,111</u>
<i>Other financing sources (uses)</i>			
Transfers in/(out)	13,283	-	(3,761,965)
Proceeds from sale of capital assets	-	-	240
Proceeds from debt issuance	-	-	-
<i>Total other financing sources (uses)</i>	<u>13,283</u>	<u>-</u>	<u>(3,761,725)</u>
<i>Net change in fund balances</i>	-	2,766	1,299,386
<i>Fund balances - beginning of year</i>	1,034	(20,646)	17,323,100
<i>Restatement</i>	-	35,712	67,675
<i>Fund balance - beginning of year, as restated</i>	<u>1,034</u>	<u>15,066</u>	<u>17,390,775</u>
<i>Fund balances - end of year</i>	<u>\$ 1,034</u>	<u>17,832</u>	<u>18,690,161</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, 2014**

	40	41	46	47	
	Street Improvement	Landfill Cell #5	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	549	11	302	308	1,170
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>549</u>	<u>11</u>	<u>302</u>	<u>308</u>	<u>1,170</u>
<i>Expenditures:</i>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	1,325,000	-	165,000	141,000	1,631,000
Interest	159,225	-	100,819	216,790	476,834
<i>Total expenditures</i>	<u>1,484,225</u>	<u>-</u>	<u>265,819</u>	<u>357,790</u>	<u>2,107,834</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,483,676)</u>	<u>11</u>	<u>(265,517)</u>	<u>(357,482)</u>	<u>(2,106,664)</u>
<i>Other financing sources (uses)</i>					
Transfers in/(out)	1,484,225	77,813	265,819	357,793	2,185,650
<i>Total other financing sources (uses)</i>	<u>1,484,225</u>	<u>77,813</u>	<u>265,819</u>	<u>357,793</u>	<u>2,185,650</u>
<i>Net change in fund balances</i>	549	77,824	302	311	78,986
<i>Fund balances - beginning of year</i>	556	-	66,630	152,320	219,506
<i>Fund balances - end of year</i>	<u>\$ 1,105</u>	<u>77,824</u>	<u>66,932</u>	<u>152,631</u>	<u>298,492</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, 2014

	87	88	
	Street Construction	Drainage Improvement	Total Capital Project Funds
<i>Revenues:</i>			
Taxes:			
Property	\$ -	-	-
Gross receipts	-	499,788	499,788
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	2,403,601	-	2,403,601
Charges for services	-	-	-
Fines, forfeitures & penalties	-	-	-
Licenses and fees	-	-	-
Investment income	101	528	629
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>2,403,702</u>	<u>500,316</u>	<u>2,904,018</u>
<i>Expenditures:</i>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	395,703	473,257	868,960
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>395,703</u>	<u>473,257</u>	<u>868,960</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,007,999</u>	<u>27,059</u>	<u>2,035,058</u>
<i>Other financing sources (uses)</i>			
Transfers in/(out)	<u>(1,676,170)</u>	-	<u>(1,676,170)</u>
<i>Total other financing sources (uses)</i>	<u>(1,676,170)</u>	-	<u>(1,676,170)</u>
<i>Net change in fund balances</i>	331,829	27,059	358,888
<i>Fund balances - beginning of year</i>	278,992	380,591	659,583
<i>Fund balances - end of year</i>	<u>\$ 610,821</u>	<u>407,650</u>	<u>1,018,471</u>

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, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 57,458	4,798	-	62,256
Municipal Court				
Cash and cash equivalents	<u>4,464</u>	<u>-</u>	<u>(3,197)</u>	<u>1,267</u>
<i>Total assets</i>	<u>\$ 61,922</u>	<u>4,798</u>	<u>(3,197)</u>	<u>63,523</u>
 LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 57,458	4,798	-	62,256
Municipal Court				
Deposits held in trust for others	<u>4,464</u>	<u>-</u>	<u>(3,197)</u>	<u>1,267</u>
<i>Total liabilities</i>	<u>\$ 61,922</u>	<u>4,798</u>	<u>(3,197)</u>	<u>63,523</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, 2014**

	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	95,000	95,000	101,524	6,524
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	5	5
Miscellaneous	-	-	-	-
<i>Total revenues</i>	95,000	95,000	101,529	6,529
<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>	95,000	95,000	101,529	6,529
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(104,109)	(104,109)
<i>Total other financing sources (uses)</i>	-	-	(104,109)	(104,109)
<i>Net change in fund balance</i>	95,000	95,000	(2,580)	(97,580)
<i>Fund balance - beginning of year</i>	-	-	18,325	18,325
<i>Fund balance - end of year</i>	\$ -	-	15,745	(79,255)
Net change in fund balance (GAAP)			\$	(2,091)
Adjustments to revenue for applicable accruals and deferrals				489
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(2,580)

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, 2014**

	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	-	-	23	23
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	294,472	299,480	269,731	29,749
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>294,472</u>	<u>299,480</u>	<u>269,731</u>	<u>29,749</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(294,472)</u>	<u>(299,480)</u>	<u>(269,708)</u>	<u>29,772</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	294,472	299,480	-	(299,480)
Transfers in	-	-	267,340	267,340
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>294,472</u>	<u>299,480</u>	<u>267,340</u>	<u>(32,140)</u>
<i>Net change in fund balance</i>	-	-	(2,368)	(2,368)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>32,570</u>	<u>32,570</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>30,202</u>	<u>30,202</u>
Net change in fund balance (GAAP)			\$	(6,540)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>(4,172)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(2,368)</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, 2014**

	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	-	11,800	-	(11,800)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	34	34
Miscellaneous	-	7,607	7,627	20
<i>Total revenues</i>	-	19,407	7,661	(11,746)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	269,763	319,044	281,962	37,082
Capital outlay	8,146	8,146	8,145	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	277,909	327,190	290,107	37,083
<i>Excess (deficiency) of revenues over expenditures</i>	(277,909)	(307,783)	(282,446)	25,337
<i>Other financing sources (uses)</i>				
Designated cash/other assets	277,909	307,783	-	(307,783)
Transfers in	-	-	270,981	270,981
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	277,909	307,783	270,981	(36,802)
<i>Net change in fund balance</i>	-	-	(11,465)	(11,465)
<i>Fund balance - beginning of year</i>	-	-	41,151	41,151
<i>Fund balance - end of year</i>	\$ -	-	29,686	29,686
Net change in fund balance (GAAP)			\$	(23,311)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				(11,846)
Net change in fund balance (non-GAAP budgetary basis)			\$	(11,465)

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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	465,000	465,000	495,343	-
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	3,500	3,500	6,456	2,956
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>468,500</u>	<u>468,500</u>	<u>501,799</u>	<u>2,956</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>468,500</u>	<u>468,500</u>	<u>501,799</u>	<u>2,956</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>	468,500	468,500	501,799	33,299
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,024,000</u>	<u>4,024,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>4,525,799</u>	<u>4,057,299</u>
Net change in fund balance (GAAP)			\$	497,041
Adjustments to revenue for applicable accruals and deferrals				(4,758)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>501,799</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Fire Equipment Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014**

	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	452,238	546,985	546,985	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,100	1,100	422	(678)
Miscellaneous	-	50	50	-
<i>Total revenues</i>	<u>453,338</u>	<u>548,135</u>	<u>547,457</u>	<u>(678)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	258,115	283,165	205,849	77,316
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	712,098	781,845	781,559	286
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>970,213</u>	<u>1,065,010</u>	<u>987,408</u>	<u>77,602</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(516,875)</u>	<u>(516,875)</u>	<u>(439,951)</u>	<u>76,924</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	516,875	516,875	-	(516,875)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>516,875</u>	<u>516,875</u>	<u>-</u>	<u>(516,875)</u>
<i>Net change in fund balance</i>	-	-	(439,951)	(439,951)
<i>Fund balance - beginning of year</i>	-	-	420,053	420,053
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(19,898)</u>	<u>(19,898)</u>
Net change in fund balance (GAAP)			\$	(343,128)
No adjustments to revenues				-
Adjustments to expenditures for applicable accruals and payments				<u>96,823</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(439,951)</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, 2014

	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	90,000	90,000	52,676	(37,324)
Investment income	400	400	68	(332)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	90,400	90,400	52,744	(37,656)
<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>	90,400	90,400	52,744	(37,656)
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(128,116)	(128,116)
<i>Total other financing sources (uses)</i>	-	-	(128,116)	(128,116)
<i>Net change in fund balance</i>	90,400	90,400	(75,372)	15,028
<i>Fund balance - beginning of year</i>	-	-	108,200	108,200
<i>Fund balance - end of year</i>	\$ -	-	32,828	123,228
Net change in fund balance (GAAP)			\$	(75,372)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(75,372)

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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	13,844	13,844	8,593	(5,251)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	42	42
Miscellaneous	-	-	33,868	33,868
<i>Total revenues</i>	13,844	13,844	42,503	28,659
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	260,116	267,034	179,754	87,280
Health and welfare	-	-	-	-
Capital outlay	13,844	10,256	-	10,256
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	273,960	277,290	179,754	97,536
<i>Excess (deficiency) of revenues over expenditures</i>	(260,116)	(263,446)	(137,251)	126,195
<i>Other financing sources (uses)</i>				
Designated cash/other assets	260,116	263,446	-	(263,446)
Transfers in	-	-	199,325	199,325
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	260,116	263,446	199,325	(64,121)
<i>Net change in fund balance</i>	-	-	62,074	62,074
<i>Fund balance - beginning of year</i>	-	-	67,816	67,816
<i>Fund balance - end of year</i>	\$ -	-	129,890	129,890
Net change in fund balance (GAAP)			\$	58,155
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				(3,919)
Net change in fund balance (non-GAAP budgetary basis)			\$	62,074

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, 2014

	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	5,944	12,797	12,797	-
State capital grants	-	-	-	-
Charges for services	7,500	7,500	10,090	2,590
Fines, forfeitures & penalties	14,000	14,000	13,187	(813)
Licenses and fees	-	-	-	-
Investment income	100	100	62	(38)
Miscellaneous	100	100	26,247	26,147
<i>Total revenues</i>	<u>27,644</u>	<u>34,497</u>	<u>62,383</u>	<u>27,886</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	821,434	832,452	758,047	74,405
Health and welfare	-	-	-	-
Capital outlay	-	123,731	121,310	2,421
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>821,434</u>	<u>956,183</u>	<u>879,357</u>	<u>76,826</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(793,790)</u>	<u>(921,686)</u>	<u>(816,974)</u>	<u>104,712</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	793,790	921,686	-	(921,686)
Transfers in	-	-	836,923	836,923
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>793,790</u>	<u>921,686</u>	<u>836,923</u>	<u>(84,763)</u>
<i>Net change in fund balance</i>	-	-	19,949	19,949
<i>Fund balance - beginning of year</i>	-	-	54,890	54,890
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>74,839</u>	<u>74,839</u>
Net change in fund balance (GAAP)			\$	21,620
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				1,671
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>19,949</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, 2014

	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	-	-	4,261	4,261
Miscellaneous	-	3,350	3,350	-
<i>Total revenues</i>	-	3,350	7,611	4,261
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	710	33,331	23,692	9,639
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	539,856	510,585	54,607	455,978
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	540,566	543,916	78,299	465,617
<i>Excess (deficiency) of revenues over expenditures</i>	(540,566)	(540,566)	(70,688)	469,878
<i>Other financing sources (uses)</i>				
Designated cash/other assets	540,566	540,566	-	(540,566)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance	-	-	-	-
<i>Total other financing sources (uses)</i>	540,566	540,566	-	(540,566)
<i>Net change in fund balance</i>	-	-	(70,688)	(70,688)
<i>Fund balance - beginning of year</i>	-	-	540,566	540,566
<i>Fund balance - end of year</i>	\$ -	-	469,878	469,878
Net change in fund balance (GAAP)			\$	(70,688)
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(70,688)

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	-	-	-	-
Gross receipts	\$ 465,000	465,000	504,307	39,307
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	700	700	366	(334)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>465,700</u>	<u>465,700</u>	<u>504,673</u>	<u>38,973</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>465,700</u>	<u>465,700</u>	<u>504,673</u>	<u>38,973</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(568,644)	(568,644)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(568,644)</u>	<u>(568,644)</u>
<i>Net change in fund balance</i>	465,700	465,700	(63,971)	(529,671)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>538,587</u>	<u>538,587</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>474,616</u>	<u>8,916</u>
Net change in fund balance (GAAP)			\$	(68,491)
Adjustments to revenue for applicable accruals and deferrals				(4,520)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(63,971)</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	465,000	465,000	504,307	39,307
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	-	-	528	528
Miscellaneous	-	-	-	-
<i>Total revenues</i>	465,000	465,000	504,835	39,835
<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>	465,000	465,000	504,835	39,835
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(498,641)	(498,641)
<i>Total other financing sources (uses)</i>	-	-	(498,641)	(498,641)
<i>Net change in fund balance</i>	465,000	465,000	6,194	(458,806)
<i>Fund balance - beginning of year</i>	-	-	207,614	207,614
<i>Fund balance - end of year</i>	\$ -	-	213,808	(251,192)
Net change in fund balance (GAAP)			\$	1,675
Adjustments to revenue for applicable accruals and deferrals				(4,519)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	6,194

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	465,000	465,000	504,307	39,307
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	594,848	594,848	608,733	13,885
Licenses and fees	-	-	-	-
Investment income	-	-	103	103
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,059,848</u>	<u>1,059,848</u>	<u>1,113,143</u>	<u>53,295</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	857,583	905,813	801,560	104,253
Health and welfare	-	-	-	-
Capital outlay	-	29,796	29,702	94
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>857,583</u>	<u>935,609</u>	<u>831,262</u>	<u>104,347</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>202,265</u>	<u>124,239</u>	<u>281,881</u>	<u>157,642</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	150,000	150,000
Transfers out	-	-	(272,819)	(272,819)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(122,819)</u>	<u>(122,819)</u>
<i>Net change in fund balance</i>	202,265	124,239	159,062	34,823
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>261,971</u>	<u>261,971</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>421,033</u>	<u>296,794</u>
Net change in fund balance (GAAP)			\$	154,782
Adjustments to revenue for applicable accruals and deferrals				(4,520)
Adjustments to expenditures for applicable accruals and payments				240
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>159,062</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	22,750	22,750	29,574	6,824
Licenses and fees	220,500	220,500	208,923	(11,577)
Investment income	500	500	541	41
Miscellaneous	5,750	5,750	16,667	10,917
<i>Total revenues</i>	<u>249,500</u>	<u>249,500</u>	<u>255,705</u>	<u>6,205</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>249,500</u>	<u>249,500</u>	<u>255,705</u>	<u>6,205</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(327,988)	(327,988)
Proceeds from sale of capital assets	-	-	240	240
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(327,988)</u>	<u>(327,748)</u>
<i>Net change in fund balance</i>	249,500	249,500	(72,283)	(321,783)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,268,046</u>	<u>1,268,046</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,195,763</u>	<u>946,263</u>
Net change in fund balance (GAAP)			\$	(72,043)
No adjustments to revenue				-
Adjustments to expenditures for applicable accruals and payments				240
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(72,283)</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	930,000	930,000	990,741	60,741
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	6,662	3,662
Miscellaneous	-	-	261,188	261,188
<i>Total revenues</i>	<u>933,000</u>	<u>933,000</u>	<u>1,258,591</u>	<u>325,591</u>
<i>Expenditures:</i>				
Current:				
General government	1,070,000	1,095,000	194,379	900,621
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	225,000	225,000	-	225,000
Debt service:				
Principal	-	-	(25,450)	25,450
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,295,000</u>	<u>1,320,000</u>	<u>168,929</u>	<u>1,151,071</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(362,000)</u>	<u>(387,000)</u>	<u>1,089,662</u>	<u>1,476,662</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	362,000	387,000	-	(387,000)
Transfers in	-	-	-	-
Transfers out	-	-	(341,850)	(341,850)
<i>Total other financing sources (uses)</i>	<u>362,000</u>	<u>387,000</u>	<u>(341,850)</u>	<u>(728,850)</u>
<i>Net change in fund balance</i>	-	-	747,812	747,812
<i>Fund balance - beginning of year</i>	-	-	2,575,714	2,575,714
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3,323,526</u>	<u>3,323,526</u>
Net change in fund balance (GAAP)			\$	686,652
Adjustments to revenue for applicable accruals and deferrals				(34,960)
Adjustments to expenditures for applicable accruals and payments				(26,200)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>747,812</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,860,000	1,860,000	1,979,392	119,392
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	2,500	2,500	5,106	2,606
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,862,500	1,862,500	1,984,498	121,998
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	80,533	80,533	80,533	-
Interest	3,913	3,913	3,913	-
<i>Total expenditures</i>	84,446	84,446	84,446	-
<i>Excess (deficiency) of revenues over expenditures</i>	1,778,054	1,778,054	1,900,052	121,998
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	(300,000)	(300,000)
Transfers out	-	-	(1,484,225)	(1,484,225)
<i>Total other financing sources (uses)</i>	-	-	(1,784,225)	(1,784,225)
<i>Net change in fund balance</i>	1,778,054	1,778,054	115,827	(1,662,227)
<i>Fund balance - beginning of year</i>	-	-	2,343,606	2,343,606
<i>Fund balance - end of year</i>	\$ -	-	2,459,433	681,379
Net change in fund balance (GAAP)			\$	16,376
Adjustments to revenue for applicable accruals and deferrals				(19,119)
Adjustments to expenditures for applicable accruals and payments				(80,332)
Net change in fund balance (non-GAAP budgetary basis)			\$	115,827

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, 2014**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,648,000	1,648,000	1,765,448	117,448
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	200	200	1,309	1,109
Miscellaneous	-	-	-	-
Gain on sale of fixed asset	-	-	-	-
<i>Total revenues</i>	<u>1,648,200</u>	<u>1,648,200</u>	<u>1,766,757</u>	<u>118,557</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	994,569	994,569	994,569	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>994,569</u>	<u>994,569</u>	<u>994,569</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>653,631</u>	<u>653,631</u>	<u>772,188</u>	<u>118,557</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>	653,631	653,631	772,188	118,557
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,178,815</u>	<u>1,178,815</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,951,003</u>	<u>1,297,372</u>
Net change in fund balance (GAAP)			\$	749,922
Adjustments to revenue for applicable accruals and deferrals				(22,266)
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>772,188</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, 2014

	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	18,358	20,000	20,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>18,358</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	18,363	7,058	7,056	2
Capital outlay	-	12,947	12,946	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,363</u>	<u>20,005</u>	<u>20,002</u>	<u>3</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5)</u>	<u>(5)</u>	<u>(2)</u>	<u>3</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	5	5	-	(5)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
<i>Net change in fund balance</i>	-	-	(2)	(2)
<i>Fund balance - beginning of year</i>	-	-	5	5
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>3</u>	<u>3</u>
Net change in fund balance (GAAP)			\$	(2)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(2)</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,860,000	1,860,000	2,017,229	157,229
Gasoline and motor vehicle	430,000	430,000	431,297	1,297
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	71,645	290,645	-	(290,645)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	6,000	6,000	12,894	6,894
Miscellaneous	-	1,344	42,468	41,124
<i>Total revenues</i>	<u>2,367,645</u>	<u>2,587,989</u>	<u>2,503,888</u>	<u>(84,101)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,855,980	2,891,484	2,651,851	239,633
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	698,000	1,382,071	786,592	595,479
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,553,980</u>	<u>4,273,555</u>	<u>3,438,443</u>	<u>835,112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,186,335)</u>	<u>(1,685,566)</u>	<u>(934,555)</u>	<u>751,011</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	1,186,335	1,685,566	-	(1,685,566)
Transfers in	-	-	683,393	683,393
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,186,335</u>	<u>1,685,566</u>	<u>683,393</u>	<u>(1,002,173)</u>
<i>Net change in fund balance</i>	-	-	(251,162)	(251,162)
<i>Fund balance - beginning of year</i>	-	-	1,865,575	1,865,575
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,614,413</u>	<u>1,614,413</u>
Net change in fund balance (GAAP)			\$	(378,422)
Adjustments to revenue for applicable accruals and deferrals				(9,101)
Adjustments to expenditures for applicable accruals and payments				<u>(118,159)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(251,162)</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, 2014

	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	41,768	41,768	28,560	(13,208)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	5,000	5,000	8,916	3,916
<i>Total revenues</i>	<u>46,768</u>	<u>46,768</u>	<u>37,476</u>	<u>(9,292)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	37,000	37,000	34,451	2,549
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,000</u>	<u>37,000</u>	<u>34,451</u>	<u>2,549</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9,768</u>	<u>9,768</u>	<u>3,025</u>	<u>(6,743)</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>	9,768	9,768	3,025	(6,743)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,259</u>	<u>5,259</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>8,284</u>	<u>(1,484)</u>
Net change in fund balance (GAAP)			\$	1,391
Adjustments to revenue for applicable accruals and deferrals				(1,634)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>3,025</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, 2014

	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	530,000	632,020	631,270	(750)
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	1,957	357
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>531,600</u>	<u>633,620</u>	<u>633,227</u>	<u>(393)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	193,900	398,830	318,317	80,513
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>193,900</u>	<u>398,830</u>	<u>318,317</u>	<u>80,513</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>337,700</u>	<u>234,790</u>	<u>314,910</u>	<u>80,120</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	441,889	441,889
Transfers out	-	-	(591,889)	(591,889)
<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>	337,700	234,790	164,910	(69,880)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,145,540</u>	<u>1,145,540</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,310,450</u>	<u>1,075,660</u>
Net change in fund balance (GAAP)			\$	158,629
Adjustments to revenue for applicable accruals and deferrals				(5,818)
Adjustments to expenditures for applicable accruals and payments				(463)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>164,910</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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	1,860,000	1,860,000	2,017,229	157,229
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	200	200	205	5
<i>Total revenues</i>	<u>1,860,200</u>	<u>1,860,200</u>	<u>2,017,434</u>	<u>157,234</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>1,860,200</u>	<u>1,860,200</u>	<u>2,017,434</u>	<u>157,234</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(2,057,113)	(2,057,113)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2,057,113)</u>	<u>(2,057,113)</u>
<i>Net change in fund balance</i>	1,860,200	1,860,200	(39,679)	(1,899,879)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>546,264</u>	<u>546,264</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>506,585</u>	<u>(1,353,615)</u>
Net change in fund balance (GAAP)			\$	(57,759)
Adjustments to revenue for applicable accruals and deferrals				(18,080)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(39,679)</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, 2014

	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	97,000	97,000	83,318	(13,682)
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>97,000</u>	<u>97,000</u>	<u>83,319</u>	<u>(13,681)</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>97,000</u>	<u>97,000</u>	<u>83,319</u>	<u>(13,681)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(83,319)	(83,319)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(83,319)</u>	<u>(83,319)</u>
<i>Net change in fund balance</i>	97,000	97,000	-	(97,000)
<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>(97,000)</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	60,000	60,000	60,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	300	300	397	97
Miscellaneous	-	-	-	-
<i>Total revenues</i>	60,300	60,300	60,397	97
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	89,009	89,009	69,945	19,064
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	89,009	89,009	69,945	19,064
<i>Excess (deficiency) of revenues over expenditures</i>	(28,709)	(28,709)	(9,548)	19,161
<i>Other financing sources (uses)</i>				
Designated cash/other assets	28,709	28,709	-	(28,709)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	28,709	28,709	-	(28,709)
<i>Net change in fund balance</i>	-	-	(9,548)	(9,548)
<i>Fund balance - beginning of year</i>	-	-	28,709	28,709
<i>Fund balance - end of year</i>	\$ -	-	19,161	19,161
Net change in fund balance (GAAP)			\$	(9,548)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	(9,548)

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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	826,034	826,034	540,866	(285,168)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	44,000	44,000	41,779	(2,221)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>870,034</u>	<u>867,340</u>	<u>590,090</u>	<u>(277,250)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	1,191,218	1,211,667	800,052	411,615
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	27,000	26,000	23,271	2,729
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,218,218</u>	<u>1,237,667</u>	<u>823,323</u>	<u>414,344</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(348,184)</u>	<u>(370,327)</u>	<u>(233,233)</u>	<u>137,094</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	348,184	370,327	-	(370,327)
Transfers in	-	-	294,479	294,479
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>348,184</u>	<u>370,327</u>	<u>294,479</u>	<u>(75,848)</u>
<i>Net change in fund balance</i>	-	-	61,246	61,246
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>69,436</u>	<u>69,436</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>130,682</u>	<u>130,682</u>
Net change in fund balance (GAAP)			\$	57,772
Adjustments to revenue for applicable accruals and deferrals				918
Adjustments to expenditures for applicable accruals and payments				(4,392)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>61,246</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, 2014

	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	23,717	44,898	37,574	(7,324)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>23,717</u>	<u>44,898</u>	<u>37,575</u>	<u>(7,323)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	21,181	15,014	6,167
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	23,717	37,000	37,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>23,717</u>	<u>58,181</u>	<u>52,014</u>	<u>6,167</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(13,283)</u>	<u>(14,439)</u>	<u>(1,156)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	13,283	-	(13,283)
Transfers in	-	-	13,283	13,283
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>13,283</u>	<u>13,283</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(1,156)	(1,156)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,034</u>	<u>1,034</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(122)</u>	<u>(122)</u>
Net change in fund balance (GAAP)			\$ -	-
Adjustments to revenue for applicable accruals and deferrals				1,156
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$ (122)	(1,156)

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, 2014**

	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	35,712	49,740	130,371	80,631
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	15	15
Miscellaneous	-	-	45	45
<i>Total revenues</i>	<u>35,712</u>	<u>49,740</u>	<u>130,431</u>	<u>80,691</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	148,826	118,039	30,787
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>148,826</u>	<u>118,039</u>	<u>30,787</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>35,712</u>	<u>(99,086)</u>	<u>12,392</u>	<u>111,478</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	99,086	-	(99,086)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>99,086</u>	<u>-</u>	<u>(99,086)</u>
<i>Net change in fund balance</i>	35,712	-	12,392	12,392
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,646)</u>	<u>(20,646)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(8,254)</u>	<u>(8,254)</u>
Net change in fund balance (GAAP)			\$	2,766
Adjustments to revenue for applicable accruals and deferrals				(9,509)
Adjustments to expenditures for applicable accruals and payments				(117)
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>12,392</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, 2014

	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	-	-	549	549
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>549</u>	<u>549</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,325,000	1,325,000	1,325,000	-
Interest	159,225	159,225	159,225	-
<i>Total expenditures</i>	<u>1,484,225</u>	<u>1,484,225</u>	<u>1,484,225</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,484,225)</u>	<u>(1,484,225)</u>	<u>(1,483,676)</u>	<u>549</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	1,484,225	1,484,225	-	(1,484,225)
Transfers in	-	-	1,484,225	1,484,225
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,484,225</u>	<u>1,484,225</u>	<u>1,484,225</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	549	549
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>556</u>	<u>556</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>1,105</u>	<u>1,105</u>
Net change in fund balance (GAAP)			\$	549
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>549</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
Landfill Cell #5 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, 2014

	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	-	-	11	11
Miscellaneous	-	-	-	-
Gain on sale of fixed asset	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	77,813	77,813
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>77,813</u>	<u>77,813</u>
<i>Net change in fund balance</i>	-	-	77,824	77,824
<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>77,824</u>	<u>77,824</u>
Net change in fund balance (GAAP)			\$	77,824
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>77,824</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, 2014

	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	150	150	302	152
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150</u>	<u>150</u>	<u>302</u>	<u>152</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	165,000	165,000	165,000	-
Interest	100,819	100,819	100,819	-
<i>Total expenditures</i>	<u>265,819</u>	<u>265,819</u>	<u>265,819</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(265,669)</u>	<u>(265,669)</u>	<u>(265,517)</u>	<u>152</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	265,669	265,669	-	(265,669)
Transfers in	-	-	265,819	265,819
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>265,669</u>	<u>265,669</u>	<u>265,819</u>	<u>150</u>
<i>Net change in fund balance</i>	-	-	302	302
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>66,630</u>	<u>66,630</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>66,932</u>	<u>66,932</u>
Net change in fund balance (GAAP)			\$	302
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>302</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	300	300	308	8
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>300</u>	<u>300</u>	<u>308</u>	<u>8</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	253,000	253,000	253,000	-
Interest	216,793	216,793	216,790	3
<i>Total expenditures</i>	<u>469,793</u>	<u>469,793</u>	<u>469,790</u>	<u>3</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(469,493)</u>	<u>(469,493)</u>	<u>(469,482)</u>	<u>11</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	469,493	469,493	-	(469,493)
Transfers in	-	-	469,793	469,793
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>469,493</u>	<u>469,493</u>	<u>469,793</u>	<u>300</u>
<i>Net change in fund balance</i>	-	-	311	311
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>152,320</u>	<u>152,320</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>152,631</u>	<u>152,631</u>
Net change in fund balance (GAAP)			\$	311
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>311</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Landfill Cell #5 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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	8,824	8,824
Miscellaneous	-	-	-	-
Gain on sale of fixed asset	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>8,824</u>	<u>8,824</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	62,358	62,357	1
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	4,826,307	657,363	4,168,944
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,888,665</u>	<u>719,720</u>	<u>4,168,945</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(4,888,665)</u>	<u>(710,896)</u>	<u>4,177,769</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	4,888,665	-	(4,888,665)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>4,888,665</u>	<u>-</u>	<u>(4,888,665)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(710,896)</u>	<u>(710,896)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>(710,896)</u>	<u>(710,896)</u>
Net change in fund balance (GAAP)			\$	2,862,119
Adjustments to revenue for applicable accruals and deferrals				-
Adjustments to expenditures for applicable accruals and payments				<u>3,573,015</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>(710,896)</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	137,500	-	(137,500)
State capital grants	4,391,450	4,391,450	4,253,948	(137,502)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	101	101
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,391,450</u>	<u>4,528,950</u>	<u>4,254,049</u>	<u>(274,901)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	52,900	-	52,900
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	3,093,912	3,246,171	3,376,524	(130,353)
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,093,912</u>	<u>3,299,071</u>	<u>3,376,524</u>	<u>(77,453)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,297,538</u>	<u>1,229,879</u>	<u>877,525</u>	<u>(352,354)</u>
<i>Other financing sources (uses)</i>				
Designated cash/other assets	-	-	-	-
Transfers in	-	-	29,965	29,965
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>29,965</u>	<u>29,965</u>
<i>Net change in fund balance</i>	1,297,538	1,229,879	907,490	(322,389)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>907,490</u>	<u>(322,389)</u>
Net change in fund balance (GAAP)			\$	331,829
Adjustments to revenue for applicable accruals and deferrals				(3,556,482)
Adjustments to expenditures for applicable accruals and payments				2,980,821
Net change in fund balance (non-GAAP budgetary basis)			\$	<u>907,490</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, 2014**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	465,000	465,000	504,307	39,307
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	528	28
Miscellaneous	-	-	-	-
<i>Total revenues</i>	465,500	465,500	504,835	39,335
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	494,361	494,361	473,257	21,104
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	494,361	494,361	473,257	21,104
<i>Excess (deficiency) of revenues over expenditures</i>	(28,861)	(28,861)	31,578	60,439
<i>Other financing sources (uses)</i>				
Designated cash/other assets	28,861	28,861	-	(28,861)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	28,861	28,861	-	(28,861)
<i>Net change in fund balance</i>	-	-	31,578	31,578
<i>Fund balance - beginning of year</i>	-	-	380,591	380,591
<i>Fund balance - end of year</i>	\$ -	-	412,169	412,169
Net change in fund balance (GAAP)			\$	27,059
Adjustments to revenue for applicable accruals and deferrals				(4,519)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)			\$	31,578

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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 4,002,000	4,002,000	4,265,965	263,965
<i>Total operating revenues</i>	<u>4,002,000</u>	<u>4,002,000</u>	<u>4,265,965</u>	<u>263,965</u>
<i>Operating expenses:</i>				
General and administrative	281,250	296,240	278,915	17,325
Personnel services	1,914,210	1,907,240	1,756,599	150,641
Contractual services	-	352,713	69,123	283,590
Supplies and purchased power	644,835	694,020	466,610	227,410
Maintenance and materials	1,687,718	2,111,904	1,789,344	322,560
Utilities	46,583	41,683	35,394	6,289
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>4,574,596</u>	<u>5,403,800</u>	<u>4,395,985</u>	<u>1,007,815</u>
<i>Operating income (loss)</i>	<u>(572,596)</u>	<u>(1,401,800)</u>	<u>(130,020)</u>	<u>1,271,780</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	25,500	46,409	55,562	9,153
Interest income	88,600	88,600	185,122	96,522
Interest expense	-	-	-	-
Net proceeds from sale of capital assets	-	-	-	-
Gross receipts and other taxes	465,000	465,000	495,370	30,370
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>579,100</u>	<u>600,009</u>	<u>736,054</u>	<u>136,045</u>
Capital grants	-	-	-	-
Transfers in	-	-	35,000	35,000
Transfers out	-	-	(336,813)	(336,813)
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>(301,813)</u>	<u>(301,813)</u>
<i>Change in net position</i>	6,504	(801,791)	304,221	1,106,012
Designated cash/other assets	-	801,791	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,345,314</u>	<u>7,345,314</u>
<i>Total net position, end of year</i>	<u>\$ 6,504</u>	<u>-</u>	<u>7,649,535</u>	<u>8,451,326</u>
Net change in net position (GAAP)				\$ (4,685,368)
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				(4,450,399)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				94,943
Depreciation and other non-cash items				<u>(634,133)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 304,221</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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 2,981,000	2,981,000	3,142,090	161,090
<i>Total operating revenues</i>	<u>2,981,000</u>	<u>2,981,000</u>	<u>3,142,090</u>	<u>161,090</u>
<i>Operating expenses:</i>				
General and administrative	79,000	97,815	63,860	33,955
Personnel services	872,679	885,956	768,091	117,865
Contractual services	338,147	516,152	18,867	497,285
Supplies and purchased power	163,724	185,224	140,806	44,418
Maintenance and materials	1,415,346	2,575,642	1,924,957	650,685
Utilities	345,422	345,422	256,664	88,758
Miscellaneous	687,122	687,122	672,122	15,000
<i>Total operating expenses</i>	<u>3,901,440</u>	<u>5,293,333</u>	<u>3,845,367</u>	<u>1,447,966</u>
<i>Operating income (loss)</i>	<u>(920,440)</u>	<u>(2,312,333)</u>	<u>(703,277)</u>	<u>1,609,056</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	3,144	325,051	321,907
Interest income	75,600	75,600	126,017	50,417
Interest expense	(339,190)	(339,190)	(339,189)	1
Net proceeds from sale of capital assets	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
Issuance of debt	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(104,224)</u>	<u>(260,446)</u>	<u>111,879</u>	<u>372,325</u>
Capital grants	(500,000)	(500,000)	500,000	1,000,000
Transfers in	-	-	944,339	944,339
Transfers out	-	-	(626,838)	(626,838)
<i>Capital grants and net transfers</i>	<u>(500,000)</u>	<u>(500,000)</u>	<u>817,501</u>	<u>1,317,501</u>
<i>Change in net position</i>	<u>(1,524,664)</u>	<u>(3,072,779)</u>	<u>226,103</u>	<u>3,298,882</u>
Designated cash/other assets	<u>1,524,664</u>	<u>3,072,779</u>	<u>-</u>	<u>-</u>
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,380,087</u>	<u>-</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>22,606,190</u>	<u>3,298,882</u>
Net change in net position (GAAP)				\$ 2,861,219
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				(136,349)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				4,313,304
Depreciation and other non-cash items				<u>(1,541,839)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 226,103</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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 126,660	126,660	122,040	(4,620)
<i>Total operating revenues</i>	<u>126,660</u>	<u>126,660</u>	<u>122,040</u>	<u>(4,620)</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	195,176	199,810	196,694	3,116
Contractual services	132,233	432,233	40,510	391,723
Supplies and purchased power	-	-	-	-
Maintenance and materials	546,774	702,353	433,442	268,911
Utilities	48,080	52,080	51,674	406
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>922,263</u>	<u>1,386,476</u>	<u>722,320</u>	<u>664,156</u>
<i>Operating income (loss)</i>	<u>(795,603)</u>	<u>(1,259,816)</u>	<u>(600,280)</u>	<u>659,536</u>
<i>Non-operating revenues (expenses):</i>				
Capital grants	380,130	690,022	638,769	(51,253)
Miscellaneous income	3,390	3,390	264	(3,126)
Interest income	200	200	256	56
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>383,720</u>	<u>693,612</u>	<u>639,289</u>	<u>(54,323)</u>
Transfers in	-	-	716,923	716,923
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>716,923</u>	<u>716,923</u>
<i>Change in net position</i>	(411,883)	(566,204)	755,932	1,322,136
Designated cash/other assets	411,883	566,204	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,320,401</u>	<u>19,320,401</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>20,076,333</u>	<u>1,322,136</u>
Net change in net position (GAAP)				\$ (143,812)
Adjustments to revenue for charges for services and miscellaneous revenue accruals				(480,222)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				176,372
Depreciation				<u>(595,894)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 755,932</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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 35,069	35,069	57,147	22,078
<i>Total operating revenues</i>	<u>35,069</u>	<u>35,069</u>	<u>57,147</u>	<u>22,078</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	-	-	-	-
Contractual services	-	-	-	-
Supplies and purchased power	-	-	-	-
Maintenance and materials	164,900	203,303	188,387	14,916
Utilities	61,100	62,855	62,851	4
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>226,000</u>	<u>266,158</u>	<u>251,238</u>	<u>14,920</u>
<i>Operating income (loss)</i>	<u>(190,931)</u>	<u>(231,089)</u>	<u>(194,091)</u>	<u>36,998</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	3,000	23,000	25,297	2,297
Interest income	-	-	11	11
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>3,000</u>	<u>23,000</u>	<u>25,308</u>	<u>2,308</u>
Capital grants	-	-	-	-
Transfers in	-	-	212,047	212,047
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>212,047</u>	<u>212,047</u>
<i>Change in net position</i>	<u>(187,931)</u>	<u>(208,089)</u>	<u>43,264</u>	<u>251,353</u>
Designated cash/other assets	<u>187,931</u>	<u>208,089</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>43,264</u>	<u>251,353</u>
Net change in net position (GAAP)			\$	43,120
Adjustments to revenue for charges for services and miscellaneous revenue accruals				111,511
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				7,745
Depreciation				<u>(119,400)</u>
Net change in net position (non-GAAP budgetary basis)			\$	<u>43,264</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, 2014**

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, 2014**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash and investments	\$ 3,653,915	584,717	151,174	4,389,806
Receivables	-	-	-	-
Prepays	838	-	-	838
<i>Total current assets</i>	<u>3,654,753</u>	<u>584,717</u>	<u>151,174</u>	<u>4,390,644</u>
<i>Noncurrent assets</i>				
Restricted Cash and investments	-	-	-	-
Capital assets	97,115	-	-	97,115
Less: accumulated depreciation	(59,317)	-	-	(59,317)
<i>Total noncurrent assets</i>	<u>37,798</u>	<u>-</u>	<u>-</u>	<u>37,798</u>
<i>Total Assets</i>	<u><u>3,692,551</u></u>	<u><u>584,717</u></u>	<u><u>151,174</u></u>	<u><u>4,428,442</u></u>
<i>Liabilities and Net Position</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	-	-	-	-
Accrued payroll expenses	1,878	-	-	1,878
Accrued compensated absences	2,928	-	-	2,928
<i>Total current liabilities</i>	<u>4,806</u>	<u>-</u>	<u>-</u>	<u>4,806</u>
<i>Net Position:</i>				
Net investment in capital assets	37,798	-	-	37,798
Restricted	-	-	-	-
Unrestricted	3,649,947	584,717	151,174	4,385,838
<i>Total net position</i>	<u>3,687,745</u>	<u>584,717</u>	<u>151,174</u>	<u>4,423,636</u>
<i>Total Liabilities and Net Position</i>	<u><u>\$ 3,692,551</u></u>	<u><u>584,717</u></u>	<u><u>151,174</u></u>	<u><u>4,428,442</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, 2014**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 633,698	-	-	633,698
<i>Total operating revenues</i>	<u>633,698</u>	<u>-</u>	<u>-</u>	<u>633,698</u>
<i>Operating expenses:</i>				
General and administrative	355,645	4,488	-	360,133
Personnel services	74,741	-	-	74,741
Depreciation	6,442	-	-	6,442
<i>Total operating expenses</i>	<u>436,828</u>	<u>4,488</u>	<u>-</u>	<u>441,316</u>
<i>Operating income (loss)</i>	<u>196,870</u>	<u>(4,488)</u>	<u>-</u>	<u>192,382</u>
<i>Non-operating revenues (expenses):</i>				
Gain/(loss) on disposal of capital assets	-	-	-	-
Interest income	22,863	593	159	23,615
Miscellaneous	400	71,420	-	71,820
<i>Total non-operating revenues (expenses)</i>	<u>23,263</u>	<u>72,013</u>	<u>159</u>	<u>95,435</u>
Transfers in	-	-	-	-
Transfers out	(1,900)	-	-	(1,900)
<i>Net transfers</i>	<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>
<i>Change in net position</i>	218,233	67,525	159	285,917
<i>Net position, beginning of year</i>	3,510,185	517,192	151,015	4,178,392
<i>Restatement</i>	(40,673)	-	-	(40,673)
<i>Beginning net position, as restated</i>	<u>3,469,512</u>	<u>517,192</u>	<u>151,015</u>	<u>4,137,719</u>
<i>Net position, end of year</i>	<u>\$ 3,687,745</u>	<u>584,717</u>	<u>151,174</u>	<u>4,423,636</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, 2014**

	48	53	54	
	Workers Compensation	Unemployment Reserve	Property and Liability Self-Insurance Fund	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 633,698	-	-	633,698
Payments to suppliers and employees	(429,590)	(4,488)	-	(434,078)
Net cash provided by operating activities	204,108	(4,488)	-	199,620
Cash flows from noncapital financing activities:				
Transfers in (out)	(1,900)	-	-	(1,900)
Miscellaneous income	401	71,420	-	71,821
Net cash provided (used) by noncapital financing activities	(1,499)	71,420	-	69,921
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	(31,000)	-	-	(31,000)
Net cash provided (used) by capital and related financing activities	(31,000)	-	-	(31,000)
Cash flows from investing activities:				
Interest income	22,863	593	159	23,615
Net cash provided by investing activities	22,863	593	159	23,615
Net increase in cash and investments	\$ 194,472	67,525	159	262,156
Balances-beginning of year	3,459,443	517,192	151,015	4,127,650
Balances-end of year	\$ 3,653,915	584,717	151,174	4,389,806
Reconciliation of operating income (loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ 196,870	(4,488)	-	192,382
Adjustments:				
Depreciation expense	6,442	-	-	6,442
(Increase) decrease in:				
Receivables	-	-	-	-
Prepays	338	-	-	338
(Decrease) increase in:				
Accrued payroll	188	-	-	188
Compensated absences	270	-	-	270
Net cash provided by operating activities	\$ 204,108	(4,488)	-	199,620
Non-cash transfer of capital assets into fund	-	-	-	-

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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 793,121	793,121	633,698	(159,423)
<i>Total operating revenues</i>	<u>793,121</u>	<u>793,121</u>	<u>633,698</u>	<u>(159,423)</u>
<i>Operating expenses:</i>				
General and administrative	534,113	534,113	355,305	178,808
Personnel services	84,878	86,307	74,283	12,024
<i>Total operating expenses</i>	<u>618,991</u>	<u>620,420</u>	<u>429,588</u>	<u>190,832</u>
<i>Operating income (loss)</i>	<u>174,130</u>	<u>172,701</u>	<u>204,110</u>	<u>31,409</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	400	400
Interest income	17,000	17,000	22,863	5,863
<i>Total non-operating revenues (expenses)</i>	<u>17,000</u>	<u>17,000</u>	<u>23,263</u>	<u>6,263</u>
Transfers in	-	-	-	-
Transfers out	-	-	(1,900)	(1,900)
<i>Change in net position</i>	191,130	189,701	225,473	35,772
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,510,185</u>	<u>3,510,185</u>
<i>Total net position, end of year</i>	<u>\$ 191,130</u>	<u>189,701</u>	<u>3,735,658</u>	<u>3,545,957</u>
Net change in net position (GAAP)				\$ 218,233
Adjustments to revenue for charges for services, miscellaneous revenue and grant accruals				-
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(798)
Depreciation				<u>(6,442)</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 225,473</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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ -	-	-	-
<i>Total operating revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating expenses:</i>				
General and administrative	-	-	4,488	(4,488)
<i>Total operating expenses</i>	<u>-</u>	<u>-</u>	<u>4,488</u>	<u>(4,488)</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>(4,488)</u>	<u>(4,488)</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	69,685	69,685	71,420	1,735
Interest income	750	750	593	(157)
<i>Total non-operating revenues (expenses)</i>	<u>70,435</u>	<u>70,435</u>	<u>72,013</u>	<u>1,578</u>
<i>Change in net position</i>	70,435	70,435	67,525	(2,910)
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>517,192</u>	<u>517,192</u>
<i>Total net position, end of year</i>	<u>\$ 70,435</u>	<u>70,435</u>	<u>584,717</u>	<u>514,282</u>
Net change in net position (GAAP)			\$	67,525
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net position (non-GAAP budgetary basis)			\$	<u>67,525</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, 2014**

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ -	-	-	-
<i>Total operating revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	-	-	-	-
<i>Total operating expenses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	-	-
Interest income	200	200	159	(41)
<i>Total non-operating revenues (expenses)</i>	<u>200</u>	<u>200</u>	<u>159</u>	<u>(41)</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Change in net position</i>	200	200	159	(41)
Designated cash/other assets	-	-	-	-
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>151,015</u>	<u>151,015</u>
<i>Total net position, end of year</i>	<u>\$ 200</u>	<u>200</u>	<u>151,174</u>	<u>150,974</u>
Net change in net position (GAAP)				\$ 159
No adjustments to revenues				-
No adjustments to expenses				<u>-</u>
Net change in net position (non-GAAP budgetary basis)				<u>\$ 159</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

	<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		\$ 541,785
Highway Safety Cluster			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	14-PT-DS-023	6,487
Safety Belt Performance Grant	20.609	13-OP-RF-023	4,183
Subtotal Highway Safety Cluster			<u>10,670</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	14-AL-64-023	22,580
Total U.S. Department of Transportation			<u>575,035</u>
U.S. Department of Justice			
Passed through NM Department of Public Safety			
Bulletproof Vest Partnership Program	16.607		5,325
Metro Task Force	16.503	12-JAG-Region V	120,862
LLEGB	16.738	2012-DJ-BX-0466	23,717
Edward Byrne Memorial Grant Program	16.738	12-JAG-WC Clovis	15,014
Total U.S. Department of Justice			<u>164,918</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security			
Emergency Management Performance Grants	97.042		30,887
Homeland Security Grant Program	97.067	EMW-2011-SS-00094	92,344
Total U.S. Department of Homeland Security			<u>123,231</u>
Total Federal Financial Assistance			<u>\$ 863,184</u>

(1) Denotes Major Program

STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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, 2014.

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, 2014**

	Major Funds				Total
	01, 18	22	23		
	General Fund	Street Improvement	Landfill Cell #5	Other Non-Major Governmental Funds	
Fund Balances:					
Nonspendable:					
Inventory	\$ 8,130	-	-	63,646	71,776
Prepaid expenses	280,832	-	-	48,342	329,174
Subtotal nonspendable	<u>288,962</u>	<u>-</u>	<u>-</u>	<u>111,988</u>	<u>400,950</u>
Restricted for:					
Operate/maintain recreational facilities	-	831,488	-	469,878	1,301,366
Road/drainage improvements	-	-	2,862,119	2,555,792	5,417,911
Transportation services	-	-	-	148,918	148,918
Drug abuse prevention/awareness	-	-	-	17,303	17,303
Debt service reserve	-	-	-	298,492	298,492
Fire fighting efforts/equipment	-	-	-	76,928	76,928
Law enforcement enhancement	-	-	-	19,161	19,161
Subtotal restricted	<u>-</u>	<u>831,488</u>	<u>2,862,119</u>	<u>3,586,472</u>	<u>7,280,079</u>
Committed to:					
Operate/maintain recreational facilities	-	-	-	232,321	232,321
Operating/administering senior citizens facility	-	-	-	17,840	17,840
Improvement of sewer distribution lines	-	-	-	32,828	32,828
Public safety efforts/equipment	-	-	-	489,539	489,539
Improvement of City property/equipment	-	-	-	2,359,982	2,359,982
Recycling efforts	-	-	-	6,650	6,650
Economic development projects	-	-	-	3,313,844	3,313,844
Road/drainage improvements	-	-	-	2,283,822	2,283,822
Environmental projects	-	-	-	4,521,041	4,521,041
Subtotal committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,257,867</u>	<u>13,257,867</u>
Assigned to:					
Operate/maintain recreational facilities	-	-	-	122,670	122,670
Library operations	-	-	-	62,680	62,680
Departmental improvements	-	-	-	1,196,003	1,196,003
Economic development projects	-	-	-	1,252,691	1,252,691
Multi-purpose special events center	-	-	-	416,753	416,753
Subtotal assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,797</u>	<u>3,050,797</u>
Unassigned:	9,001,631	-	-	-	9,001,631
Total fund balances	<u>9,290,593</u>	<u>831,488</u>	<u>2,862,119</u>	<u>20,007,124</u>	<u>32,991,324</u>

See independent auditor's report.

CITY OF CLOVIS
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2014

	<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>	<u>Beginning and Ending Dates</u>	<u>Total estimated project amount and amount applicable to Agency</u>	<u>Amount contributed by City during current FY</u>	<u>Audit Responsibility</u>	<u>Fiscal agent and responsible reporting entity</u>
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 \$154,798 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	 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, 2014

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 \$10729.00 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	311,497	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	\$ 130,596	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, 2014**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	Western Bank	NM Self-Insurer's Fund	State of New Mexico	City of Clovis	Reconciling Items	Book Balance
Cash and cash equivalents										
General Fund Investment	Checking*	\$ 4,458,255	-	-	-	-	-	-	(493,159)	3,965,096
Series 2010 Revenue Bonds WWTP	Money Market*	1,161,932	-	-	-	-	-	-	(274,250)	887,682
Money Market Account	Money Market*	7,561,091	-	-	-	-	-	-	-	7,561,091
Fire Account (7)	Money Market*	86,605	-	-	-	-	-	-	(10,129)	76,476
Payroll Account (18)	Checking*	118,171	-	-	-	-	-	-	(16,822)	101,349
Dept of Justice	Checking*	1,034	-	-	-	-	-	-	-	1,034
Credit Cards Account	Checking*	124,030	-	-	-	-	-	-	-	124,030
Finance Credit Card	Checking*	1,514	-	-	-	-	-	-	(909)	605
Zoo Credit Card	Checking*	8,779	-	-	-	-	-	-	(2,502)	6,277
Landfill Credit Card	Checking*	260,042	-	-	-	-	-	-	-	260,042
EFT Account	Checking*	1,421	-	-	-	-	-	-	87	1,508
Municipal Court	Checking*	2,221	-	-	-	-	-	-	(1,036)	1,185
Drug Control Fund	Checking*	17,409	-	-	-	-	-	-	-	17,409
Series 2011 Revenue Bonds Construction	Money Market*	-	446,914	-	-	-	-	-	-	446,914
General Fund	Checking*	-	2,622,978	-	-	-	-	-	1,102,518	3,725,496
Special Streets	Checking*	-	1,689,825	-	-	-	-	-	(590,273)	1,099,552
NM Law Enforcement	Checking*	-	18,889	-	-	-	-	-	-	18,889
GRT Improvement Bonds 2014 Landfill	Checking*	-	4,835,132	-	-	-	-	-	(657,363)	4,177,769
Lodgers' Tax	Checking*	-	-	-	170,158	-	-	-	1,129	171,287
Policy Deposit	Deposit	-	-	-	-	72,958	-	-	-	72,958
Petty cash	Petty Cash	-	-	-	-	-	-	7,680	-	7,680
Subtotal cash and cash equivalents		13,802,504	9,613,738	-	170,158	72,958	-	7,680	(942,709)	22,724,328
Investments										
Certificates of deposit	CD maturity >90 days	-	-	5,918,122	-	-	-	-	-	5,918,122
State of New Mexico	LGP Fund (POOL-4101)	-	-	-	-	-	11,887,256	-	-	11,887,256
Subtotal investments		-	-	5,918,122	-	-	11,887,256	-	-	17,805,378
Total amount of deposit in bank										
FDIC coverage		(250,000)	(250,000)	(250,000)	(170,158)	-	-	-	-	-
Total uninsured public funds		13,552,504	9,363,738	5,668,122	-	72,958	-	-	-	-
50% Collateral Requirement (Section 6-10-17 NMSA 1978)										
102% Collateral Requirement (Section 6-10-10(H) NMSA 1978)		6,776,252	3,495,380	2,834,061	-	36,479	-	-	-	-
Total collateral requirement		\$ 6,776,252	6,170,818	2,834,061	-	36,479	-	-	-	-
Pledged security at:										
New Mexico Bank & Trust 4.00% - 16415TAS0 Due 8/1/29		\$ 1,281,112	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 4.00% - 16145TAU5 Due 8/1/31		1,378,395	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 167736ZL4 Due 11/1/30		2,149,280	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 3.87% - 245177ANO Due 8/15/17		1,023,258	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 254845JH4 Due 10/1/31		2,735,304	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 6.50% - 3136A7J86 Due 8/25/42		63,091	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 4.00% - 586506CZ8 Due 5/1/18		321,382	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 4.50% - 36296QTP4 Due 6/15/40		91,128	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 455057WF2 Due 2/1/28		2,045,826	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 523530JQ7 Due 10/1/28		2,257,660	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 4.25% - 73342PDC9 Due 9/1/30		480,668	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 67919PEE9 Due 4/1/29		855,075	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 67919PEF6 Due 4/1/30		853,245	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 5.00% - 790407HF0 Due 10/1/31		2,923,212	-	-	-	-	-	-	-	-
New Mexico Bank & Trust 3.58% - 83164LQD6 Due 2/25/39		61,813	-	-	-	-	-	-	-	-
The Independent Bankers, Dallas, TX		-	-	-	-	-	-	-	-	-
GNMA Pool #720076 4.00% - 3620A56M6 Due 6/15/24		-	854,854	-	-	-	-	-	-	-
GNMA II Pool #008059 1.625% - 36202J5U8 Due 10/20/22		-	71,902	-	-	-	-	-	-	-
GNMA II Pool #81964 1.625% - 36225EFE7 Due 10/20/37		-	886,102	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF CASH, INVESTMENTS AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
As of June 30, 2014**

Account Name	Account Type	New Mexico Bank and Trust	Citizen's Bank	Bank of Clovis	Western Bank	NM Self-Insurer's Fund	State of New Mexico	City of Clovis	Reconciling Items	Book Balance
GNMA II Pool #82759 1.625% - 36225FB57 Due 3/20/41		-	1,030,519	-	-	-	-	-	-	-
GNR 2012-143 BD 1.50% - 38378GVR6 Due 12/16/27		-	1,975,778	-	-	-	-	-	-	-
GNMA II Pool # MA0527 3.00% - 36179MSQ4 Due 11/20/42		-	1,878,621	-	-	-	-	-	-	-
GNMA II Pool #MA1082 3.00% - 3617NFX1 Due 6/20/43		-	2,341,566	-	-	-	-	-	-	-
GNR 2013-41 KC 3.00% - 38378JS86 Due 3/20/43		-	3,274,743	-	-	-	-	-	-	-
SBAP 2013-20E 1 2.07% - 83162CVNo Due 5/1/33		-	2,659,145	-	-	-	-	-	-	-
GNMA II Pool #8871 5.00% - 3620K2CS Due 3/20/34		-	-	-	70,677	-	-	-	-	-
Plains Capital Bank										
Clovis NM Muni SD #001 3.45% - 189414GL3 Due 8/01/18		-	-	428,044	-	-	-	-	-	-
Las Vegas NM City SD #2 3.00% - 51778SFCP2 Due 8/15/18		-	-	796,238	-	-	-	-	-	-
Dulce NM ISD #21 Assured 4.00% - 264430KK4 Due 9/01/18		-	-	113,721	-	-	-	-	-	-
Lovington NM Mun Sch 3.80% - 547473CJ5 Due 10/01/18		-	-	423,672	-	-	-	-	-	-
Luna City NM Sch. Dist. 3.90% - 55034DA8 Due 8/01/19		-	-	515,855	-	-	-	-	-	-
Texico NM Muni SD #002 3.85% - 883005CF5 Due 8/01/19		-	-	268,568	-	-	-	-	-	-
Los Lunas NM SD 3.85% - 545562NH9 Due 7/15/20		-	-	579,849	-	-	-	-	-	-
Santa Fe NM Cmnty Clg 3.00% - 801901JG5 Due 8/01/20		-	-	1,069,300	-	-	-	-	-	-
Clovis NM Mun Sch Dist 3.35% - 189414HK4 Due 8/01/22		-	-	542,600	-	-	-	-	-	-
Taos NM ST-Shared 4.10% - 87601RAL4 due 6/01/23		-	-	575,787	-	-	-	-	-	-
Clovis NM Mun SD 3.55% - 189414HMO due 8/01/24		-	-	810,623	-	-	-	-	-	-
The Independent Bankers, Dallas, TX										
See NMSIF audited financials		-	-	-	-	72,958	-	-	-	-
Total collateral		18,520,449	14,973,230	6,124,257	70,677	72,958	-	-	-	-
Amount over/(under) collateralized	\$	11,744,197	8,802,412	3,290,196	70,677	36,479	-	-	-	-
Total book balance	\$	13,003,784	9,468,620	5,918,122	171,287	72,958	11,887,256	7,680	40,529,706	-

*denotes interest bearing account

**INDEPENDENT AUDITOR'S 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City presented as supplemental information of and have issued our report thereon dated November 25, 2014.

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: 2013-001[13-01] and 2013-002[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 consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: 2014-001.

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 responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 25, 2014

**INDEPENDENT AUDITOR'S 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, 2014. 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, 2014.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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 25, 2014

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- | | | | | | |
|---|--|------------------------|--------|--|--|
| 1. Internal control over major programs: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | |
| 2. Type of auditor's 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? | Yes | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u>CFDA
Number</u></td> <td style="width: 50%; 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, 2014**

Finding	Status of Current and Prior Year Findings	Type of Finding*
Prior Year Findings		
2013-001[13-01] SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR	Repeated	A
2013-002[13-02] CAPITAL ASSET TRACKING	Modified	A
Current Year Findings		
2014-001 LACK OF CONTROLS OVER FEDERAL ACCOUNTS RECEIVABLES/REVENUES	Current	B,E

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance to Federal Awards
- G. Compliance with State Audit Rule

PRIOR YEAR FINDINGS

2013-001[13-01] – SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR - REPEATED

Type of Finding: A

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.

Significant areas that required audit adjustments are receivables, capital assets, and the landfill closure liability. Below are the approximate dollar amounts of proposed audit adjustments:

- Capital assets – (\$25,470,000)
- Receivables – \$721,000
- Landfill closure liability – (\$2,500,000)

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

- 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 review of the financial statements.

Recording these adjustments is considered a significant process that the client needs to maintain.

Effect

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

Cause

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

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 and provide support for 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

This was the first year the Budget Officer and Finance Director identified and prepared some of the necessary adjusting entries. They will continue to work the auditors to identify and prepare additional necessary entries after the year end in preparation of the arrival of the auditors. There are also future plans to add a module to the general ledger to provide for the accounting of the "13th" month.

2013-002[13-02] – CAPITAL ASSET TRACKING - MODIFIED

Type of Finding: A

Statement of Condition

Prior to the current year, the City maintained its capital asset and accumulated depreciation listings in Excel spreadsheets. In the current year, the City transferred all of its capital asset data into a capital asset module. During that process, the City reevaluated its recorded capital assets and accumulated depreciation and determined they had been misstated in prior years. As a result, restatements (consisting of adjustment, corrections, and deletions) were necessary for both governmental \$(27,750,956) and proprietary funds\$2,781,089.

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 too must the controls in place to ensure that the accounting data is continually maintained in a secure and accurate manner.

Effect

The City's capital asset and depreciation listings were prone to errors while being maintained within the Excel spreadsheets. This ultimately culminated in several capital asset restatements over the course of the last two audits.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Cause

In prior years, 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

Now that capital assets have been entered into a module, the City should reconcile the June 30, 2014 balances per the module to the balances per the audit. Balances that should be reconciled include:

- Capital assets by type (land, CIP, land improvements, etc.)
- Capital assets by fund
- Capital assets by distinction (governmental vs. proprietary)
- Accumulated depreciation by type (land, CIP, Land Improvements, etc.)
- Accumulated depreciation by fund
- Accumulated depreciation by distinction (governmental vs. proprietary)

Going forward, the City should consider reconciling additions, deletions, and transfers of capital assets to both the supporting documentation and the required journal entry, at least on a monthly basis.

Management Response

Finance Director will continue to modify the Capital Assets program to identify the Assets by the type recommended by the Auditor. Reconciliations will be done on a quarterly basis and changed to monthly if activity during the year merits the change.

CURRENT YEAR FINDINGS

2014-001 – LACK OF CONTROLS OVER FEDERAL ACCOUNTS RECEIVABLES/REVENUES

Type of Finding: B,E

Federal program information:

Funding Department: All

Title: All

CFDA Number: All

Statement of Condition

The reconciliation process related to federal grants and accounts receivables is not well established and documented, including the identification of receivables at year end, roles and responsibilities, methodology, format, and frequency of required analyses. There is also a lack of a process to periodically reconcile balances to supporting detail and the general ledger. During the current year there were multiple material journal entries affecting five federal revenue accounts entered by the auditors to correct an overstatement of federal revenues of \$774,007.

Criteria

Revenue for reimbursable grants must match expenditures; otherwise, the recording of the revenue and expenditure activity is not accurate.

Effect

The lack of reconciliation and review has caused deficiencies in internal controls at the City. There is an increased risk of errors, inaccurate or incomplete financial reporting, and unmet deadlines.

Cause

The City has not yet fully implemented strong, well-established systems of controls and review over federal accounts receivables and revenues.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Questioned Costs

None

Recommendation

The City should establish and document a formal reconciliation and reporting process over federal accounts receivables and revenues.

Management Response

The Assistant Finance Director will be tasked with updating the SEFA on a quarterly basis. The report will be reviewed by the Finance Director. All information will be reconciled to the General Ledger and be ready for the audit process.

**STATE OF NEW MEXICO
CITY OF CLOVIS
Exit Conference
For the Year Ended June 30, 2014**

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 25, 2014. The following individuals were in attendance.

City of Clovis Officials

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