



**STATE OF NEW MEXICO  
CITY OF CLOVIS**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2023**

2500 9th St. NW  
Albuquerque, NM 87102  
505.883.8788  
[www.HL-cpas.com](http://www.HL-cpas.com)

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b>Page</b>
Table of contents	i-ii
Official roster	iii
 <b>FINANCIAL SECTION</b>	
Independent auditor's report on the audit of the financial statements	1-5
Basic financial statements	
Government-wide financial statements:	
Statement of net position	6-7
Statement of activities	8
Fund financial statements:	
Balance sheet – Governmental funds	9
Reconciliation of the governmental fund balance to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balances – Governmental funds	11
Reconciliation of the statement of revenues, expenditures and changes in fund balances of the governmental funds to the statement of activities	12
Statement of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) and actual – General fund	13
Statement of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) and actual – Environmental tax fund	14
Statement of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) and actual – ARPA fund	15
Statement of net position – Proprietary funds	16
Statement of revenues, expenditures, and changes in net position – Proprietary funds	17
Statement of cash flows – Proprietary funds	18
Statement of fiduciary net position - Fiduciary funds	19
Statement of changes in fiduciary net position - Fiduciary funds	20
Notes to the financial statements	21-84
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of City's proportionate share of the net pension liability-PERA Plan	85
Schedule of City's Contributions-PERA Plan	86
Schedule of the City's proportionate share of the net OPEB liability	87
Schedule of the City's Contributions-OPEB Plan	88
 <b>SUPPLEMENTARY INFORMATION</b>	
Combining and individual fund statements:	
Non-major governmental fund descriptions	89-93

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>SUPPLEMENTARY INFORMATION, continued</b>	<b>Page</b>
Combining balance sheet – non-major governmental funds	94
Combining statement of revenues, expenditures, and changes in fund balance – non-major governmental funds	95
Combining balance sheet – Non-major funds-special revenue funds	96-99
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-special revenue funds	100-103
Combining balance sheet – Non-major funds-capital project funds	104
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-capital project funds	105
Combining balance sheet – Non-major funds-debt service funds	106
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-debt service funds	107
Non-major enterprise fund descriptions	108
Combining balance sheets – Non-major enterprise funds	109
Combining statements of revenues, expenditures and changes in net position – Non-major enterprise funds	110
Combining statement of cash flows – Non-major enterprise funds	111
Internal service fund descriptions	112
Combining balance sheets – Internal service funds	113
Combining statements of revenues, expenditures and changes in net position – Internal service funds	114
Combining statement of cash flows – Internal service funds	115
Fiduciary fund descriptions	116
Combining statement of fiduciary net position - Custodial funds	117
Combining statement of changes in fiduciary net position - Custodial funds	118
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of governmental fund balances	119
Schedule of depositories	120
Schedule of pledged collateral by depository	121
Schedule of joint powers agreements	122
 <b>FEDERAL COMPLIANCE SECTION</b>	
Schedule of expenditures of federal awards	123-124
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 <i>Government Auditing Standards</i>	125-127
Independent auditor's report on compliance for each major federal program and on internal control over compliance required on internal control over compliance required by the uniform guidance	128-130
Schedule of findings and questioned costs	131-136
 <b>OTHER DISCLOSURES</b>	 137

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
OFFICIAL ROSTER  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Elected Officials</u>	<u>Title</u>
Mike Morris	Mayor
Juan F. Garza	Commissioner, District 1
George Jones	Commissioner, District 1
Gene Porter	Commissioner, District 2
Lauren Rowley	Commissioner, District 2
Helen Casaus	Commissioner, District 3
David Bryant	Commissioner, District 3
Chris Bryant	Mayor Pro Tem/Commissioner, District 4
Megan Palla	Commissioner, District 4
<u>Administrative Officials</u>	<u>Title</u>
Justin A Howalt, P.E.	City Manager
Claire Burroughes	Assistant City Manager
LeighAnn Melancon	Finance Director

## **FINANCIAL SECTION**

## **Independent Auditor's Report on the Audit of the Financial Statements**

Joseph M. Maestas, P.E., State Auditor  
State of New Mexico, Office of the State Auditor  
Mayor and City Commission  
City of Clovis  
Clovis, New Mexico

### **Opinions**

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, New Mexico (the "City"), as of and for the year-ended June 30, 2023, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter****Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, the City has adopted the new accounting guidance GASB 96, *Subscription-Based Information Technology Arrangements*, and GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which are required for adoption for all fiscal years beginning subsequent to June 15, 2022. Our opinions are not modified with respect to these matters.

**Restatements**

As discussed in Note 21 to the financial statements, the 2023 financial statements have been restated to correct misstatements related to gross receipts tax receivables, allowance for doubtful accounts, and capital assets. Our opinions are not modified with respect to these matters.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedules of the City's proportionate share of the net pension and OPEB liabilities and the City's contributions, listed as "Required Supplementary Information" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

#### **Supplementary and Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements, that collectively comprise the City's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents under the Federal Compliance Section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information, as required by 2.2.2 NMAC, as listed in the table of contents, is also presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other supplementary information, including the

schedule of expenditures of federal awards, was 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 December 14, 2023, 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, P.C.*

Hinkle + Landers, PC  
Albuquerque, NM  
December 14, 2023

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
STATEMENT OF NET POSITION  
As of June 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Assets and deferred outflows of resources:			
Assets:			
Cash and cash equivalents	\$ 40,239,864	3,366,932	43,606,796
Investments	21,069,708	4,328,125	25,397,833
Receivables			
Accounts receivable, net of allowance	1,382,706	2,418,397	3,801,103
Taxes receivable	6,781,260	-	6,781,260
Leases receivable, current portion	6,243	21,636	27,879
Due from other funds	2,169,489	81,926	2,251,415
Due from other governments	4,268,183	72,904	4,341,087
Prepaid expenses	629,054	113,548	742,602
Inventories	306,710	54,177	360,887
Total current assets	<u>76,853,217</u>	<u>10,457,645</u>	<u>87,310,862</u>
Non-current assets:			
Notes receivable, noncurrent portion	357,000	-	357,000
Leases receivable, noncurrent portion	491,174	32,658	523,832
Capital assets	166,604,217	137,771,556	304,375,773
Less: Accumulated depreciation	(91,565,599)	(67,602,359)	(159,167,958)
Right-to-use leased assets, net	1,605,913	-	1,605,913
Right-to-use SBITA assets, net	310,877	-	310,877
Total non-current assets	<u>77,803,582</u>	<u>70,201,855</u>	<u>148,005,437</u>
Total assets	<u>154,656,799</u>	<u>80,659,500</u>	<u>235,316,299</u>
Deferred outflows of resources:			
OPEB deferrals	1,867,615	254,275	2,121,890
Pension deferrals	3,244,417	85,567	3,329,984
Total deferred outflows of resources	<u>5,112,032</u>	<u>339,842</u>	<u>5,451,874</u>
Total assets and deferred outflows of resources	<u>\$ 159,768,831</u>	<u>80,999,342</u>	<u>240,768,173</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
STATEMENT OF NET POSITION  
As of June 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Liabilities, deferred outflows of resources and net position:			
Liabilities:			
Accounts payable	\$ 803,895	125,040	928,935
Accrued payroll liabilities	532,415	61,319	593,734
Accrued interest	14,682	9,102	23,784
Unearned revenue/grant advances	9,723,979	-	9,723,979
Due to other fund	-	2,251,415	2,251,415
Current portion of lease liability	330,163	-	330,163
Current portion of SBITA liability	192,576	-	192,576
Current portion of compensated absences	846,508	106,992	953,500
Current portion of long-term obligations	1,791,777	1,795,026	3,586,803
Total current liabilities	<u>14,235,995</u>	<u>4,348,894</u>	<u>18,584,889</u>
Non-current liabilities			
Lease liability	1,363,500	-	1,363,500
SBITA liability	198,133	-	198,133
Landfill closure	-	7,973,280	7,973,280
Long-term obligations	7,420,592	8,638,622	16,059,214
Bond premium, net of amortization	69,836	-	69,836
Compensated absences	211,628	26,748	238,376
Net pension liability	15,824,055	434,072	16,258,127
Net OPEB liability	5,717,775	922,624	6,640,399
Total non-current liabilities	<u>30,805,519</u>	<u>17,995,346</u>	<u>48,800,865</u>
Total liabilities	45,041,514	22,344,240	67,385,754
Deferred inflows of resources:			
OPEB deferrals	5,713,930	867,238	6,581,168
Pension deferrals	312,573	8,587	321,160
Lease deferral	490,295	54,025	544,320
Total deferred inflows of resources	<u>6,516,798</u>	<u>929,850</u>	<u>7,446,648</u>
Net position			
Net investment in capital assets	65,022,231	59,726,447	124,748,678
Restricted	26,616,126	-	26,616,126
Unrestricted net position	16,572,162	(2,001,195)	14,570,967
Total net position	<u>108,210,519</u>	<u>57,725,252</u>	<u>165,935,771</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 159,768,831</u>	<u>80,999,342</u>	<u>240,768,173</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities							
General government	\$ 12,141,410	2,366,767	381,761	-	(9,392,882)	-	(9,392,882)
Public safety	18,970,210	-	2,105,299	-	(16,864,911)	-	(16,864,911)
Public works	9,164,557	-	539,563	15,647,021	7,022,027	-	7,022,027
Culture and recreation	5,705,430	3,921	117,515	-	(5,583,994)	-	(5,583,994)
Health and welfare	321,007	50,798	-	-	(270,209)	-	(270,209)
Interest on long-term obligations	250,704	-	-	-	(250,704)	-	(250,704)
Total governmental activities	<u>46,553,318</u>	<u>2,421,486</u>	<u>3,144,138</u>	<u>15,647,021</u>	<u>(25,340,673)</u>	<u>-</u>	<u>(25,340,673)</u>
Business-type activities:							
Solid waste	7,346,163	5,552,429	-	27,500	-	(1,766,234)	(1,766,234)
Wastewater	3,528,414	3,650,506	-	-	-	122,092	122,092
Airport	3,083,932	-	-	760,210	-	(2,323,722)	(2,323,722)
Golf course	1,946,446	1,479,343	-	-	-	(467,103)	(467,103)
Total business-type activities	<u>15,904,955</u>	<u>10,682,278</u>	<u>-</u>	<u>787,710</u>	<u>-</u>	<u>(4,434,967)</u>	<u>(4,434,967)</u>
Total primary government	<u>62,458,273</u>	<u>13,103,764</u>	<u>3,144,138</u>	<u>16,434,731</u>	<u>(25,340,673)</u>	<u>(4,434,967)</u>	<u>(29,775,640)</u>
<b>General revenues:</b>							
Taxes							
Property taxes levied for general purposes					\$ 2,939,459	-	2,939,459
Gross receipts taxes					35,628,453	-	35,628,453
Other taxes and fees					2,866,490	-	2,866,490
Licenses and permits					609,760	-	609,760
Fines, forfeitures, and penalties					276,739	-	276,739
Interest income					955,155	608,134	1,563,289
Miscellaneous income					4,198,479	2,157,722	6,356,201
Gain/(loss) on disposal of capital assets					136,587	-	136,587
Transfers					93,209	(88,886)	4,323
Total general revenue and transfers					<u>47,704,331</u>	<u>2,676,970</u>	<u>50,381,301</u>
Changes in net position					22,363,658	(1,757,997)	20,605,661
Beginning net position					87,084,120	59,402,161	146,486,281
Restatement (Note 21)					(1,237,259)	81,088	(1,156,171)
Beginning net position, as restated					<u>85,846,861</u>	<u>59,483,249</u>	<u>145,330,110</u>
Net position, end of year					<u>\$ 108,210,519</u>	<u>57,725,252</u>	<u>165,935,771</u>

See independent auditor's report. 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, 2023**

	Major Funds					Total Non- Major Funds	Total Funds
	General Fund	Special Revenue Funds		Street Construction			
		Environmental Tax	ARPA				
Funds 01, 18, 79	Fund 06	Fund 94	Fund 87				
Assets and deferred outflows of resources:							
Assets:							
Cash and cash equivalents	\$ 4,261,638	5,296,013	9,315,823	-	21,210,330	40,083,804	
Investments	6,247,749	4,155,995	-	703,092	7,711,613	18,818,449	
Receivables							
Accounts receivable	1,382,583	-	-	-	123	1,382,706	
Other taxes receivable	4,668,117	-	-	-	2,113,143	6,781,260	
Leases receivable	497,417	-	-	-	-	497,417	
Other receivables	-	-	-	-	357,000	357,000	
Due from other funds	3,704,847	60,214	-	-	314,356	4,079,417	
Due from other governments	-	-	-	3,803,997	464,186	4,268,183	
Prepaid expenses	578,221	-	-	-	50,022	628,243	
Inventories	68,921	-	-	-	237,790	306,711	
Total assets	<u>21,409,493</u>	<u>9,512,222</u>	<u>9,315,823</u>	<u>4,507,089</u>	<u>32,458,563</u>	<u>77,203,190</u>	
Deferred outflows of resources:							
Total deferred outflows of resources	-	-	-	-	-	-	
Total assets and deferred outflows of resources	<u>\$ 21,409,493</u>	<u>9,512,222</u>	<u>9,315,823</u>	<u>4,507,089</u>	<u>32,458,563</u>	<u>77,203,190</u>	
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ 201,349	-	-	217,803	377,960	797,112	
Accrued payroll liabilities	453,026	-	-	-	74,661	527,687	
Unearned revenue/grant advances	-	-	9,246,646	-	477,333	9,723,979	
Due to other fund	5,081	-	-	1,098,696	1,099,804	2,203,581	
Total liabilities	<u>659,456</u>	<u>-</u>	<u>9,246,646</u>	<u>1,316,499</u>	<u>2,029,758</u>	<u>13,252,359</u>	
Deferred inflows of resources:							
"Unavailable" revenues - property tax	93,354	-	-	-	-	93,354	
Leases	490,295	-	-	-	-	490,295	
Total deferred inflows of resources	<u>583,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,649</u>	
Fund balances:							
Nonspendable	654,264	-	-	-	287,812	942,076	
Restricted	2,628,241	9,512,222	69,177	3,190,590	11,215,896	26,616,126	
Committed	-	-	-	-	16,083,174	16,083,174	
Assigned	-	-	-	-	2,902,709	2,902,709	
Unassigned	16,883,883	-	-	-	(60,786)	16,823,097	
Total fund balances	<u>20,166,388</u>	<u>9,512,222</u>	<u>69,177</u>	<u>3,190,590</u>	<u>30,428,805</u>	<u>63,367,182</u>	
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 21,409,493</u>	<u>9,512,222</u>	<u>9,315,823</u>	<u>4,507,089</u>	<u>32,458,563</u>	<u>77,203,190</u>	

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
As of June 30, 2023**

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

Total fund balance - Governmental funds	\$	63,367,182
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		75,038,618
Right-to-use leased and SBITA assets (net of amortization) used in governmental activities are not financial resources and therefore are not reported in the funds		(167,582)
Delinquent property tax not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the statement of activities.		93,354
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:		
Deferred outflows of resources related to:		
OPEB deferrals		1,867,615
Pension deferrals		3,244,417
Deferred inflows of resources related to:		
OPEB deferrals		(5,713,930)
Pension deferrals		(312,573)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Net pension liability	\$	(15,824,055)
Net OPEB liability		(5,717,775)
Bond premium, net of amortization		(69,836)
Accrued interest payable		(14,682)
Current compensated absences		(843,256)
Non-current compensated absences		(210,815)
Current notes payable		(1,791,777)
Non-current notes payable	\$	<u>(7,420,592)</u>
		(31,892,788)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal services funds are included in governmental activities in the statement of net position.		2,686,206
Rounding		-
Net position for governmental activities	\$	<u><u>108,210,519</u></u>

See independent auditor's report. 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, 2023**

	Major Funds					Total Non- Major Funds	Total Funds
	General Fund	Special Revenue Funds		Street Construction			
		Environmental	ARPA				
		Tax					
Funds 01, 18, 79	Fund 06	Fund 94	Fund 87				
<b>Revenues:</b>							
Taxes							
Property	\$ 2,936,794	-	-	-	-	-	2,936,794
Gross receipts/State shared	21,552,416	549,677	-	-	13,526,359	-	35,628,452
Other	1,534,579	-	-	-	1,331,910	-	2,866,489
Licenses and permits	602,056	-	-	-	7,705	-	609,761
Charges for services	2,095,350	-	-	-	326,135	-	2,421,485
Fines and forfeitures	126,277	-	-	-	150,462	-	276,739
Intergovernmental revenue							
Federal grants	-	-	222,643	130,171	926,091	-	1,278,905
State and local grants	-	-	-	15,647,021	1,865,234	-	17,512,255
Interest income	177,404	142,892	59,956	75,245	429,574	-	885,071
Miscellaneous income	2,514,019	-	-	998	1,803,662	-	4,318,679
Total revenues	<u>31,538,895</u>	<u>692,569</u>	<u>282,599</u>	<u>15,853,435</u>	<u>20,367,132</u>	<u>-</u>	<u>68,734,630</u>
<b>Expenditures:</b>							
Current:							
General government	4,411,704	-	-	-	541,333	-	4,953,037
Public safety	17,224,257	-	-	-	1,745,958	-	18,970,215
Public works	719,167	67,209	80,613	2,444,565	5,853,002	-	9,164,556
Culture and recreation	2,664,717	-	-	-	3,058,403	-	5,723,120
Health and welfare	-	-	-	-	321,009	-	321,009
Capital outlay	2,740,254	-	142,030	11,756,532	2,590,712	-	17,229,528
Debt service							
Principal	504,831	-	-	-	1,765,000	-	2,269,831
Interest	78,473	-	-	-	252,684	-	331,157
Total expenditures	<u>28,343,403</u>	<u>67,209</u>	<u>222,643</u>	<u>14,201,097</u>	<u>16,128,101</u>	<u>-</u>	<u>58,962,453</u>
Excess (deficiency) of revenues over (under) expenditures	3,195,492	625,360	59,956	1,652,338	4,239,031	-	9,772,177
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	4,824,629	-	-	974,274	7,235,741	-	13,034,644
Transfers out	(2,712,051)	-	-	-	(10,227,484)	-	(12,939,535)
Total other financing sources (uses):	<u>2,112,578</u>	<u>-</u>	<u>-</u>	<u>974,274</u>	<u>(2,991,743)</u>	<u>-</u>	<u>95,109</u>
Net change in fund balances	5,308,070	625,360	59,956	2,626,612	1,247,288	-	9,867,286
Beginning fund balance	16,022,869	8,892,038	9,221	563,978	29,302,016	-	54,790,122
Restatement (Note 21)	(1,164,551)	(5,176)	-	-	(120,499)	-	(1,290,226)
Beginning fund balance, as restated	14,858,318	8,886,862	9,221	563,978	29,181,517	-	53,499,896
Ending fund balance	<u>\$ 20,166,388</u>	<u>9,512,222</u>	<u>69,177</u>	<u>3,190,590</u>	<u>30,428,805</u>	<u>-</u>	<u>63,367,182</u>

See independent auditor's report. 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 THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

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

Total net change in fund balances-governmental funds	\$ 9,867,286
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimates useful lives and reported as depreciation and amortization expense.</p>	
Capital expenditures recorded as capital outlay or other expenses	15,157,946
<p>Depreciation expense on capital assets and amortization expense on right-to-use assets are 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 and amortization expense are not reported as expenditures in the governmental funds.</p>	
	(5,521,777)
<p>In the statement of activities, a gain/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 the gain/loss recorded for deleted capital assets.</p>	
	(348,413)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Change in deferred inflows of resources related to property taxes receivable	2,666
<p>The issuance of long-term obligations (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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.</p>	
(Increase)/decrease in accrued interest	1,981
(Increase)/decrease in compensated absences	(46,662)
Amortization of bond premiums	11,328
Principal payments on long-term obligations	2,269,831
<p>Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds</p>	
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:</p>	
Pension income	(397,439)
OPEB income	1,645,621
<p>Internal services funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net change of the internal service funds resulting from transactions not recorded with governmental funds.</p>	
	(278,712)
Rounding	2
Change in net position of governmental activities	\$ 22,363,658

See independent auditor's report. 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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes				
Property	\$ 2,364,435	2,364,435	2,897,701	533,266
Gross receipts	17,482,875	17,929,460	20,619,873	2,690,413
Other	1,094,233	1,102,233	1,587,102	484,869
Licenses and permits	289,000	614,000	618,630	4,630
Charges for services	2,303,500	2,303,500	2,375,016	71,516
Fines and forfeitures	115,000	115,000	126,277	11,277
Interest income	35,000	35,000	168,621	133,621
Miscellaneous income	420,219	790,834	537,459	(253,375)
Total revenues	<u>24,104,262</u>	<u>25,254,462</u>	<u>28,930,679</u>	<u>3,676,217</u>
<b>Expenditures:</b>				
Current:				
General government	5,564,448	5,915,250	5,074,744	840,506
Public safety	19,438,855	20,139,953	17,789,888	2,350,065
Public works	696,779	894,124	790,107	104,017
Culture and recreation	3,224,100	3,360,911	2,754,465	606,446
Capital outlay	996,572	1,172,356	758,126	414,230
Total expenditures	<u>29,920,754</u>	<u>31,482,594</u>	<u>27,167,330</u>	<u>4,315,264</u>
Excess (deficiency) of revenues over (under) expenditures	(5,816,492)	(6,228,132)	1,763,349	(639,047)
<b>Other financing sources (uses):</b>				
Transfers in	1,762,851	2,019,915	4,824,629	2,804,714
Transfers out	(2,476,187)	(3,031,451)	(2,712,051)	319,400
Total other financing sources (uses):	<u>(713,336)</u>	<u>(1,011,536)</u>	<u>2,112,578</u>	<u>3,124,114</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(6,529,828)	(7,239,668)	3,875,927	<u>2,485,067</u>
Budgeted cash carryover	<u>6,529,828</u>	<u>7,239,668</u>	<u>-</u>	
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>3,875,927</u>	
<b>Reconciliation From Budget/Actual to GAAP</b>				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 3,875,927	
To adjust applicable revenue accruals and deferrals			2,608,213	
To adjust applicable expenditure accruals			<u>(1,176,070)</u>	
Net change in fund balance (GAAP)			<u>\$ 5,308,070</u>	

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
ENVIRONMENTAL TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Gross receipts	\$ 557,750	557,750	659,078	101,328
Interest income	7,000	7,000	142,892	135,892
Total revenues	<u>564,750</u>	<u>564,750</u>	<u>801,970</u>	<u>237,220</u>
Expenditures:				
Current:				
Public works	182,319	182,319	85,589	96,730
Total expenditures	<u>182,319</u>	<u>182,319</u>	<u>85,589</u>	<u>96,730</u>
Excess (deficiency) of revenues over (under) expenditures	382,431	382,431	716,381	140,490
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	382,431	382,431	716,381	<u>140,490</u>
Budgeted cash carryover	-	-	-	
Net change in fund balance	<u>\$ 382,431</u>	<u>382,431</u>	<u>716,381</u>	

Reconciliation From Budget/Actual to GAAP

Net change in fund balance (Non-GAAP budgetary basis)	\$ 716,381
To adjust applicable revenue accruals and deferrals	(109,401)
To adjust applicable expenditure accruals	18,380
Net change in fund balance (GAAP)	<u>\$ 625,360</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
ARPA FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 4,734,645	4,734,645	4,734,645	-
State and local grants	-	-	-	-
Total revenues	<u>4,734,645</u>	<u>4,734,645</u>	<u>4,794,603</u>	<u>59,958</u>
Expenditures:				
Current:				
Public works	500,000	1,000,000	80,613	919,387
Capital outlay	8,978,508	8,478,508	142,030	8,336,478
Total expenditures	<u>9,478,508</u>	<u>9,478,508</u>	<u>222,643</u>	<u>9,255,865</u>
Excess (deficiency) of revenues over (under) expenditures	(4,743,863)	(4,743,863)	4,571,960	(9,195,907)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(4,743,863)	(4,743,863)	4,571,960	<u>(9,195,907)</u>
Budgeted cash carryover	<u>4,743,863</u>	<u>4,743,863</u>	<u>-</u>	
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>4,571,960</u>	
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 4,571,960	
To adjust applicable revenue accruals and deferrals			(4,512,004)	
To adjust applicable expenditure accruals			-	
Net change in fund balance (GAAP)			<u>\$ 59,956</u>	

See independent auditor's report. 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, 2023**

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Major Funds		Non-Major			
	Solid Waste	Wastewater	Airport	Golf Course		
	Fund 02	Fund 10	Fund 12	Fund 19		
	Total				Internal Service Funds	
<b>Assets and deferred outflows of resources:</b>						
<b>Assets:</b>						
Cash and cash equivalents	\$ 2,523,462	558,278	94,682	190,510	3,366,932	156,059
Investments	335,623	3,342,559	435,033	214,910	4,328,125	2,251,260
Receivables						
Accounts receivable, net	1,623,002	793,533	1,862	-	2,418,397	-
Leases receivable, current portion	21,636	-	-	-	21,636	-
Due from other funds	1,987	79,939	-	-	81,926	293,653
Due from other governments	27,500	-	45,404	-	72,904	-
Prepaid expenses	64,449	23,317	25,117	665	113,548	809
Inventories	19,820	34,357	-	-	54,177	-
Total current assets	<u>4,617,479</u>	<u>4,831,983</u>	<u>602,098</u>	<u>406,085</u>	<u>10,457,645</u>	<u>2,701,781</u>
Non-current assets:						
Leases receivable, noncurrent portion	32,658	-	-	-	32,658	-
Capital assets, net	10,087,975	35,589,595	21,336,023	3,155,604	70,169,197	-
Total non-current assets	<u>10,120,633</u>	<u>35,589,595</u>	<u>21,336,023</u>	<u>3,155,604</u>	<u>70,201,855</u>	<u>-</u>
Total assets	<u>14,738,112</u>	<u>40,421,578</u>	<u>21,938,121</u>	<u>3,561,689</u>	<u>80,659,500</u>	<u>2,701,781</u>
Deferred outflows of resources:						
OPEB deferrals	163,469	70,912	19,894	-	254,275	-
Pension deferrals	51,461	33,979	127	-	85,567	-
Total deferred outflows of resources	<u>214,930</u>	<u>104,891</u>	<u>20,021</u>	<u>-</u>	<u>339,842</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 14,953,042</u>	<u>40,526,469</u>	<u>21,958,142</u>	<u>3,561,689</u>	<u>80,999,342</u>	<u>2,701,781</u>
<b>Liabilities, deferred inflows of resources and net position:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 25,834	50,910	38,133	10,163	125,040	6,783
Accrued payroll liabilities	42,170	14,531	4,618	-	61,319	4,727
Accrued interest	1,232	5,851	-	2,019	9,102	-
Due to other fund	-	4,977	2,246,438	-	2,251,415	-
Current portion of compensated absences	84,160	21,101	1,731	-	106,992	3,252
Current portion of long-term debt	529,907	1,093,119	-	172,000	1,795,026	-
Total current liabilities	<u>683,303</u>	<u>1,190,489</u>	<u>2,290,920</u>	<u>184,182</u>	<u>4,348,894</u>	<u>14,762</u>
Non-current liabilities						
Landfill closure	7,973,280	-	-	-	7,973,280	-
Long-term debt	-	7,181,622	-	1,457,000	8,638,622	-
Compensated absences	21,040	5,275	433	-	26,748	813
Net pension liability	243,713	158,735	31,624	-	434,072	-
Net OPEB liability	588,459	277,843	56,322	-	922,624	-
Total non-current liabilities	<u>8,826,492</u>	<u>7,623,475</u>	<u>88,379</u>	<u>1,457,000</u>	<u>17,995,346</u>	<u>813</u>
Total liabilities	<u>9,509,795</u>	<u>8,813,964</u>	<u>2,379,299</u>	<u>1,641,182</u>	<u>22,344,240</u>	<u>15,575</u>
Deferred inflows of resources:						
OPEB deferrals	563,469	236,196	67,573	-	867,238	-
Pension deferrals	4,940	594	3,053	-	8,587	-
Leases	54,025	-	-	-	54,025	-
Total deferred inflows of resources	<u>622,434</u>	<u>236,790</u>	<u>70,626</u>	<u>-</u>	<u>929,850</u>	<u>-</u>
Net position						
Net investment in capital assets	9,558,068	27,314,854	21,336,023	1,526,604	59,735,549	-
Unrestricted net position	<u>(4,737,255)</u>	<u>4,160,861</u>	<u>(1,827,806)</u>	<u>393,903</u>	<u>(2,010,297)</u>	<u>2,686,206</u>
Total net position	<u>4,820,813</u>	<u>31,475,715</u>	<u>19,508,217</u>	<u>1,920,507</u>	<u>57,725,252</u>	<u>2,686,206</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 14,953,042</u>	<u>40,526,469</u>	<u>21,958,142</u>	<u>3,561,689</u>	<u>80,999,342</u>	<u>2,701,781</u>

See independent auditor's report. 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**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2023**

	Business-Type Activities					Governmental Activities	
	Enterprise Funds						
	Major Funds			Non-Major			Internal Service Funds
	Solid Waste Fund 02	Wastewater Fund 10	Airport Fund 12	Golf Course Fund 19	Total		
Operating revenues:							
Charges for services	\$ 5,552,429	3,650,505	-	1,479,343	10,682,277	-	
Total operating revenues	<u>5,552,429</u>	<u>3,650,505</u>	<u>-</u>	<u>1,479,343</u>	<u>10,682,277</u>	<u>-</u>	
Operating expenses:							
Personnel services	1,888,702	689,083	287,109	-	2,864,894	221,948	
Contractual services	1,146,886	618,948	441,785	1,814,885	4,022,504	442,110	
General and administrative	3,368,965	356,409	1,394,724	3,485	5,123,583	36,312	
Depreciation	941,611	1,763,217	960,312	128,075	3,793,215	-	
Total operating expenses	<u>7,346,164</u>	<u>3,427,657</u>	<u>3,083,930</u>	<u>1,946,445</u>	<u>15,804,196</u>	<u>700,370</u>	
Operating income (loss)	<u>(1,793,735)</u>	<u>222,848</u>	<u>(3,083,930)</u>	<u>(467,102)</u>	<u>(5,121,919)</u>	<u>(700,370)</u>	
Non-operating revenues (expenses):							
Federal grants - capital	-	-	55,577	-	55,577	-	
State grants - capital	27,500	-	704,633	-	732,133	-	
Miscellaneous	24,109	25,389	1,878,638	229,588	2,157,724	353,475	
Interest income	262,951	332,021	12,097	1,065	608,134	70,083	
Interest expense	-	(100,758)	-	-	(100,758)	-	
Total non-operating revenues (expenses)	<u>314,560</u>	<u>256,652</u>	<u>2,650,945</u>	<u>230,653</u>	<u>3,452,810</u>	<u>423,558</u>	
Income (loss) before transfers	<u>(1,479,175)</u>	<u>479,500</u>	<u>(432,985)</u>	<u>(236,449)</u>	<u>(1,669,109)</u>	<u>(276,812)</u>	
Other financing sources/(uses)							
Transfers in	522,847	796,722	-	437,681	1,757,250	-	
Transfers out	(803,692)	(604,872)	(437,572)	-	(1,846,136)	(1,900)	
Total other financing sources/(uses)	<u>(280,845)</u>	<u>191,850</u>	<u>(437,572)</u>	<u>437,681</u>	<u>(88,886)</u>	<u>(1,900)</u>	
Change in net position	<u>(1,760,020)</u>	<u>671,350</u>	<u>(870,557)</u>	<u>201,232</u>	<u>(1,757,995)</u>	<u>(278,712)</u>	
Net position, beginning of year	6,518,659	30,804,365	20,359,860	1,719,275	59,402,159	2,964,918	
Restatement (Note 21)	62,174	-	18,914	-	81,088	-	
Beginning net position, as restated	<u>6,580,833</u>	<u>30,804,365</u>	<u>20,378,774</u>	<u>1,719,275</u>	<u>59,483,247</u>	<u>2,964,918</u>	
Net position, end of year	<u>\$ 4,820,813</u>	<u>31,475,715</u>	<u>19,508,217</u>	<u>1,920,507</u>	<u>57,725,252</u>	<u>2,686,206</u>	

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**CITY OF CLOVIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds	
	Major Funds		Non-Major			
	Solid Waste	Wastewater	Airport	Golf Course		
	Fund 02	Fund 10	Fund 12	Fund 19		
				Total		
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 5,751,861	3,991,029	-	1,479,343	11,222,233	-
Payments to suppliers	(2,714,348)	(962,058)	(771,318)	(1,818,971)	(6,266,695)	(472,402)
Payments to employees	(2,029,069)	(754,101)	(319,900)	-	(3,103,070)	(228,011)
Net cash provided (used) for operating activities	<u>1,008,444</u>	<u>2,274,870</u>	<u>(1,091,218)</u>	<u>(339,628)</u>	<u>1,852,468</u>	<u>(700,413)</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers from other funds	522,847	796,722	-	437,681	1,757,250	-
Transfers to other funds	(803,692)	(604,872)	(437,572)	-	(1,846,136)	(1,900)
Increase/(decrease) in interfund balances	-	-	(50,000)	-	(50,000)	200,000
Miscellaneous income	24,109	25,389	1,878,638	229,588	2,157,724	353,476
Net cash provided (used) for noncapital financing activities	<u>(256,736)</u>	<u>217,239</u>	<u>1,391,066</u>	<u>667,269</u>	<u>2,018,838</u>	<u>551,576</u>
<b>Cash flows from capital and related financing activities:</b>						
Intergovernmental receipts-capital	27,500	-	760,210	-	787,710	-
Acquisition and construction of capital assets	(532,170)	(3,316,120)	(542,640)	-	(4,390,930)	-
Principal paid on long-term debt	(516,227)	(1,467,420)	-	(171,000)	(2,154,647)	-
Interest paid on long-term debt	-	(100,758)	-	-	(100,758)	-
Long-term debt proceeds	-	371,535	-	-	371,535	-
Net cash provided (used) for capital and related financing activities.	<u>(1,020,897)</u>	<u>(4,512,763)</u>	<u>217,570</u>	<u>(171,000)</u>	<u>(5,487,090)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>						
Proceeds from sale & maturities of investments	-	676,226	-	-	676,226	216,103
Purchase of investments	(334,817)	-	(435,033)	(64,453)	(834,303)	(16,477)
Interest and dividends	263,138	332,021	12,097	1,065	608,321	70,083
Net cash provided (used) for investing activities.	<u>(71,679)</u>	<u>1,008,247</u>	<u>(422,936)</u>	<u>(63,388)</u>	<u>450,244</u>	<u>269,709</u>
Net increase (decrease) in cash and cash equivalents	(340,868)	(1,012,407)	94,482	93,253	(1,165,540)	120,872
Cash and cash equivalents – beginning of year	2,864,330	1,570,685	200	97,257	4,532,472	35,187
Cash and cash equivalents – end of year	<u>\$ 2,523,462</u>	<u>558,278</u>	<u>94,682</u>	<u>190,510</u>	<u>3,366,932</u>	<u>156,059</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ (1,793,735)	222,848	(3,083,930)	(467,102)	(5,121,919)	(700,370)
<b>Adjustments</b>						
Depreciation and amortization	941,611	1,763,217	960,312	128,075	3,793,215	-
Pension expense/(revenue)	5,108	2,861	3,269	-	11,238	-
OPEB expense/(revenue)	(149,316)	(54,501)	(19,825)	-	(223,642)	-
Deferred outflows - leases	54,025	-	-	-	54,025	-
Restatement	62,174	-	18,914	-	81,088	-
<b>Changes in assets and liabilities:</b>						
Receivables	199,432	340,524	2,306,491	-	2,846,447	-
Prepaid expenses	(3,803)	(1,376)	(1,482)	(39)	(6,700)	(48)
Inventories	5,490	25,308	-	-	30,798	-
Accounts payable	(222,821)	(10,633)	(1,258,732)	(454)	(1,492,640)	6,068
Accrued expenses and other liabilities	(55,765)	(23,829)	(13,695)	(108)	(93,397)	(8,307)
Landfill post closure liabilities	1,960,463	-	-	-	1,960,463	-
Compensated absences	5,581	10,451	(2,540)	-	13,492	2,244
Net cash provided by operating activities	<u>\$ 1,008,444</u>	<u>2,274,870</u>	<u>(1,091,218)</u>	<u>(339,628)</u>	<u>1,852,468</u>	<u>(700,413)</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
CITY OF CLOVIS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of June 30, 2023

		Custodial Funds
Assets:		
Cash and cash equivalents	\$	1,829
Investments		-
Total assets	\$	<u>1,829</u>
Liabilities:		
Accounts payable	\$	-
Total liabilities		<u>-</u>
Net position		
Restricted for:		
Individuals, other governments		<u>1,829</u>
Total net position	\$	<u>1,829</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2023

	Custodial Funds
Additions	
Rabies vaccination	\$ -
Interest	-
Total additions	-
Deductions	
Bonds	-
Transfer	4,323
Total deductions	4,323
Net increase (decrease) in fiduciary net position	(4,323)
Net position, beginning	6,152
Net position, ending	\$ 1,829

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – ENTITY AND 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-Commission 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. Recently Issued and Adopted Accounting Standards**

In March 2020, the GASB issued Statement No. 94 (GASB 94), Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). GASB 94 is effective for the City's financial statements for the year ended June 30, 2023. There was no material impact to the City's financial statements for the year ended June 30, 2023, as a result of adopting GASB 94.

In May 2020, the GASB issued Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITAs), which is effective for the year ended June 30, 2023. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). GASB 96 defines an SBITA, establishes that an SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments (including implementation costs of an SBITA), and requires note disclosures regarding an SBITA. The City adopted GASB 96 for the year ended June 30, 2023.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**B. Reporting Entity**

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

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 14, as amended by GASBs 39, 61, 80, and 90 as well as other applicable GASB Statements. Blended component units, although legally separate entities, are in substance, part of the government's operation. Each discreetly 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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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 City does not have any component units. Additionally, the City is not considered a component unit of another governmental agency during the fiscal year ended June 30, 2023.

**C. Basis of Accounting/Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

*Government-Wide Financial Statements*

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City 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

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

*Governmental Fund Financial Statements*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements.

The City reports the general fund as a major governmental fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the City except for items included in other funds.

In addition, the City reports the following other major funds:

Environmental Tax Fund (06) (NMSA, 7-19D-1 to 7-19D-11) – Special Revenue Fund – To account for the City’s share of gross receipts taxes that are to be used for environmental clean-up issues.

ARPA Fund (94) – Special Revenue Fund – To account for American Rescue Plan Act federal funding in accordance with State Audit Rule and Department of Finance and Administration guidelines.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Street Construction Fund (87) – Capital Projects Fund – 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.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. For this purpose, the City considers revenue to be available as follows: grant revenue, if they are collected within 12 months of the end of the current fiscal period, all other revenue, if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. The City reports the

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

following proprietary funds, all of which are considered major funds except the Golf Course Fund, which is a non-major fund.

Solid Waste Fund – To account 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.

Wastewater Fund – To account for the wastewater system service provided for residents of the City of Clovis, including administration, operation, maintenance, debt service, billing and collection.

Airport Fund – To account for the activities of the City’s airport. All activities necessary to provide such services are accounted for in this fund.

Golf Course Fund – To account for the activities of the City’s golf course. All activities necessary to provide such services are accounted for in this fund.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the airport, solid waste and wastewater funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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 are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The statements of fiduciary activities are presented using the economic resources measurement focus and the accrual basis of accounting. The statement of fiduciary net position reports assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position of custodial funds. The statement of changes in fiduciary net position is used to report additions and deductions from the City's custodial funds. The City has no pension, employee benefit trust funds, investment trust funds, or private-purpose funds.

**D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Equity**

Cash Equivalents

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. The City pools idle cash from all funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows, except for certificates of deposit or other investments that have original maturities of more than 90 days.

Investments

The City's investments are regulated by state law as well as by guidelines and rules promulgated by the State Investment Council and the State Treasurer. All investments are generally highly liquid in nature and are integrated with cash on the financial statements with appropriate disclosure. Investments are stated at fair value, which is determined using selected bases. Certificates of deposit are reported at carrying amount, which

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

reasonably estimates fair value. Investments in a U.S. Treasury Fund and repurchase agreements are valued at the last reported sales price at current exchange rates.

Interfund Activity/Balances

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.

Receivables and Payables

All receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts.

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Lease Receivables and related Deferred Inflows

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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. The City current does not hold any items in inventory.

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.

Right-to-Use Leased Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. Lease payables are capitalized as a right-to-use asset when the leased asset has a cost of \$25,000 or greater and an estimated useful life of more than one year. Right-to-use leased assets are recorded at the present value of payments expected to be made during the lease term plus any upfront payments and ancillary charges paid to place the leased asset in service. Amortization for right-to-use leased assets is computed using the straight-line method over the shorter of the lease term or the asset's estimated useful life.

Intangible Assets - Right-to-Use Subscription Asset

Subscription liabilities are capitalized as a right-to-use asset when the subscription asset has a cost of \$25,000 or greater and an estimated useful life of more than one year. Right-to-use subscription assets are recorded at the present value of payments expected to be made during the lease term plus any upfront payments and ancillary charges paid to place the subscription asset in service. Amortization for right-to-use subscription assets is computed using the straight-line method over the shorter of the subscription term or the asset's estimated useful life.

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

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

implementation of GASB 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software is being capitalized and included in machinery 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. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation and amortization are adjusted for all deletions.

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:

Asset Type	Years
Land	Perpetuity
Construction in progress	Perpetuity
Land improvements	20-40
Buildings and improvements	20-40
Equipment and vehicles	3-10
Infrastructure	10-25

Analysis of Impairment

Management reviews long-lived assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management's opinion, there is no impairment of such City assets at June 30, 2023.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Restricted Assets

Restricted assets consist of those funds expendable for operating purposes but restricted by donors or outside agencies as to the specific purpose for which they may be expended. Certain cash and investment balances are classified as restricted assets on the statement of net position because they are set aside for debt service requirements and as reserves for debt service requirements, DFA minimum balance requirements and funds for various projects.

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 1,400 hours. Earned vacation, up to 200 hours each year, can 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.

Short-Term Obligations

No short-term debt occurred during the current fiscal year.

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, 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

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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.

Deferred Outflows of Resources

In addition to assets, the statement of net position/balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has five types of items that qualify for reporting in this category. Accordingly, the items, employer contributions subsequent to measurement date, net difference between expected and actual earnings on pension plan and OPEB plan investments, net difference between expected and actual experience, change in assumptions and change in proportion, are reported collectively on the Statement of Net Position as “OPEB” and “Pension” deferrals. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available. The City has recorded \$2,121,890 and \$3,329,983 related to OPEB and Pension deferrals as of June 30, 2023, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position/balance sheet reports 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized.

If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

The City has seven types of items which qualify for reporting in this category. The items, unavailable revenue – property taxes and unavailable revenue - grants, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

recorded \$93,354 related to property taxes and \$9,723,979 related to grants that are considered “unavailable” as of June 30, 2023.

The items, net difference between expected and actual earnings on pension plan and OPEB investments, change in assumptions, actuarial experience, and change in proportion, are reported collectively on the Statement of Net Position as “OPEB” and “Pension” deferrals. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has recorded \$6,581,168 and \$321,160 related to related to OPEB and Pension deferrals, respectively, as of June 30, 2023.

Additionally, the City has recorded a total of \$544,320 related to lease related deferred inflow of resources on the Statement of Net Position as of June 30, 2023.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

*Governmental Fund Financial Statements.* In accordance with GASB 54, the City classifies fund balances in the governmental funds as follows:

- 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.
  - Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

- 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 purpose. 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.

See the Schedule of Governmental Fund Balances on, per the table of contents, for additional information about fund balances.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the City’s policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the City’s policy to use committed resources first, then assigned, and then unassigned as needed.

*Minimum Fund Balance Policy.* The New Mexico Department of Finance and Administration (DFA) requires that 1/12 of the 2023 budgets expenditures in the general fund be restricted as subsequent-year expenditures to provide adequate cash reserves. The City follows this requirement in order to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. See the Schedule of Governmental Fund Balances, per the table of contents, for the amount of minimum fund balance.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Net Position

*Government-wide and Proprietary Fund Financial Statements.* The City classifies net position in the government-wide and proprietary fund financial statements as follows:

*Net Investment in Capital Assets* includes the City's capital assets (net of accumulated depreciation and amortization) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The City Commission has the authority to revisit or alter this designation.

**E. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**F. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**G. Income Taxes**

As a local government entity, the City is not subject to federal or state income taxes. The City is generally no longer subject to examination by federal and state taxing authorities for years prior to 2020. For the year ended June 30, 2023, no interest or penalties were recorded or included in the financial statements.

**H. 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. Significant estimates affecting the City's financial statements include management's estimate of the following: estimated useful lives of capital assets, calculations of compensated absences, landfill closure and post-closure care costs, inputs and methods related to calculating right-to-use leased assets and subscription based assets, related liabilities and receivables, methods related to calculating SBITA utility and other receivable allowance for doubtful accounts, and inputs and methods related to pension and OPEB balances and activity.

**I. Indirect Expenses**

The City allocated indirect expenses primarily comprised of central governmental services to operating functions and programs benefitting 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 the various allocation methodologies.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The City adopts budgets for each individual fund (governmental and proprietary).

In late winter or early spring, the City prepares a budget calendar, thus starting the budgetary process for the upcoming June 1 fiscal year. Budget request forms are distributed to City departments with a specified completion date. Legally mandated advance notices are formally published for grant availability and other purposes once budget hearings have been scheduled. The budget hearings are then held with all City department heads. Generally, in late May or early June, a budget meeting is held for tentative approval of the completed budget by the City

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Commission. After tentative approval at the City level, the budget is submitted to the New Mexico Department of Finance and Administration (DFA) for approval of a temporary operational budget beginning June 1.

Immediately after July 1, when ending cash balances for the preceding fiscal year have been accurately ascertained, a final hearing is convened for finalization of the budget, and it is resubmitted to DFA for formal approval. None of the above budgetary processes are legally required to occur at any specified time; however, DFA requires that the time frame be such that they (DFA) render their final budget approval no later than September 1 of the budget year in question.

During the course of the fiscal year, the City prepares monthly budget reports. Under New Mexico State law, each year's budget appropriation legally lapses at year-end.

*Budgetary Compliance* – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

*Budget Amendments* – Budget increases and decreases can only be accomplished by City Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

*Budgetary Basis* – State law prescribes that the City's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 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 – CASH AND CASH EQUIVALENTS**

The following is a summary of the City’s cash and cash equivalents balances by fund type as of June 30, 2023:

Fund Type	Amount
Primary government	
Governmental funds	\$ 40,083,806
Internal service funds	156,059
Business-type activities	3,366,932
Fiduciary funds	1,829
Total cash and cash equivalents - primary government	\$ 43,608,626

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash. Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more bank 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 of America 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.

Idle cash may be invested in a wide variety of instruments, including money market accounts, certificates of deposit, the New Mexico State Treasurer’s investment pool, or 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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The City maintains cash in several financial institutions within Clovis, New Mexico. The City's deposits are carried at cost, which approximates fair value. The Federal Depository Insurance Corporation (FDIC) insures the cash accounts at the financial institution.

The City's cash balances consist of demand deposits and interest-bearing savings accounts. The majority of City's cash and investments are pooled. All interest income is accounted for in the related funds. The City does not have a deposit policy. The City's cash and cash equivalents are listed in the schedule of depositories as listed in the table of contents.

*Custodial Credit Risk Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the City funds may not be returned. The City does not have a deposit policy for custodial risk.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions.

For the custodial credit risk of the New Mexico Finance Authority deposit of \$1,435,313 with the State Treasurer, see the separately issued financial statements for the NM Finance Authority available through the New Mexico Office of the State Auditor at [www.saonm.org](http://www.saonm.org).

Based on the above, the City is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% or 102% of the public money in each account. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of New Mexico. See the City's schedule of pledged collateral by depository as listed in the table of contents.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

As of June 30, 2023, the City's bank balances (inclusive of investments listed in Note 4) of \$70,537,823 were exposed to custodial credit risk as follows:

Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the City's name.	\$ 44,389,990
Uninsured and uncollateralized	-
Total uninsured deposits	<u>\$ 44,389,990</u>

**NOTE 4 – INVESTMENTS**

The City's investments consisted of the following as of June 30, 2023:

<u>Investment Type</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Credit Risk- Rating</u>	<u>Maturity</u>
New Mexico LGIP	\$ 25,397,833	25,397,833	AAAm	[22] day WAM (R)
	<u>\$ 25,397,833</u>	<u>25,397,833</u>		[86] day WAM (F)

A summary of the City's investments by fund type as of June 30, 2023 is as follows:

<u>Fund Type</u>	<u>Amount</u>
Primary government	
Governmental funds	\$ 18,818,449
Internal service funds	2,251,260
Business-type activities	4,328,124
Fiduciary funds	-
Total cash and cash equivalents - primary government	<u>\$ 25,397,833</u>

*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, 2023, the City's investment balances were exposed to custodial credit risk as follows. The local short-term investment fund, along with other public monies in the State Treasurer's investment account including amounts held by the NM Self Insurer's fund, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collateral at 102% of investment balances for the City. All investing is performed in accordance with State Statutes and the City Charter. For more information, refer to separately issued financial statements for

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

the State Treasurer, which disclose the collateral pledged to secure the State Treasurer's cash and investments.

*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. These investments are 100% of the City's total investments.

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 New Mexico 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.

GASB 72 establishes a hierarchy of inputs to the valuation techniques, as they relate to fair value measurement, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements and the lowest priority to unobservable inputs (level 3 measurements). All of the City's investments meet the Level 1 criteria in the fair value hierarchy and therefore, no table of fair measurement information is required.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 5 – RECEIVABLES**

Receivables as of June 30, 2023 are as follows:

	General Fund	Environ- mental Tax	Street Const.	Nonmajor Funds	Total Receivables
Accounts	\$ 4,760,336	-	-	123	4,760,459
Taxes (Property, GRT, etc.)	4,668,117	-	-	2,113,143	6,781,260
Other intergovernmental	-	-	3,803,997	464,186	4,268,183
Other	-	-	-	357,000	357,000
Leases	497,417	-	-	-	497,417
Subtotal	<u>9,925,870</u>	<u>-</u>	<u>3,803,997</u>	<u>2,934,452</u>	<u>16,664,319</u>
Less: Allowance for uncollectibles	<u>(3,377,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,377,753)</u>
Net Receivables	<u>\$ 6,548,117</u>	<u>-</u>	<u>3,803,997</u>	<u>2,934,452</u>	<u>13,286,566</u>

  

	Solid Waste Fund	Waste- water	Airport	Golf Course	Total Proprietary
Accounts	\$ 4,736,315	2,427,118	8,501	-	7,171,934
Taxes:					
Other intergovernmental	27,500	-	45,404	-	72,904
Leases	54,294	-	-	-	54,294
Subtotal	<u>4,818,109</u>	<u>2,427,118</u>	<u>53,905</u>	<u>-</u>	<u>7,299,132</u>
Less: Allowance for uncollectibles	<u>(3,113,313)</u>	<u>(1,633,585)</u>	<u>(6,639)</u>	<u>-</u>	<u>(4,753,537)</u>
Net Receivables	<u>\$ 1,704,796</u>	<u>793,533</u>	<u>47,266</u>	<u>-</u>	<u>2,545,595</u>

The City has an established policy where an allowance for doubtful accounts is established for all receivable items outstanding over ninety (90) days.

In accordance with GASB 63 and 65, the property tax revenues totaling \$93,354 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Lease Receivables

The City has entered into multiple land leases. The City's lessor leasing arrangements on June 30, 2023 are summarized below (excluding short-term leases):

	<u>Balance at June 30, 2023</u>	<u>Current Portion</u>	<u>Number of Lease Contracts</u>	<u>Lease Terms*</u>	<u>Interest Rates</u>
<u>Governmental Activities</u>					
Lessor					
Land	\$ 497,417	\$ 6,243	3	40-86 years	1.75%
Total governmental activities	<u>\$ 497,417</u>	<u>6,243</u>			
<u>Business-Type Activities</u>					
Lessor					
Land	54,294	21,636	1	2.5 years	0.05%
Total business-type activities	<u>54,294</u>	<u>21,636</u>			
Total lease receivables	<u>\$ 551,711</u>	<u>\$ 27,879</u>			

\*The lease terms represent the range of remaining terms in each lease.

During the year the City did not recognize any variable payment amounts. For the year ended June 30, 2023, the City recognized the following in lease income and interest earned on leases:

<u>Governmental Activities</u>	<u>2023</u>
Lease income	\$ 9,678
Lease interest	\$ 8,743
<u>Business-Type Activities</u>	<u>2023</u>
Lease income	\$ 21,610
Lease interest	\$ 321

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The future minimum lease payment and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30,	Principal Reduction	Interest Revenue	Total
2024 \$	27,879	8,871	36,750
2025	28,121	8,629	36,750
2026	17,402	8,424	25,826
2027	6,603	8,297	14,900
2028	6,697	8,203	14,900
Thereafter	465,009	270,954	735,963
	<u>\$ 551,711</u>	<u>313,378</u>	<u>865,089</u>

Related lease deferred inflow of resources as of June 30, 2023, was as follows:

<u>Governmental Activities</u>	<u>2023</u>
Deferred inflow of resources	\$ 490,295
<u>Business-Type Activities</u>	<u>2023</u>
Deferred inflow of resources	\$ 54,025

**NOTE 6 – REGULATED LEASES**

Certain leases are subject to external laws, regulations, and legal rulings and are not subject to paragraphs 44-59 of GASB 87. Leases regulated by the Federal Aviation Administration between airports and air carriers fall under this classification. The City has several leases that are considered to be regulated leases under this definition. Regulated lessors recognize inflows of resources based on the payment provisions of the lease contract.

As of June 30, 2023, the City had at least eight active regulated leases with terms ranging from 8 to 38 years which allowed use of hangars and access to the runway, or tower. Use of the hangars are exclusive under these agreements, but runway and tower access are not.

For the year ended June 30, 2023, the City recognized the following in lease income on regulated airport leases:

<u>Business-Type Activities</u>	<u>2023</u>
Regulated lease income	\$ 11,614

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

During the year, the City did not recognize any variable payment amounts and no debt is secured by these lease payments.

The future minimum lease payments under these agreements in business-type activities as of June 30, 2023, were as follows:

	Regulated Airport Leases
2024	\$ 12,619
2025	12,619
2026	12,619
2027	12,619
2028	12,619
2029-2033	59,506
2034-2038	51,542
2039-2043	49,139
2044-2048	47,499
2049-2053	36,838
2054-2058	34,917
2059-2063	15,508
	<u>\$ 358,043</u>

**THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BANK**

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 7 – CAPITAL ASSETS**

The City recorded one right-to-use leased asset relating to leased equipment. The related lease liability is discussed in Note 8. The right-to-use leased asset is amortized on a straight-line basis over the terms of the related lease. A summary of capital assets and right-to-use leased assets and changes occurring during the year ended June 30, 2023 follows. Land and construction in progress are not subject to depreciation.

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Restatement</u>	<u>Balance 06/30/23</u>
Non-depreciable capital assets:						
Land	\$ 3,401,468	-	(148,309)	-	-	3,253,159
Construction in progress	<u>3,744,918</u>	<u>10,870,644</u>	<u>-</u>	<u>(3,796,983)</u>	<u>-</u>	<u>10,818,579</u>
Total non-depreciable capital assets	7,146,386	10,870,644	(148,309)	(3,796,983)	-	14,071,738
Capital assets being depreciated:						
Land improvements	3,820,729	-	-	-	-	3,820,729
Buildings and improvements	23,774,446	29,854	(57,449)	3,722,530	-	27,469,381
Equipment and vehicles	24,353,625	1,944,113	(1,486,879)	(12,411)	532,603	25,331,051
Infrastructure	93,753,142	2,313,335	(229,613)	74,453	-	95,911,317
Right-to-use leased equipment	37,757	1,982,128	-	-	-	2,019,885
Right-to-use SBITA assets	<u>-</u>	<u>577,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,959</u>
Total capital assets being depreciated/amortized	145,739,699	6,847,389	(1,773,941)	3,784,572	532,603	155,130,322
Less accumulated depreciation/amortization for:						
Land improvements	(369,842)	(34,473)	-	-	-	(404,315)
Buildings and improvements	(12,703,381)	(671,858)	28,112	-	-	(13,347,127)
Equipment and vehicles	(19,580,150)	(1,337,065)	1,454,602	12,411	(479,634)	(19,929,836)
Infrastructure	(55,169,342)	(2,806,101)	91,123	-	-	(57,884,320)
Right-to-use leased equipment	(8,773)	(405,199)	-	-	-	(413,972)
Right-to-use SBITA assets	<u>-</u>	<u>(267,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(267,082)</u>
Total accumulated depreciation/amortization	<u>(87,831,488)</u>	<u>(5,521,778)</u>	<u>1,573,837</u>	<u>12,411</u>	<u>(479,634)</u>	<u>(92,246,652)</u>
Total capital assets being depreciated/amortized	<u>57,908,211</u>	<u>1,325,611</u>	<u>(200,104)</u>	<u>3,796,983</u>	<u>52,969</u>	<u>62,883,670</u>
Total capital assets, net of depreciation/amortization	<u>\$ 65,054,597</u>	<u>12,196,255</u>	<u>(348,413)</u>	<u>-</u>	<u>52,969</u>	<u>76,955,408</u>

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 7 – CAPITAL ASSETS, continued**

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Restatement</u>	<u>Balance 06/30/23</u>
Non-depreciable capital assets:						
Land	6,159,811	-	-	-	-	6,159,811
Construction in progress	\$ 6,175,911	3,362,504	-	(4,866,839)	-	4,671,576
Total non-depreciable capital assets	12,335,722	3,362,504	-	(4,866,839)	-	10,831,387
Capital assets being depreciated:						
Land improvements	1,517,878	-	-	-	-	1,517,878
Buildings and improvements	16,874,356	9,977	-	263,697	-	17,148,030
Equipment and vehicles	16,132,547	937,359	(551,018)	12,411	253,410	16,784,709
Infrastructure	86,886,409	-	-	4,603,142	-	91,489,551
Total capital assets being depreciated	121,411,190	947,336	(551,018)	4,879,250	253,410	126,940,168
Less accumulated depreciation for:						
Land improvements	(253,583)	(27,803)	-	-	-	(281,386)
Buildings and improvements	(8,639,289)	(521,659)	-	-	-	(9,160,948)
Equipment and vehicles	(12,919,092)	(784,331)	551,018	(12,411)	(172,322)	(13,337,138)
Infrastructure	(42,363,464)	(2,459,422)	-	-	-	(44,822,886)
Total accumulated depreciation	(64,175,428)	(3,793,215)	551,018	(12,411)	(172,322)	(67,602,358)
Total capital assets being depreciated	57,235,762	(2,845,879)	-	4,866,839	81,088	59,337,810
Total capital assets, net of depreciation	\$ 69,571,484	516,625	-	-	81,088	70,169,197

Depreciation and amortization expense for the year ended June 30, 2023 was charged to the following functions and funds:

Governmental activities:

General government	\$ 1,925,520
Public safety	1,954,240
Public works	1,048,396
Culture and recreation	548,439
Health and welfare	45,183
Total governmental activities	\$ 5,521,778

Business-type activities

Solid Waste	\$ 941,611
Wastewater	1,763,217
Airport	960,312
Golf course	128,075
Total business type activities	\$ 3,793,215

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 8 – LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amount due within one year
<b>Governmental funds</b>					
Lease liability	\$ 29,116	1,982,128	(317,581)	1,693,663	330,163
SBITA liability	-	577,959	(187,250)	390,709	192,576
Compensated absences	1,009,230	2,271,575	(2,222,669)	1,058,136	846,508
Revenues bonds payable	6,685,000	-	(1,390,000)	5,295,000	1,415,000
Notes payable	4,292,369	-	(375,000)	3,917,369	376,777
Net pension liability	10,473,303	6,149,224	(798,472)	15,824,055	-
Net OPEB liability	8,200,108	-	(2,482,333)	5,717,775	-
Total governmental activities	<u>\$ 30,689,126</u>	<u>10,980,886</u>	<u>(7,773,305)</u>	<u>33,896,707</u>	<u>3,161,024</u>
<b>Business-type funds</b>					
Compensated absences	\$ 120,247	302,804	(289,311)	133,740	106,992
Revenues bonds payable	4,926,134	-	(936,227)	3,989,907	950,324
Notes payable	7,290,626	-	(846,885)	6,443,741	844,702
Net pension liability	282,765	173,886	(22,579)	434,072	-
Net OPEB liability	1,259,977	-	(337,353)	922,624	-
Total business-type activities	<u>\$ 13,879,749</u>	<u>476,690</u>	<u>(2,432,355)</u>	<u>11,924,084</u>	<u>1,902,018</u>

Long-term liabilities are liquidated from the general fund and special revenue funds. Business-type long-term liabilities are liquidated from the specific fund associated with the debt. No short-term debt was incurred during fiscal year 2023.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2023 are as follows.

Governmental activities

Revenue Bonds

Bonds payable for governmental funds at June 30, 2023 are comprised of the following:

	Sales Tax Revenue bond Series 2012	Sales Tax Revenue bond Series 2015	Sales Tax Revenue bond Series 2021
Original issue:	10/3/2012	7/1/2015	7/30/2021
Principal:	\$ 9,000,000	6,705,000	3,250,000
Interest:	June 1 & December 1	June 1 & December 1	June 1 & December 1
Rates:	2.00% to 2.50%	2.00% to 3.00%	1.30% to 2.00%
Maturity	6/1/2027	6/1/2030	6/1/2036

Revenue Bond Series 2012

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 1978, as amended, and 7-1-6.15 NMSA 1978, as amended. The bonds mature on June 1, 2027.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The annual requirements to amortize the 2012 Bond Issue outstanding as of June 30, 2023, including interest payments are as follows:

		Principal	Interest	Total
2024	\$	440,000	40,485	480,485
2025		440,000	30,805	470,805
2026		440,000	20,685	460,685
2027		405,000	10,125	415,125
2028		-	-	-
2029-2033		-	-	-
Total	\$	1,725,000	102,100	1,827,100

Revenue Bond Series 2015

The July 1, 2015 Gross Receipts Tax Refunding and Improvement Revenue Bonds, Series 2015, were issued for (1) refunding, redeeming, paying and discharging the City's outstanding Gross Receipts Tax Improvement Revenue Bonds, Series 2005, in the amount of \$2,110,000, (ii) acquiring, constructing, reconstructing, resurfacing, maintaining, repairing, or otherwise improving municipal streets, and (iii) paying the costs of issuance of the bonds. The Bonds are being issued pursuant to Sections 7-1-6.4 NMSA 1978, as amended, providing for the disposition of tax receipts derived from the state-shared gross receipts tax. The 2015 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 1978, as amended, and 7-1-6.15 NMSA 1978, as amended. The bonds mature on June 1, 2025. 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 new bonds mature on June 1, 2030.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The annual requirements to amortize the 2015 Bond Issue outstanding as of June 30, 2023, including interest payments are as follows:

		Principal	Interest	Total
2024	\$	370,000	50,100	420,100
2025		380,000	41,100	421,100
2026		140,000	31,850	171,850
2027		145,000	22,350	167,350
2028		150,000	13,800	163,800
2029-2033		310,000	13,590	323,590
Total	\$	1,495,000	172,790	1,667,790

Revenue Bond Series 2021

The July 30, 2021 Gross Receipts Tax Road Improvement Revenue Bonds, Series 2021, 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 Section 7-9-4 NMSA 1978, as amended. The 2021 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 1978, as amended, and 7-1-6.15 NMSA 1978, as amended. The bonds mature on June 1, 2036.

The annual requirements to amortize the 2021 Bond Issue outstanding as of June 30, 2023, including interest payments are as follows:

		Principal	Interest	Total
2024	\$	605,000	18,621	623,621
2025		125,000	16,988	141,988
2026		125,000	16,513	141,513
2027		125,000	15,913	140,913
2028		125,000	15,138	140,138
2029-2033		625,000	64,937	689,937
2034-2038		345,000	13,063	358,063
Total	\$	2,075,000	161,173	2,236,173

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Notes Payable

NMFA LOAN – PPRF-5254 B – Park

On July 1, 2020, the City borrowed \$2,267,000 with interest rates between 0.46% and 1.70% from the NM Finance Authority as part of a restructuring of the previously held NMFA Loan – EJP PP-2603-2011 Clovis 6-A. The net proceeds of \$2,267,000 (after estimated issuance costs of \$32,370) were used for the improvement of park infrastructure. The note matures on June 30, 2032. The payments of principal and interest are paid from pledged governmental gross receipts tax revenues. The revenues pledged totaled \$220,403 at June 30, 2023, and equal 34.4% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2023, the City collected \$639,293 in pledged revenues, and retired \$220,403 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	201,000	19,443	220,443
2025		202,000	18,378	220,378
2026		203,000	17,146	220,146
2027		205,000	15,562	220,562
2028		207,000	13,677	220,677
2029-2033		850,000	31,172	881,172
Total \$		1,868,000	115,378	1,983,378

NMFA LOAN - PPRF-4742

On July 27, 2018, the City borrowed \$4,592,444 from the New Mexico Finance Authority. The note matures on May 1, 2033 and accrues interest at a rate between 1.45% and 3.20% per annum. The proceeds of the loan were used for acquiring, constructing, reconstructing, resurfacing, maintaining, repairing, or otherwise improving municipal streets. The payments of principal and interest are paid from pledged state shared gross receipts taxes. The revenues pledged totaled \$234,858 at June 30, 2023, and equal 1.7% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2023, the City collected \$13,194,338 in pledged revenues, and retired \$234,858 in principal and interest on the aforementioned note.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	175,777	56,215	231,992
2025		184,690	52,303	236,993
2026		189,218	47,952	237,170
2027		195,002	43,284	238,286
2028		205,574	38,319	243,893
2029-2033		1,099,108	100,787	1,199,895
2034-2038		-	-	-
Total	\$	2,049,369	338,860	2,388,229

Business-type activities

Revenue Bonds

Bonds payable for proprietary funds at June 30, 2023 are comprised of the following:

		Sales Tax Revenue bond Series 2020 PPRF-5253	Sales Tax Revenue bond Series 2014 PPRF-3095
Original issue:		7/31/2020	4/18/2014
Principal:	\$	4,210,000	4,888,665
Interest:		June 1 & December 1	June 1 & December 1
Rates:		.46% to 1.42%	.25% to 2.79%
Maturity		6/1/2031	6/1/2024

Revenue Bond Series 2020

On July 1, 2020, the City borrowed \$4,210,000 with interest rates between 0.46% and 1.42% from the NM Finance Authority as part of a restructuring of the previously held 2010 Gross Receipts Tax Revenue Bond. Issuance costs related to the restructuring of debt amounted to \$60,500. The Bonds were issued to defray, in part (i) the cost of constructing, purchasing, furnishing, equipping or making improvement to the City's wastewater 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 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-

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

1-6.4 NMSA, as amended and 7-1-6.15 NMSA, 1978 as amended. The bonds mature on June 1, 2031.

The annual requirements to amortize the PPRF-5253 Bond Issue outstanding as of June 30, 2023, including interest payments are as follows:

		Principal	Interest	Total
2024	\$	420,417	32,839	453,256
2025		425,000	30,582	455,582
2026		425,416	27,930	453,346
2027		430,417	24,561	454,978
2028		435,000	20,562	455,562
2029-2033		1,323,750	33,199	1,356,949
Total	\$	3,460,000	169,673	3,629,673

Revenue Bond Series 2014

The April 18, 2014 Gross Receipts Tax 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 all 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, 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, 2024.

The annual requirements to amortize the 2014 Bond Issue outstanding as of June 30, 2023, including interest payments are as follows:

		Principal	Interest	Total
2024	\$	529,907	14,784	544,691
2025		-	-	-
2026		-	-	-
2027		-	-	-
2028		-	-	-
Total	\$	529,907	14,784	544,691

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Notes Payable

New Mexico Environment Department – Wastewater Improvements

On June 18, 2008, the City borrowed \$8,739,413 from the New Mexico Environment Department. The note matures on June 11, 2027 and carries a 2.0% interest rate. The proceeds of the loan were used for wastewater system improvements. The payments of principal and interest are paid from pledged net revenues of the City’s wastewater utility system. The revenues pledged totaled \$534,474 at June 30, 2023, and equal 14.6% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$534,474 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	484,089	50,385	534,474
2025		493,771	40,703	534,474
2026		503,647	30,827	534,474
2027		513,720	20,754	534,474
2028		523,994	10,480	534,474
2029-2033		-	-	-
Total	\$	2,519,221	153,149	2,672,370

NMFA LOAN - PPRF-5254 A– Golf Course

On July 1, 2020, the City borrowed \$1,970,000 with interest rates between 0.69% and 1.94% from the NM Finance Authority as part of a restructuring of the previously held NMFA Loan – EJP PP-2603-2011 Clovis 6-B. The net proceeds of \$1,970,000 (after estimated issuance costs of \$28,130) were used for improvements to the City’s golf course. The note matures on June 1, 2032. The payments of principal and interest are paid from pledged governmental gross receipts tax revenues. The revenues pledged totaled \$196,514 at June 30, 2023, and equal 30.7% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2023, the City collected \$639,293 in pledged revenues, and retired \$196,514 in principal and interest on the aforementioned note.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	172,000	24,231	196,231
2025		174,000	22,769	196,769
2026		175,000	20,925	195,925
2027		177,000	18,808	195,808
2028		180,000	16,418	196,418
2029-2033		751,000	35,295	786,295
Total	\$	1,629,000	138,446	1,767,446

NMFA LOAN - WPF-833

On June 2, 2012, the City borrowed \$1,645,380 from the New Mexico Finance Authority. The note matures on June 30, 2032 and carries a 2.50% interest rate. The proceeds of the loan were used for improvements to the City’s wastewater treatment plant including an aeration/denitrification treatment plan. The payments of principal and interest are paid from pledged net revenues of the City’s wastewater utility system. The revenues pledged totaled \$84,445 at June 30, 2023, and equal 2.3% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$84,445 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	82,569	1,877	84,446
2025		82,776	1,670	84,446
2026		82,983	1,463	84,446
2027		83,190	1,256	84,446
2028		83,398	1,048	84,446
2029-2033		335,681	2,101	337,782
Total	\$	750,597	9,415	760,012

NMFA LOAN - WPF-908

On October 23, 2015, the City borrowed \$1,280,000 from the New Mexico Finance Authority. The note matures on June 30, 2035 and carries a 0% interest rate; however, a .25% administrative fee is assessed with each payment. The proceeds of the loan were used for improvements to the City’s wastewater system. The payments of principal and interest are paid from pledged net revenues of the City’s wastewater utility system. The revenues pledged totaled \$66,167 at June

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

30, 2023, and equal 1.8% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$66,167 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	65,004	1,977	66,981
2025		65,167	1,815	66,982
2026		65,329	1,652	66,981
2027		65,493	1,488	66,981
2028		65,657	1,324	66,981
2029-2033		330,753	4,153	334,906
2034-2038		133,492	501	133,993
Total	\$	790,895	12,910	803,805

NMFA LOAN - WPF-4360

On November 30, 2018, the City borrowed \$190,000 from the New Mexico Finance Authority. The note matures on June 30, 2035 and carries a 0% interest rate; however, a .25% administrative fee is assessed with each payment. The proceeds of the loan were used for the development and construction of an effluent reuse system. The payments of principal and interest are paid from pledged net revenues of the City's wastewater system. The revenues pledged totaled \$9,007 at June 30, 2023, and equal 0.2% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$9,007 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	8,656	353	9,009
2025		8,679	330	9,009
2026		8,699	310	9,009
2027		8,722	287	9,009
2028		8,744	265	9,009
2029-2033		44,045	1,000	45,045
2034-2038		44,600	445	45,045
2039-2043		8,987	22	9,009
Total	\$	141,132	3,012	144,144

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

NMFA LOAN - WPF-4846

On December 19, 2019, the City borrowed \$286,811 from the New Mexico Finance Authority. The note matures on June 1, 2041 and carries a 0% interest rate; however, a .25% administrative fee is assessed with each payment. The proceeds of the loan were used for the development and construction of an effluent reuse system. The payments of principal and interest are paid from pledged net revenues of the City’s wastewater system. The revenues pledged totaled \$27,779 at June 30, 2023, and equal 0.7% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$27,779 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	14,125	649	14,774
2025		14,160	614	14,774
2026		14,195	579	14,774
2027		14,231	543	14,774
2028		14,266	508	14,774
2029-2033		71,868	2,001	73,869
2034-2038		72,771	1,098	73,869
2039-2043		43,626	221	43,847
Total	\$	259,242	6,213	265,455

NMFA LOAN - WPF-5085

On October 9, 2020, the City executed a water project fund loan/grant agreement with the New Mexico Finance Authority in the total amount of \$3,715,350 including a loan amount of \$371,535. The note matures on June 1, 2042 and carries a 0% interest rate; however, a .25% administrative fee is assessed with each payment. The proceeds of the loan were used for the water conservation or recycling, treatment or reuse of water as provided by law. The payments of principal and interest are paid from pledged net revenues of the City’s wastewater system. The revenues pledged totaled \$19,146 at June 30, 2023, and equal 0.3% of future wastewater utility revenues at their current rate. During the year ended June 30, 2023, the City collected \$3,650,506 in pledged revenues, and retired \$19,146 in principal and interest on the aforementioned note.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The future payments required on the note payable are as follows:

		Principal	Interest	Total
2024	\$	18,259	887	19,146
2025		18,305	841	19,146
2026		18,351	796	19,147
2027		18,397	750	19,147
2028		18,442	704	19,146
2029-2033		92,907	2,827	95,734
2034-2038		94,075	1,659	95,734
2039-2043		74,918	476	75,394
Total	\$	353,654	8,939	362,593

The governmental activities and business-type activities notes payable are all secured with an irrevocable lien placed on the pledged revenues to the extent required to pay the outstanding loan amounts and any related interest. The outstanding notes payable contain (1) a provision that in an event of default, the City could be legally compelled to carry out its duties under the law and the loan agreement, (2) cause the City to account for all of the pledged revenues as if it were the trustee if an express trust, and (3) permit the lender to take whatever action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under the loan agreement. The City's outstanding notes payable do not contain any subjective acceleration clauses to allow the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. Default remedies entered against the City are limited and may reach only available pledged revenues.

Lease Liability

The City leases heavy machinery and a postage machine at June 30, 2023 as summarized below:

Classification	# of Lease Contracts	Remaining Lease Terms	Interest Rate
Right-to-use Equipment	4	~ 2.5-3 years	.5% - 5.25%

\*The lease terms represent the range of remaining terms in each lease.

During the year ended June 30, 2023, the City did not recognize any variable payment amounts.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$	330,163	54,992	385,155
2025		343,815	41,340	385,155
2026		370,190	9,094	379,284
2027		649,495	-	649,495
2028		-	-	-
Total	\$	<u>1,693,663</u>	<u>105,426</u>	<u>1,799,089</u>

Subscription Liability

The City entered into a SBITA for its accounting software. The City's arrangement at June 30, 2023 is summarized below (excluding short-term SBITAs):

<u>Classification</u>	<u># of SBITA Contracts</u>	<u>Remaining SBITA Terms</u>	<u>Interest Rate</u>
SBITA	1	~ 1.2 years	2.84%

\*The SBITA term represents the range of remaining terms in each SBITA.

During the year ended June 30, 2023, the City did not recognize any variable payment amounts.

The future minimum SBITA obligations and the net present value of these minimum SBITA payments as of June 30, 2023, were as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$	192,576	5,572	198,148
2025		198,133	15	198,148
2026		-	-	-
2027		-	-	-
2028		-	-	-
Total	\$	<u>390,709</u>	<u>5,587</u>	<u>396,296</u>

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 9 – 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 for Cells 1 through 5; Asbestos Monofill; C & D Wedge and the Old closed landfill is \$7,973,280 as of June 30, 2023, which is based on the cumulative capacity to date as a percentage of projected capacity at the time of landfill closure. This represents an increase of \$1,960,463 from the prior year. It is estimated that no additional costs 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. The estimated total current cost of the landfill closure and post-closure care of \$7,973,280 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, 2023. 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 Department Solid Waste Bureau to demonstrate financial assurance for the closure and post-closure costs. the City has designated funds totaling \$9,512,222 to offset the future estimated post-closure liability amounts. 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 post-closure 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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 10 – INTERFUND BALANCES AND TRANSFERS**

The City recorded interfund transfers to reflect activity occurring between funds. Transfers and payments within the City are substantially for the purpose of subsidizing operating functions and funding various projects within the City. 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, 2023 was as follows:

	General Fund	Street Const.	Non-Major Govern- mental Funds	Solid Waste	Wastewater	Golf Course	Total
General	\$ -	-	2,712,051	-	-	-	2,712,051
Non-Major Governmental	4,415,629	974,274	3,535,203	522,847	341,850	437,681	10,227,484
Solid Waste	259,000	-	544,692	-	-	-	803,692
Wastewater	150,000	-	-	-	454,872	-	604,872
Airport	-	-	437,572	-	-	-	437,572
Internal Service Funds	-	-	1,900	-	-	-	1,900
Fiduciary funds	-	-	4,323	-	-	-	4,323
<b>Total</b>	<b>\$ <u>4,824,629</u></b>	<b><u>974,274</u></b>	<b><u>7,235,741</u></b>	<b><u>522,847</u></b>	<b><u>796,722</u></b>	<b><u>437,681</u></b>	<b><u>14,791,894</u></b>

The City recorded interfund receivables/payables to reflect temporary loans between funds. The purpose of the loans was to cover cash shortages until grant reimbursements or other funding measures could be obtained. All interfund balances are expected to be repaid within one year.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 10 – INTERFUND BALANCES AND TRANSFERS, continued**

Interfund balances as of June 30, 2023, are as follows:

Fund	Due From	Due To	Total
General Fund (01)	\$ 3,704,847	(5,081)	3,699,766
Solid Waste Fund (02)	1,987	-	1,987
Municipal Road Fund (03)	2,997	-	2,997
Recreation Fund (04)	-	(39)	(39)
Senior Services Division (05)	-	(165)	(165)
Environmental Tax Fund (06)	60,214	-	60,214
State Fire Marshall Grant (07)	300,000	(277,743)	22,257
Wastewater Fund (10)	79,939	(4,977)	74,962
Airport Fund (12)	-	(2,246,438)	(2,246,438)
Ned Houk Park Fund (13)	-	(50,044)	(50,044)
Library Fund (14)	-	(124)	(124)
2011 Parks Debt Svc (47)	-	(170,098)	(170,098)
Worker's Comp Fund (48)	293,653	-	293,653
Economic Development GRT (64)	-	(59,780)	(59,780)
Water Dedication GRT (66)	-	(35,391)	(35,391)
Emergency Services Grant (72)	-	(99)	(99)
Special Streets Fund (75)	11,359	(64,760)	(53,401)
Recycling Fund (76)	-	(7,262)	(7,262)
Special Fire & Police GRT (86)	-	(17,045)	(17,045)
Capital Projects Fund (87)	-	(1,098,696)	(1,098,696)
Drainage Improvement (88)	-	(11,359)	(11,359)
Clovis Area Transit System (92)	-	(198,583)	(198,583)
Department of Justice (96)	-	(9,718)	(9,718)
Intergovernmental Grants (97)	-	(159,360)	(159,360)
Drug Control Fund (98)	-	(38,234)	(38,234)
	<u>\$ 4,454,996</u>	<u>(4,454,996)</u>	<u>-</u>

**NOTE 11 – PROPERTY TAXES**

Property taxes attached as an enforceable lien on property as of January 1st. Property tax rates for the year are set no later than September 1st each year by the New Mexico Secretary of Finance and Administration. The rates of tax are then used by the Curry County Assessor to develop the property tax schedule by October 1st. The Curry County Treasurer sends tax notices to property owners by November 1st of each year. Taxes are payable in equal semiannual installments by November 10th and April 10th of subsequent year. Thirty days later the bill becomes delinquent and the County Treasurer assesses penalties and interest. Taxes are collected on behalf of the City by the County Treasurer, and are remitted to the City in the month

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

following collection. The County Treasurer is statutorily required to collect taxes as an intermediary agency for all forms of government. Distribution of taxes collected is made through the County Treasurer's office.

The City is permitted to levy taxes for general operating purposes up to an amount determined by a formula based upon each \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the City is allowed to levy taxes for payments of bonds principal and interest in amounts approved by voters of the City.

Property taxes receivable are an aggregate of uncollected amounts assessed for the current fiscal year, as well as delinquent balances carried forward from the nine preceding fiscal years. While some of the delinquent outstanding balances will eventually be eliminated through corrections, litigation, and other property tax administrative procedures, the majority of the balances will ultimately be realized through delinquent payment or tax sales. The aggregate amount of this ultimate realization is generally difficult to ascertain at any point in time. Thus, taxes not collected within sixty days of year end are carried in the deferred inflow of resources section of the balance sheet as "unavailable revenue" on the fund basis financial statements.

**NOTE 12 – 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. City of Clovis has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insurers Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The City pays an annual premium to New Mexico Self-Insurers Fund for general insurance coverage and all risk of loss is transferred. The premiums paid for the year ended June 30, 2023 totaled \$281,291.

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.

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

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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.

**NOTE 13 – PERA PENSION PLAN**

General Information about the Pension Plan

*Plan description.* Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-8, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Section 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at [www.nmpera.org/financial-overview/](http://www.nmpera.org/financial-overview/).

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

*Benefits provided.* Benefits are generally available at age 65 with five or benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

*TIER II.* The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013, with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee contribution increased 1.5 percent and effective July 1, 2014, employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

*Contributions.* See PERA's Annual Comprehensive Financial Report that can be obtained on PERA's Web Site for Contribution Description.

<b>PERA Fund Contribution Rates and Pension Factors in Effect During FY 22</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary \$25,000 or less	Annual Salary greater than \$25,000		TIER 1	TIER 2	
<b>STATE PLAN</b>						
State Plan 3	7.42%	9.92%	18.24%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
Municipal Plan 1 (plan open to new employers)	7.0%	8.50%	7.65%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.0%	2.5%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.00%	8.50%	10.65%	2.0%	2.0%	90%
Municipal Police Plan 2	7.00%	8.50%	15.65%	2.5%	2.0%	90%
Municipal Police Plan 3	7.00%	8.50%	19.15%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.0%	2.5%	90%
Municipal Police Plan 5	16.30%	17.80%	19.15%	3.5%	3.0%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.00%	11.00%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.00%	11.00%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.00%	11.00%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.80%	15.80%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.20%	19.20%	21.90%	3.5%	3.0%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.5%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	9.92%	18.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	7.28%	27.37%	3.0%	3.0%	90%

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Pension liabilities, pension expense, and deferred outflows/inflows of resources related to pensions: At June 30, 2023, the City reported a liability of \$16,258,127 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2022. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was 0.487232%, which was an increase of 0.191530% from its proportion measured as of June 30, 2021.

For PERA Fund Division Municipal General: At June 30, 2023, the City reported a liability of \$3,278,158 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 0.173610%, which was an increase of 0.011210% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense (income) of \$493,817. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,141	79,724
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	324,426	-
Changes in proportion and differences between City contributions and proportionate share of contributions	391,636	-
City contributions subsequent to the measurement date	148,140	-
	\$ 877,343	79,724

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

\$148,140 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 284,740
2025	192,389
2026	(83,807)
2027	256,157
2028	-
Thereafter	\$ -

*For PERA Fund Division Municipal Police:* At June 30, 2023, the City reported a liability of \$4,455,383 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 0.554380%, which was an increase of 0.048704% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense (income) of \$284,570. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,055	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	389,302	-
Changes in proportion and differences between City contributions and proportionate share of contributions	255,387	127,539
City contributions subsequent to the measurement date	307,933	-
	\$ 1,068,677	127,539

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

\$307,933 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	168,061
2025		214,520
2026		(59,000)
2027		309,624
2028		-
Thereafter	\$	-

*For PERA Fund Division Municipal Fire:* At June 30, 2023, the City reported a liability of \$8,524,576 for its proportionate share of the net pension liability. At June 30, 2022, the City’s proportion was 1.122460%, which was an increase of 0.103573% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense (income) of \$524,154. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,022	6,018
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	380,094	-
Changes in proportion and differences between City contributions and proportionate share of contributions	511,905	107,878
City contributions subsequent to the measurement date	438,942	-
	\$ 1,383,963	113,896

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

\$438,942 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 247,067
2025	276,964
2026	8,801
2027	298,293
2028	-
Thereafter	\$ -

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	for the Legislative division which is Level Dollar
Amortization period	25 years
Actuarial assumptions	
Investment rate of return	7.25% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled-

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

forward from the valuation date to the plan year ended June 30, 2022. These assumptions were adopted by the Board use in the June 30, 2021 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35.50%	6.35%
Risk Reduction & Mitigation	19.50%	1.90%
Credit Oriented Fixed Income	15.00%	4.45%
Real Assets to include Real Estate Equity	20.00%	5.10%
Multi-Risk Allocation	<u>10.00%</u>	6.65%
Total	<u><u>100.00%</u></u>	

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<u>PERA Fund Division</u>			
Municipal General Division	\$ 4,960,571	3,278,168	1,880,536
Municipal Police Division	6,684,421	4,455,383	2,631,610
Municipal Fire Division	11,228,516	8,524,576	6,304,266

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued PERA’S financial reports.

Payable Changes in the Net Pension Liability. At June 30, 2023, the City reported \$64,308 of outstanding contributions due to PERA.

**NOTE 14 – DEFINED CONTRIBUTION 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 employees’ gross earnings. Contributions by the City belong to the participant upon retirement or termination, provided the vesting requirements have been satisfied.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The vesting provisions for all new employees hired on or after July 8, 1990, until June 30, 2020 are as follows:

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

The vesting provisions for all new employees hired on or after July 1, 2020 are vested after seven 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, 2023, 2022, and 2021, the City's required and actual contributions totaled \$1,663,655, \$1,718,115, and \$1,409,161, respectively.

**NOTE 15 – 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 Mission Square.

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 or a flat rate provided it is at least 3% of their base salary but may elect to contribute up to 100% of their salary up to a maximum dollar amount of \$22,500 (or the current IRS limit) per year into the plan. Eligible employees may also make catch-up contributions totaling \$6,500 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 \$992,509, \$1,030,117, and \$1,074,621 for the years ended June 30, 2023, 2022, and 2021, respectively.



STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB)**

General Information about the OPEB

*Plan description.* Employees of the City are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

*Benefits provided.* The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Employees covered by benefit terms – At June 30, 2022, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,759
Current active members	92,500
	157,351
Active membership	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal fire	756
Educational Retirement Board	49,224
	92,520

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$322,025 for the year ended June 30, 2023.

OPEB liabilities, OPEB expense, and deferred outflows of resources/inflows of resources related to OPEB:

At June 30, 2023, the City reported a liability of \$6,640,400 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the City’s proportion was 0.28726 percent.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023, the City recognized OPEB expense (income) of \$(1,546,327). At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,449	984,248
Changes of assumptions	1,416,904	4,922,453
Net difference between projected and actual earnings on OPEB plan investments	91,565	-
Changes of proportion	180,947	674,467
City contributions subsequent to the measurement date	322,025	-
	\$ 2,121,890	6,581,168

Deferred outflows of resources totaling \$322,025 represent City contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (1,509,177)
2025	(1,172,370)
2026	(738,225)
2027	(855,706)
2028	(505,825)
Total	\$ (4,781,303)

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Valuation Date	June 30, 2021
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions	
Inflation	2.30% for ERB members, 2.50% for PERA members
Projected salary increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

*Rate of return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The best estimate for the long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	0.40%
U.S. equity - large cap	6.60%
Non U.S. - emerging markets	9.20%
Non U.S. - developed equities	7.30%
Private equity	10.60%
Credit and structured finance	3.10%
Real estate	3.70%
Absolute return	2.50%
U.S. equity - small/mid cap	6.60%

Discount rate. The discount rate used to measure the total OPEB liability is 5.42% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 5.42% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability, calculated using the discount rate of 5.42% as of June 30, 2022, as well as what the Fund's net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower or 1-percent higher than the current rate:

1% Decrease	Current Discount	1% Increase
4.42%	5.42%	6.42%
\$ 8,263,569	6,640,399	5,346,249

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
\$ 5,320,689	6,640,399	7,765,139

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2022.

*Payable changes in the net OPEB liability.* At June 30, 2023, the City reported a payable of \$18,524 for outstanding contributions due to NMRHCA for the year ended June 30, 2023.

**NOTE 17 – CONTINGENCIES**

The City 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 may be required to reimburse the grantor government. As of June 30, 2023, 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 of the overall financial position of the City.

The City is party to various legal proceedings, which are the unavoidable results of governmental operations. 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 effect on the financial condition of the City.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 18 – FUND DEFICITS AND NON-COMPLIANCE**

Deficit Fund Balances

The City reported the following funds with a deficit fund balance at June 30, 2023:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Fund 13 - Ned Houk Park Fund	Special revenue fund	\$ (59,284)
Fund 72 - Emergency Medical Services Fund	Special revenue fund	(99)
Fund 92 - Clovis Area Transit System Fund	Special revenue fund	(91)
Fund 98 - Drug Fund	Special revenue fund	(1,312)
		<u>\$ (60,786)</u>

Legal Compliance with Budget

The City did not have any funds that exceeded budget at the fund level as of June 30, 2023.

**NOTE 19 – COMMITMENTS**

The City of Clovis has several projects under construction related to water and wastewater utilities, streets, and airport improvements. Below is a summary list of ongoing projects:

<u>Project</u>	<u>Contract Type</u>	<u>Contract Price</u>	<u>Amount Expended at 6/30/2023</u>	<u>% of Completion</u>
Effluent Phase 2B Construction	Engineering	\$ 250,000	49,924	19.97%
US 60/84 Redesign	Infrastructure	2,996,027	2,996,028	100.00%
US 60/84 Redesign	Engineering	17,979	2,789	15.51%
Fencing	Infrastructure	1,796,506	1,480,806	82.43%
Terminal Building	Infrastructure	1,131,294	142,030	12.55%
Terminal Building	Engineering	32,159	-	0.00%
Food Bank Freezer	Equipment	504,559	488,998	96.92%
Playground for Rierson	Equipment	153,133	105,240	68.72%
7th St - Maple to Main	Infrastructure	64,659	25,677	39.71%
8th St - Maple to Main	Infrastructure	5,605,000	3,528,023	62.94%
9th St - Maple to Main	Infrastructure	1,166,667	940,827	80.64%
10th St - Maple to Main	Engineering	42,927	42,927	100.00%
Senior Center	Infrastructure	7,710,139	5,566,701	72.20%
Senior Center	Engineering	143,532	120,185	83.73%
		<u>\$ 21,614,580</u>	<u>15,490,155</u>	

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 20 – RESTRICTED NET POSITION**

The Balance Sheet – Governmental Funds reports \$26,616,126 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 the schedule of governmental fund balances.

**NOTE 21 – RESTATEMENTS**

The City adjusted beginning fund balance amounts of both government-wide and individual fund statements as follows:

Fund	Purpose/Reason	Amount
Governmental activities		
(01) General	Adjustment to correct allowance for doubtful accounts	\$ (1,008,699)
(01) General	Adjustment to correct GRT receivables	(198,810)
(01) General	Adjustment to correct Cannabis receivables	42,958
(01) Environmental tax	Adjustment to correct GRT receivables	(5,176)
(60) Infrastructure Improvement	Adjustment to correct GRT receivables	(5,410)
(61) Special Parks Improvement	Adjustment to correct GRT receivables	(5,410)
(62) Civic Center	Adjustment to correct GRT receivables	(5,410)
(64) Economic Development	Adjustment to correct GRT receivables	(11,298)
(65) Capital Outlay GRT	Adjustment to correct GRT receivables	(21,683)
(66) GRT Water Project	Adjustment to correct GRT receivables	(22,596)
(75) Special Streets	Adjustment to correct GRT receivables	(23,481)
(86) Special Fire & Police GRT	Adjustment to correct GRT receivables	(21,641)
(88) Drainage Improvement	Adjustment to correct GRT receivables	(3,570)
Total governmental funds		<u>(1,290,226)</u>
Government-wide statements	Adjustment to correct capital assets	<u>52,967</u>
Total governmental activities		<u>\$ (1,237,259)</u>
Business-type activities		
Proprietary funds		
Solid waste	Adjustment to correct capital assets	\$ 62,174
Airport	Adjustment to correct capital assets	<u>18,914</u>
Total business-type activities		<u>\$ 81,088</u>



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 22 – GASBS 77 TAX ABATEMENT DISCLOSURES**

The City negotiated property tax abatement agreements and has a tax abatement agreement with Southwest Cheese as of June 30, 2023.

Agency Number	6108
Agency Name	City of Clovis
Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bonds
Recipient(s) of tax abatement	Southwest Cheese
Parent company(ies) of recipient(s) of tax abatement	Glanbia
Tax abatement program (name and brief description)	Industrial Revenue Bonds
Specific Tax(es) Being Abated	Property Tax
Legal authority under which tax abatement agreement was entered into	State of New Mexico Industrial Revenue Bond Act
Criteria that make a recipient eligible to receive a tax abatement	Job Creation, Economic Impact, Capital Investment and Quality of Life
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	100% property tax abatement with Payment in Lieu of Taxes
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	100% abatement with a payment in lieu of taxes negotiable usually at 30 to 35% of abatement
Are there provisions for recapturing abated taxes? (Yes or No)	Job Creation, Economic Impact, and Quality of Life
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	Per agreement based on job creation and/or project impact, specific to agreements
List each specific commitment made by the recipient of the abatement.	100% property tax abatement
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	\$274,509
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	IRB Payment in Lieu of Taxes
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	City: \$121,911
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	County \$35,686 and Clovis Community College \$24,706 and Clovis Schools \$96,078

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None
In the report disclosure is this abatement aggregated?	None
Threshold amount for aggregation	None
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	Ordinance · No. 2069-2016 is the authority for the PILOT payments. Southwest Cheese will make annual fixed payments of PILOT by December 31 of each year to City of Clovis, Clovis Municipal Schools and Clovis Community College in the amounts set forth in the agreement.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	City: \$129,656
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	County \$39,198, Clovis Community College \$27,137 and Clovis Schools \$105,534
List each specific commitment made by your agency or any other government, other than the tax abatement.	City agrees to provide the company, as agent for the issuer, a supply of Nontaxable Transaction Certificates to be issued to vendors and contractors by the company, as agent for the issues, in order to permit the vendors and contracts to claim deductions available under the New Mexico Gross Receipts and Compensating Tax Act for their receipt from selling certain tangible property for the project.
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Clovis Community College, Curry County, and Clovis Municipal Schools
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None
In the report disclosure is this abatement aggregated?	None
Threshold amount for aggregation	None

**REQUIRED SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Measurement Date as of								
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension liability (asset) (%)									
Municipal General	0.184820%	0.173610%	0.1410%	0.1323%	0.1424%	0.1336%	0.1253%	0.1337%	0.1271%
Municipal Police	0.554380%	0.505676%	0.4982%	0.5896%	0.7166%	0.7018%	0.6646%	0.6532%	0.7284%
Municipal Fire	1.122460%	1.018887%	1.0295%	1.0839%	1.3121%	1.2777%	1.3111%	1.2779%	1.2928%
	<u>0.487232%</u>	<u>0.295702%</u>	<u>0.4101%</u>	<u>0.4464%</u>	<u>0.5334%</u>	<u>0.5214%</u>	<u>0.5213%</u>	<u>0.5504%</u>	<u>0.5751%</u>
City's proportionate share of the net pension liability (asset) (\$)									
Municipal General	\$ 3,278,168	1,956,007	2,851,340	2,290,244	2,270,383	1,835,777	2,001,873	1,363,187	991,516
Municipal Police	4,455,383	2,615,161	4,278,888	4,355,192	4,889,392	3,898,959	4,903,616	3,140,952	2,374,505
Municipal Fire	8,524,576	6,184,900	7,786,868	7,448,960	8,398,263	7,310,291	8,746,370	6,595,474	5,396,139
	<u>16,258,127</u>	<u>10,756,068</u>	<u>14,917,096</u>	<u>14,094,396</u>	<u>15,558,038</u>	<u>13,045,027</u>	<u>15,651,859</u>	<u>11,099,613</u>	<u>8,762,160</u>
City's covered-employee payroll									
Municipal General	\$ 1,331,908	1,363,112	1,507,330	1,249,371	1,123,246	1,305,581	1,102,859	1,146,456	848,732
Municipal Police	1,417,389	1,361,410	1,231,950	1,366,592	1,775,175	1,551,727	1,657,838	1,544,617	1,483,178
Municipal Fire	1,913,667	1,600,735	1,479,731	1,502,250	1,872,670	1,767,380	1,758,475	1,640,783	1,451,816
	<u>4,662,964</u>	<u>4,325,257</u>	<u>4,219,011</u>	<u>4,118,213</u>	<u>4,771,091</u>	<u>4,624,688</u>	<u>4,519,172</u>	<u>4,331,856</u>	<u>3,783,727</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll									
Municipal General	246.13%	143.50%	189.16%	183.31%	202.13%	140.61%	181.52%	118.90%	116.82%
Municipal Police	314.34%	192.09%	347.33%	318.69%	275.43%	251.27%	295.78%	203.35%	160.10%
Municipal Fire	445.46%	386.38%	526.24%	495.85%	448.46%	413.62%	497.38%	401.97%	371.68%
Plan fiduciary net position as a percentage of the total pension liability									
Municipal General	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Police	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Fire	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

\*GASB 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

See independent auditors' report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution									
Municipal General	\$ 148,140	130,527	133,585	116,615	101,009	87,592	107,270	124,683	105,323
Municipal Police	307,933	271,430	260,710	270,810	272,640	289,045	273,377	238,966	255,307
Municipal Fire	438,942	419,093	350,561	338,859	330,934	352,460	335,208	316,361	314,767
	<u>895,015</u>	<u>821,050</u>	<u>744,856</u>	<u>726,284</u>	<u>704,583</u>	<u>729,097</u>	<u>715,855</u>	<u>680,010</u>	<u>675,397</u>
Contributions in relation to the contractually required contribution									
Municipal General	148,140	130,527	133,585	116,615	101,009	87,592	107,270	124,683	105,323
Municipal Police	307,933	271,430	260,710	270,810	272,640	289,045	273,377	238,966	9,498
Municipal Fire	438,942	419,093	350,561	338,859	330,934	352,460	335,208	316,361	68,003
	<u>895,015</u>	<u>821,050</u>	<u>744,856</u>	<u>726,284</u>	<u>704,583</u>	<u>729,097</u>	<u>715,855</u>	<u>680,010</u>	<u>182,824</u>
Contribution deficiency (excess)									
Municipal General	-	-	-	-	-	-	-	-	-
Municipal Police	-	-	-	-	-	-	-	-	245,809
Municipal Fire	-	-	-	-	-	-	-	-	246,764
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>492,573</u>

\*GASB 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For The Year Ended June 30, 2023**

*Changes of Benefit Terms:* The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's ACFR [www.nmpera.org/financial-overview/](http://www.nmpera.org/financial-overview/).

*Changes of Assumptions:* The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 30, 2022 report is available at [www.nmpera.org/financial-overview/retirement-fund-valuation-reports/](http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/).

See independent auditors' report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
LAST 10 FISCAL YEARS\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	Measurement Date as of					
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
City's proportion of the net OPEB liability (asset)	0.28726%	0.28751%	0.28358%	0.30511%	0.31231%	0.30460%
City's proportionate share of the net OPEB liability (asset)	\$ 6,640,400	9,460,085	11,907,263	12,101,343	13,580,347	13,801,663
City's covered-employee payroll	\$ 13,631,001	13,266,413	12,188,599	13,889,944	13,309,139	11,638,622
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	48.72%	71.31%	97.69%	87.12%	102.04%	118.59%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for available years.

See independent auditors' report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE CITY'S CONTRIBUTIONS OPEB PLAN  
LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 322,025	290,907	263,465	187,001	291,946	264,883
Contributions in relation to the contractually required contribution	322,025	290,907	263,465	187,001	291,946	264,883
Contribution deficiency (excess)	\$ -	-	-	-	-	-
City's covered-employee payroll	\$ 14,711,776	14,545,350	13,201,511	13,889,944	13,309,139	11,638,622
Contributions as a percentage of covered-employee payroll	2.19%	2.00%	2.00%	1.35%	2.19%	2.28%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For The Year Ended June 30, 2023**

In the total OPEB liability measured as of June 30, 2022, changes in assumptions include adjustments resulting from an decrease in the discount rate from 3.62% to 5.42%.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NON-MAJOR SPECIAL REVENUE FUNDS LISTING**

Municipal Road Fund (3) (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 (4) (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 (5) (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.

Fire Equipment Fund (7) (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 (8) (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 (13) (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 (14) (Ordinance 864) - To account for all revenues directly related to or assigned to use for Carver Library. This includes grants, charges for services, fines and other revenues.

Infrastructure Improvement Fund (60) (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 (61) (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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

Civic Center Fund (62) (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 (63) (Authorized by Commission at Budget Approval) – To account for excess revenues generated in various funds for use on specific department improvements.

Economic Development Fund (64) (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 (65) (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 (66) (Ordinance 1953-2012) – To account for the financings 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.

Emergency Medical Services Fund (72) (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 (75) (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 (76) (Authorized by Commission at Budget Approval) – To account for revenues and expenditures related to refuse recycling.

Lodger’s Tax/Promotional Fund (77+78) (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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

Special Fire & Police Fund (86) (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 (89) (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 (90) (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 (92) (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 (96) (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.

Intergovernmental Grants Fund (97) — (Authorized by Commission at Budget Approval) — To account for state and federal grants that are project/activity specific.

Drug Control Fund (98) (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.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NON-MAJOR CAPITAL PROJECTS FUNDS LISTING**

Street Improvement Fund (24) (Ordinance 1985-2012) – To account for the City's cost of constructing, acquiring and improving the City's storm drainage system.

2018 Street Bonds Fund (25) – To account for expenditures relating to 2018 bond issuance for repairs and maintenance of City streets.

Drainage Improvement Fund (88) – 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  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NON-MAJOR DEBT SERVICE FUNDS LISTING**

2012 Street Bonds Fund (40) – 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 2012 street bonds.

Landfill Cell #5 Fund (41) – 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.

Street Improvement Fund (42) – To account for the accumulation of resources for, and the payment of governmental activities long-term debt principal, interest and related costs specifically for street improvement tax bonds. The fund's source of revenue is a one sixteenth of one percent gross receipts tax and a one quarter gross receipts tax approved by the City of Clovis Commission for note obligation repayment.

2018 Street Bonds Fund (45) – 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 2018 street bonds.

Parks & Infrastructure Fund (47) – 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  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
As of June 30, 2023**

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
Assets and deferred outflows of resources:				
Assets:				
Cash and cash equivalents	\$ 18,817,304	982,947	1,410,079	21,210,330
Investments	5,969,389	1,424,464	317,760	7,711,613
Receivables				
Accounts receivable	123	-	-	123
Taxes receivable	1,999,232	113,911	-	2,113,143
Other receivables	357,000	-	-	357,000
Due from other funds	314,356	-	-	314,356
Due from other governments	464,186	-	-	464,186
Prepaid expenses	50,022	-	-	50,022
Inventories	237,790	-	-	237,790
Total assets	<u>28,209,402</u>	<u>2,521,322</u>	<u>1,727,839</u>	<u>32,458,563</u>
Deferred Outflows of Resources:				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources				
	<u>\$ 28,209,402</u>	<u>2,521,322</u>	<u>1,727,839</u>	<u>32,458,563</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 377,960	-	-	377,960
Accrued payroll liabilities	74,661	-	-	74,661
Unearned revenues/grant advances	477,333	-	-	477,333
Due to other fund	918,347	11,359	170,098	1,099,804
Total liabilities	<u>1,848,301</u>	<u>11,359</u>	<u>170,098</u>	<u>2,029,758</u>
Deferred Inflows of Resources:				
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	287,812	-	-	287,812
Restricted	9,658,155	-	1,557,741	11,215,896
Committed	13,573,211	2,509,963	-	16,083,174
Assigned	2,902,709	-	-	2,902,709
Unassigned	(60,786)	-	-	(60,786)
Total fund balances	<u>26,361,101</u>	<u>2,509,963</u>	<u>1,557,741</u>	<u>30,428,805</u>
Total liabilities, deferred inflows of resources and fund balances:				
	<u>\$ 28,209,402</u>	<u>2,521,322</u>	<u>1,727,839</u>	<u>32,458,563</u>

See independent auditor's report.

**STATE OF NEW MEXICO**  
**CITY OF CLOVIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
<b>Revenues:</b>				
Taxes				
Gross receipts	\$ 12,856,707	669,652	-	13,526,359
Other	1,331,910	-	-	1,331,910
Licenses and permits	7,705	-	-	7,705
Charges for services	326,135	-	-	326,135
Fines and forfeitures	150,462	-	-	150,462
Intergovernmental revenue				
Federal grants	926,091	-	-	926,091
State and local grants	1,865,234	-	-	1,865,234
Interest income	295,590	43,213	90,771	429,574
Miscellaneous income	1,750,367	53,295	-	1,803,662
Total revenues	<u>19,510,201</u>	<u>766,160</u>	<u>90,771</u>	<u>20,367,132</u>
<b>Expenditures:</b>				
Current:				
General government	541,333	-	-	541,333
Public safety	1,745,958	-	-	1,745,958
Public works	5,675,872	177,130	-	5,853,002
Culture and recreation	3,058,403	-	-	3,058,403
Health and welfare	321,009	-	-	321,009
Capital outlay	996,190	1,594,522	-	2,590,712
Debt service				
Principal	-	-	1,765,000	1,765,000
Interest	-	-	252,684	252,684
Total expenditures	<u>12,338,765</u>	<u>1,771,652</u>	<u>2,017,684</u>	<u>16,128,101</u>
Excess (deficiency) of revenues over (under) expenditures	7,171,436	(1,005,492)	(1,926,913)	4,239,031
Other financing sources (uses):				
Proceeds from debt issuance	-	-	-	-
Transfers in	3,379,453	2,007,851	1,848,437	7,235,741
Transfers out	(7,924,633)	(295,000)	(2,007,851)	(10,227,484)
Total other financing sources (uses):	<u>(4,545,180)</u>	<u>1,712,851</u>	<u>(159,414)</u>	<u>(2,991,743)</u>
Net change in fund balances	2,626,256	707,359	(2,086,327)	1,247,288
Beginning fund balance	23,851,774	1,806,174	3,644,068	29,302,016
Restatement (Note 21)	(116,929)	(3,570)	-	(120,499)
Beginning fund balance, as restated	<u>23,734,845</u>	<u>1,802,604</u>	<u>3,644,068</u>	<u>29,181,517</u>
Ending fund balance	<u>\$ 26,361,101</u>	<u>2,509,963</u>	<u>1,557,741</u>	<u>30,428,805</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2023

	Municipal Road Fund Fund 3	Recreation Fund Fund 4	Older Adults Division Fund Fund 5	Fire Equipment Fund Fund 7	Sanitary Sewer Improve- ments Fund 8	Ned Houk Park Fund Fund 13	Carver Library Fund 14
Assets and deferred outflows of resources:							
Assets:							
Cash and cash equivalents	\$ 9,787	-	75	328,314	393,106	5,180	100
Investments	-	73,225	16,074	345,008	54	69,029	104,535
Receivables							
Taxes receivable	10,760	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	2,997	-	-	300,000	-	-	-
Due from other governments	-	20,000	18,299	-	-	-	-
Prepaid expenses	-	2,123	3,592	-	-	3,826	2,953
Inventories	-	-	-	-	-	1,473	-
Total assets	<u>23,544</u>	<u>95,348</u>	<u>38,040</u>	<u>973,322</u>	<u>393,160</u>	<u>79,508</u>	<u>107,588</u>
Deferred outflows of resources:							
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 23,544</u>	<u>95,348</u>	<u>38,040</u>	<u>973,322</u>	<u>393,160</u>	<u>79,508</u>	<u>107,588</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	3,010	1,063	8,151	-	2,589	7,543
Accrued payroll liabilities	-	12,311	5,959	-	-	3,527	14,426
Unearned revenues/grant advances	-	-	-	300,000	-	77,333	-
Due to other fund	-	39	165	277,743	-	50,044	124
Total liabilities	<u>-</u>	<u>15,360</u>	<u>7,187</u>	<u>585,894</u>	<u>-</u>	<u>133,493</u>	<u>22,093</u>
Deferred inflows of resources:							
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	2,123	3,592	-	-	5,299	2,953
Restricted	23,544	-	-	387,428	-	-	-
Committed	-	77,865	27,261	-	393,160	-	-
Assigned	-	-	-	-	-	-	82,542
Unassigned	-	-	-	-	-	(59,284)	-
Total fund balances	<u>23,544</u>	<u>79,988</u>	<u>30,853</u>	<u>387,428</u>	<u>393,160</u>	<u>(53,985)</u>	<u>85,495</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 23,544</u>	<u>95,348</u>	<u>38,040</u>	<u>973,322</u>	<u>393,160</u>	<u>79,508</u>	<u>107,588</u>

See independent auditor's report.



STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2023

	Infra- structure Improv Fund 60	Special Parks Improv Fund 61	Civic Center Fund 62	Special Designated Fund 63	Economic Development Fund 64	Capital Outlay GRT Fund 65	GRT Water Project Fund 66
Assets and deferred outflows of resources:							
Assets:							
Cash and cash equivalents	\$ 810,522	908,770	469,182	1,911,557	4,151,644	2,098,377	6,189,815
Investments	663,355	338,163	375,658	-	949,474	625,436	721,763
Receivables							
Accounts receivable	-	-	-	123	-	-	-
Taxes receivable	110,604	110,604	110,604	-	212,231	446,230	424,462
Other receivables	-	-	-	-	357,000	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Prepaid expenses	-	-	193	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>1,584,481</u>	<u>1,357,537</u>	<u>955,637</u>	<u>1,911,680</u>	<u>5,670,349</u>	<u>3,170,043</u>	<u>7,336,040</u>
Deferred outflows of resources:							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,584,481</u>	<u>1,357,537</u>	<u>955,637</u>	<u>1,911,680</u>	<u>5,670,349</u>	<u>3,170,043</u>	<u>7,336,040</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	99,424	46,532	425	-	-	-
Accrued payroll liabilities	-	-	-	-	-	-	-
Unearned revenues/grant advances	-	-	-	-	-	-	-
Due to other fund	-	-	-	-	59,780	-	35,391
Total liabilities	<u>-</u>	<u>99,424</u>	<u>46,532</u>	<u>425</u>	<u>59,780</u>	<u>-</u>	<u>35,391</u>
Deferred inflows of resources:							
"Unavailable" revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balances:							
Nonspendable	-	-	193	-	-	-	-
Restricted	-	-	-	-	-	-	7,300,649
Committed	1,584,481	1,258,113	-	-	5,610,569	3,170,043	-
Assigned	-	-	908,912	1,911,255	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,584,481</u>	<u>1,258,113</u>	<u>909,105</u>	<u>1,911,255</u>	<u>5,610,569</u>	<u>3,170,043</u>	<u>7,300,649</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 1,584,481</u>	<u>1,357,537</u>	<u>955,637</u>	<u>1,911,680</u>	<u>5,670,349</u>	<u>3,170,043</u>	<u>7,336,040</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2023

	Emergency Medical Services Fund 72	Special Streets Fund Fund 75	Recycling Fund Fund 76	Lodger's Tax Fund Fund 77+78	Special Fire & Police GRT Fund 86	Corrections Fund Fund 89	Law Enforcement Protection Fund Fund 90
Assets and deferred outflows of resources:							
Assets:							
Cash and cash equivalents	\$ -	531,509	-	1,009,266	-	-	-
Investments	-	661,259	-	967,729	49,666	-	-
Receivables							
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	-	478,850	-	94,887	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	11,359	-	-	-	-	-
Due from other governments	-	-	8,708	-	-	-	-
Prepaid expenses	-	27,667	-	-	-	-	-
Inventories	-	236,317	-	-	-	-	-
Total assets	<u>-</u>	<u>1,946,961</u>	<u>8,708</u>	<u>2,071,882</u>	<u>49,666</u>	<u>-</u>	<u>-</u>
Deferred outflows of resources:							
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>1,946,961</u>	<u>8,708</u>	<u>2,071,882</u>	<u>49,666</u>	<u>-</u>	<u>-</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	172,958	-	35,694	-	-	-
Accrued payroll liabilities	-	27,607	-	-	-	-	-
Unearned revenues/grant advances	-	-	-	100,000	-	-	-
Due to other fund	99	64,760	7,262	-	17,045	-	-
Total liabilities	<u>99</u>	<u>265,325</u>	<u>7,262</u>	<u>135,694</u>	<u>17,045</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:							
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	263,984	-	-	-	-	-
Restricted	-	-	-	1,936,188	-	-	-
Committed	-	1,417,652	1,446	-	32,621	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(99)	-	-	-	-	-	-
Total fund balances	<u>(99)</u>	<u>1,681,636</u>	<u>1,446</u>	<u>1,936,188</u>	<u>32,621</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ -</u>	<u>1,946,961</u>	<u>8,708</u>	<u>2,071,882</u>	<u>49,666</u>	<u>-</u>	<u>-</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2023

	Clovis Area Transit System Fund 92	Department of Justice Fund 96	Inter- governmental Grants Fund 97	Drug Control Fund Fund 98	Total
Assets and deferred outflows of resources:					
Assets:					
Cash and cash equivalents	\$ 100	-	-	-	18,817,304
Investments	-	-	-	8,961	5,969,389
Receivables					
Accounts receivable	-	-	-	-	123
Taxes receivable	-	-	-	-	1,999,232
Other receivables	-	-	-	-	357,000
Due from other funds	-	-	-	-	314,356
Due from other governments	209,524	9,871	169,823	27,961	464,186
Prepaid expenses	8,542	-	-	1,126	50,022
Inventories	-	-	-	-	237,790
Total assets	<u>218,166</u>	<u>9,871</u>	<u>169,823</u>	<u>38,048</u>	<u>28,209,402</u>
Deferred outflows of resources:					
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 218,166</u>	<u>9,871</u>	<u>169,823</u>	<u>38,048</u>	<u>28,209,402</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ 301	-	270	-	377,960
Accrued payroll liabilities	10,831	-	-	-	74,661
Unearned revenues/grant advances	-	-	-	-	477,333
Due to other fund	198,583	9,718	159,360	38,234	918,347
Total liabilities	<u>209,715</u>	<u>9,718</u>	<u>159,630</u>	<u>38,234</u>	<u>1,848,301</u>
Deferred inflows of resources:					
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	8,542	-	-	1,126	287,812
Restricted	-	153	10,193	-	9,658,155
Committed	-	-	-	-	13,573,211
Assigned	-	-	-	-	2,902,709
Unassigned	(91)	-	-	(1,312)	(60,786)
Total fund balances	<u>8,451</u>	<u>153</u>	<u>10,193</u>	<u>(186)</u>	<u>26,361,101</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 218,166</u>	<u>9,871</u>	<u>169,823</u>	<u>38,048</u>	<u>28,209,402</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023

	Municipal Road Fund Fund 3	Recreation Fund Fund 4	Older Adults Division Fund Fund 5	Fire Equipment Fund Fund 7	Sanitary Sewer Improve- ments Fund 8	Ned Houk Park Fund Fund 13	Carver Library Fund 14
Revenues:							
Taxes							
Gross receipts	\$ -	-	-	-	-	-	-
Other	114,100	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	50,798	-	3,921
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental revenue							
Federal grants	-	20,000	-	-	-	35,675	10,458
State and local grants	-	-	28,948	803,169	-	-	51,382
Interest income	2	8,719	4,687	15,481	413	6,371	14,339
Miscellaneous income	-	589	201	-	-	5,223	70,454
Total revenues	<u>114,102</u>	<u>29,308</u>	<u>33,836</u>	<u>818,650</u>	<u>51,211</u>	<u>47,269</u>	<u>150,554</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	418,409	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	600,754	-	-	-	364,050	1,010,813
Health and welfare	-	-	321,009	-	-	-	-
Capital outlay	-	-	-	298,183	-	23,832	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>600,754</u>	<u>321,009</u>	<u>716,592</u>	<u>-</u>	<u>387,882</u>	<u>1,010,813</u>
Excess (deficiency) of revenues over (under) expenditures	114,102	(571,446)	(287,173)	102,058	51,211	(340,613)	(860,259)
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	589,497	249,981	-	-	343,935	937,484
Transfers out	(112,546)	-	-	-	-	(88,266)	-
Total other financing sources (uses):	<u>(112,546)</u>	<u>589,497</u>	<u>249,981</u>	<u>-</u>	<u>-</u>	<u>255,669</u>	<u>937,484</u>
Net change in fund balances	1,556	18,051	(37,192)	102,058	51,211	(84,944)	77,225
Beginning fund balance	21,988	61,937	68,045	285,370	341,949	30,959	8,270
Restatement (Note 21)	-	-	-	-	-	-	-
Beginning fund balance, as restated	<u>21,988</u>	<u>61,937</u>	<u>68,045</u>	<u>285,370</u>	<u>341,949</u>	<u>30,959</u>	<u>8,270</u>
Ending fund balance	<u>\$ 23,544</u>	<u>79,988</u>	<u>30,853</u>	<u>387,428</u>	<u>393,160</u>	<u>(53,985)</u>	<u>85,495</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023

	Infra- structure Improv Fund 60	Special Parks Improv Fund 61	Civic Center Fund 62	Special Designated Fund 63	Economic Develop-ment Fund 64	Capital Outlay GRT Fund 65	GRT Water Project Fund 66
Revenues:							
Taxes							
Gross receipts	\$ 639,293	639,293	639,293	-	1,238,273	2,595,632	2,476,546
Other	-	-	-	-	-	-	-
Licenses and permits	-	-	-	7,705	-	-	-
Charges for services	-	-	-	256,089	-	-	-
Fines and forfeitures	-	-	-	85,198	-	-	-
Intergovernmental revenue							
Federal grants	-	-	-	-	-	-	-
State and local grants	-	-	-	-	-	-	-
Interest income	29,665	14,535	16,057	2,025	45,560	15,304	67,383
Miscellaneous income	-	485,000	479,228	125,028	149,206	-	126,330
Total revenues	<u>668,958</u>	<u>1,138,828</u>	<u>1,134,578</u>	<u>476,045</u>	<u>1,433,039</u>	<u>2,610,936</u>	<u>2,670,259</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	18,498	-	-	-	174,960	73,988	2,023,050
Culture and recreation	-	153,736	929,050	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>18,498</u>	<u>153,736</u>	<u>929,050</u>	<u>-</u>	<u>174,960</u>	<u>73,988</u>	<u>2,023,050</u>
Excess (deficiency) of revenues over (under) expenditures	650,460	985,092	205,528	476,045	1,258,079	2,536,948	647,209
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	13,600	150,000	4,323	-	-	-
Transfers out	(630,925)	(583,106)	(247,752)	(475,334)	(341,850)	(1,970,108)	-
Total other financing sources (uses):	<u>(630,925)</u>	<u>(569,506)</u>	<u>(97,752)</u>	<u>(471,011)</u>	<u>(341,850)</u>	<u>(1,970,108)</u>	<u>-</u>
Net change in fund balances	19,535	415,586	107,776	5,034	916,229	566,840	647,209
Beginning fund balance	1,570,356	847,937	806,739	1,906,221	4,705,638	2,624,886	6,676,036
Restatement (Note 21)	(5,410)	(5,410)	(5,410)	-	(11,298)	(21,683)	(22,596)
Beginning fund balance, as restated	<u>1,564,946</u>	<u>842,527</u>	<u>801,329</u>	<u>1,906,221</u>	<u>4,694,340</u>	<u>2,603,203</u>	<u>6,653,440</u>
Ending fund balance	<u>\$ 1,584,481</u>	<u>1,258,113</u>	<u>909,105</u>	<u>1,911,255</u>	<u>5,610,569</u>	<u>3,170,043</u>	<u>7,300,649</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023

	Emergency Medical Services Fund 72	Special Streets Fund Fund 75	Recycling Fund Fund 76	Lodger's Tax Fund Fund 77+78	Special Fire & Police GRT Fund 86	Corrections Fund Fund 89	Law Enforcement Protection Fund Fund 90
Revenues:							
Taxes							
Gross receipts	\$ -	2,526,815	-	-	2,101,562	-	-
Other	-	430,203	-	787,607	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	65,264	-
Intergovernmental revenue							
Federal grants	-	-	-	-	-	-	-
State and local grants	18,446	-	18,736	-	-	-	932,865
Interest income	-	20,701	-	32,382	1,661	6	-
Miscellaneous income	-	31,800	8,206	-	-	-	-
Total revenues	<u>18,446</u>	<u>3,009,519</u>	<u>26,942</u>	<u>819,989</u>	<u>2,103,223</u>	<u>65,270</u>	<u>932,865</u>
Expenditures:							
Current:							
General government	-	-	-	541,333	-	-	-
Public safety	18,446	-	-	-	60,800	-	932,865
Public works	-	2,574,909	18,552	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	379,222	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>18,446</u>	<u>2,954,131</u>	<u>18,552</u>	<u>541,333</u>	<u>60,800</u>	<u>-</u>	<u>932,865</u>
Excess (deficiency) of revenues over (under) expenditures	-	55,388	8,390	278,656	2,042,423	65,270	-
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	277,590	4,413	594,544	-	-	-
Transfers out	-	-	(24,648)	(629,496)	(2,460,926)	(65,270)	-
Total other financing sources (uses):	<u>-</u>	<u>277,590</u>	<u>(20,235)</u>	<u>(34,952)</u>	<u>(2,460,926)</u>	<u>(65,270)</u>	<u>-</u>
Net change in fund balances	-	332,978	(11,845)	243,704	(418,503)	-	-
Beginning fund balance	(99)	1,372,139	13,291	1,692,484	472,765	-	-
Restatement (Note 21)	-	(23,481)	-	-	(21,641)	-	-
Beginning fund balance, as restated	<u>(99)</u>	<u>1,348,658</u>	<u>13,291</u>	<u>1,692,484</u>	<u>451,124</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ (99)</u>	<u>1,681,636</u>	<u>1,446</u>	<u>1,936,188</u>	<u>32,621</u>	<u>-</u>	<u>-</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023

	Clovis Area Transit System <u>Fund 92</u>	Department of Justice <u>Fund 96</u>	Inter- governmental Grants <u>Fund 97</u>	Drug Control Fund <u>Fund 98</u>	<u>Total</u>
Revenues:					
Taxes					
Gross receipts	\$ -	-	-	-	12,856,707
Other	-	-	-	-	1,331,910
Licenses and permits	-	-	-	-	7,705
Charges for services	15,327	-	-	-	326,135
Fines and forfeitures	-	-	-	-	150,462
Intergovernmental revenue					
Federal grants	539,563	9,871	198,631	111,893	926,091
State and local grants	-	-	11,688	-	1,865,234
Interest income	-	-	-	299	295,590
Miscellaneous income	254,799	8,898	-	5,405	1,750,367
Total revenues	<u>809,689</u>	<u>18,769</u>	<u>210,319</u>	<u>117,597</u>	<u>19,510,201</u>
Expenditures:					
Current:					
General government	-	-	-	-	541,333
Public safety	-	9,871	195,305	110,262	1,745,958
Public works	791,915	-	-	-	5,675,872
Culture and recreation	-	-	-	-	3,058,403
Health and welfare	-	-	-	-	321,009
Capital outlay	287,454	-	7,499	-	996,190
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,079,369</u>	<u>9,871</u>	<u>202,804</u>	<u>110,262</u>	<u>12,338,765</u>
Excess (deficiency) of revenues over (under) expenditures	(269,680)	8,898	7,515	7,335	7,171,436
Other financing sources (uses):					
Proceeds from debt issuance	-	-	-	-	-
Transfers in	171,176	-	42,910	-	3,379,453
Transfers out	(151,888)	-	(109,151)	(33,367)	(7,924,633)
Total other financing sources (uses):	<u>19,288</u>	<u>-</u>	<u>(66,241)</u>	<u>(33,367)</u>	<u>(4,545,180)</u>
Net change in fund balances	(250,392)	8,898	(58,726)	(26,032)	2,626,256
Beginning fund balance	258,843	(8,745)	68,919	25,846	23,851,774
Restatement (Note 21)	-	-	-	-	(116,929)
Beginning fund balance, as restated	<u>258,843</u>	<u>(8,745)</u>	<u>68,919</u>	<u>25,846</u>	<u>23,734,845</u>
Ending fund balance	<u>\$ 8,451</u>	<u>153</u>	<u>10,193</u>	<u>(186)</u>	<u>26,361,101</u>

See independent auditor's report.

**STATE OF NEW MEXICO**  
**CITY OF CLOVIS**  
**NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**As of June 30, 2023**

	Street Improvement Fund 24	2018 Street Bonds Fund 25	Drainage Improvement Fund 88	Total
Assets and deferred outflows of resources:				
Assets:				
Cash and cash equivalents	\$ -	45,827	937,120	982,947
Investments	211	367,502	1,056,751	1,424,464
Receivables				
Taxes receivable	-	-	113,911	113,911
Total assets	<u>211</u>	<u>413,329</u>	<u>2,107,782</u>	<u>2,521,322</u>
Deferred outflows of resources:				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 211</u>	<u>413,329</u>	<u>2,107,782</u>	<u>2,521,322</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ -	-	-	-
Due to other fund	-	-	11,359	11,359
Total liabilities	<u>-</u>	<u>-</u>	<u>11,359</u>	<u>11,359</u>
Deferred inflows of resources:				
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	211	413,329	2,096,423	2,509,963
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>211</u>	<u>413,329</u>	<u>2,096,423</u>	<u>2,509,963</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 211</u>	<u>413,329</u>	<u>2,107,782</u>	<u>2,521,322</u>

See independent auditor's report.



**STATE OF NEW MEXICO**  
**CITY OF CLOVIS**  
**NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2023**

	Street Improvement Fund 24	2018 Street Bonds Fund 25	Drainage Improvement Fund 88	Total
<b>Revenues:</b>				
Taxes				
Gross receipts	\$ -	-	669,652	669,652
Interest income	7	-	43,206	43,213
Miscellaneous income	-	53,295	-	53,295
Total revenues	<u>7</u>	<u>53,295</u>	<u>712,858</u>	<u>766,160</u>
<b>Expenditures:</b>				
Current:				
Public works	-	53,295	123,835	177,130
Capital outlay	-	1,594,522	-	1,594,522
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>1,647,817</u>	<u>123,835</u>	<u>1,771,652</u>
Excess (deficiency) of revenues over (under) expenditures	7	(1,594,522)	589,023	(1,005,492)
<b>Other financing sources (uses):</b>				
Proceeds from debt issuance	-	-	-	-
Transfers in	-	2,007,851	-	2,007,851
Transfers out	-	-	(295,000)	(295,000)
Total other financing sources (uses):	<u>-</u>	<u>2,007,851</u>	<u>(295,000)</u>	<u>1,712,851</u>
Net change in fund balances	7	413,329	294,023	707,359
Beginning fund balance	204	-	1,805,970	1,806,174
Restatement (Note 21)	-	-	(3,570)	(3,570)
Beginning fund balance, as restated	<u>204</u>	<u>-</u>	<u>1,802,400</u>	<u>1,802,604</u>
Ending fund balance	<u>\$ 211</u>	<u>413,329</u>	<u>2,096,423</u>	<u>2,509,963</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2023

	2012 Street Bonds Fund 40	Landfill Cell #5 Fund 41	Street Improve. Fund 42	2018 Street Bonds Fund 45	Parks & Infra. Fund 47	Total
Assets and deferred outflows of resources:						
Assets:						
Cash and cash equivalents	\$ 1,299,000	122	26,654	34,408	49,895	1,410,079
Investments	30,116	111,445	2,002	-	174,197	317,760
Total assets	<u>1,329,116</u>	<u>111,567</u>	<u>28,656</u>	<u>34,408</u>	<u>224,092</u>	<u>1,727,839</u>
Deferred outflows of resources:						
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,329,116</u>	<u>111,567</u>	<u>28,656</u>	<u>34,408</u>	<u>224,092</u>	<u>1,727,839</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts payable	\$ -	-	-	-	-	-
Due to other fund	-	-	-	-	170,098	170,098
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,098</u>	<u>170,098</u>
Deferred inflows of resources:						
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	1,329,116	111,567	28,656	34,408	53,994	1,557,741
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,329,116</u>	<u>111,567</u>	<u>28,656</u>	<u>34,408</u>	<u>53,994</u>	<u>1,557,741</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 1,329,116</u>	<u>111,567</u>	<u>28,656</u>	<u>34,408</u>	<u>224,092</u>	<u>1,727,839</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023**

	2012 Street Bonds Fund 40	Landfill Cell #5 Fund 41	Street Improve. Fund 42	2018 Street Bonds Fund 45	Parks & Infra. Fund 47	Total
Revenues:						
Taxes						
Gross receipts	\$ -	-	-	-	-	-
Interest income	53,801	11,302	8,004	4,264	13,400	90,771
Total revenues	<u>53,801</u>	<u>11,302</u>	<u>8,004</u>	<u>4,264</u>	<u>13,400</u>	<u>90,771</u>
Expenditures:						
Current:						
Public works	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	1,030,000	-	360,000	175,000	200,000	1,765,000
Interest	69,290	27,324	50,100	60,160	45,810	252,684
Total expenditures	<u>1,099,290</u>	<u>27,324</u>	<u>410,100</u>	<u>235,160</u>	<u>245,810</u>	<u>2,017,684</u>
Excess (deficiency) of revenues over (under) expenditures	(1,045,489)	(16,022)	(402,096)	(230,896)	(232,410)	(1,926,913)
Other financing sources (uses):						
Proceeds from debt issuance	-	-	-	-	-	-
Transfers in	1,100,462	27,325	410,100	234,858	75,692	1,848,437
Transfers out	(2,007,851)	-	-	-	-	(2,007,851)
Total other financing sources (uses):	<u>(907,389)</u>	<u>27,325</u>	<u>410,100</u>	<u>234,858</u>	<u>75,692</u>	<u>(159,414)</u>
Net change in fund balances	(1,952,878)	11,303	8,004	3,962	(156,718)	(2,086,327)
Beginning fund balance	3,281,994	100,264	20,652	30,446	210,712	3,644,068
Ending fund balance	<u>\$ 1,329,116</u>	<u>111,567</u>	<u>28,656</u>	<u>34,408</u>	<u>53,994</u>	<u>1,557,741</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
NON-MAJOR ENTERPRISE FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NON-MAJOR ENTERPRISE FUNDS LISTING**

Golf Course Fund (19) – To account for the activities of the City’s golf course. All activities necessary to provide such services are accounted for in this fund.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING BALANCE SHEET  
NON-MAJOR ENTERPRISE FUNDS  
As of June 30, 2023

	<u>Golf Course</u>	
	Fund 19	Total
Assets and deferred outflows of resources:		
Assets:		
Cash and cash equivalents	\$ 190,511	190,511
Investments	214,910	214,910
Prepaid expenses	665	665
Total current assets	<u>406,086</u>	<u>406,086</u>
Non-current assets:		
Capital assets, net	3,155,604	3,155,604
Total assets	<u>3,561,690</u>	<u>3,561,690</u>
Deferred outflows of resources:		
OPEB deferrals	-	-
Pension deferrals	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,561,690</u>	<u>3,561,690</u>
Liabilities, deferred inflows of resources and net position:		
Liabilities:		
Accounts payable	\$ 10,163	10,163
Accrued interest	2,019	2,019
Current portion of long-term debt	172,000	172,000
Total current liabilities	<u>184,182</u>	<u>184,182</u>
Non-current liabilities		
Long-term debt	1,457,000	1,457,000
Total liabilities	<u>1,641,182</u>	<u>1,641,182</u>
Deferred inflows of resources:		
OPEB deferrals	-	-
Pension deferrals	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Net position		
Net Investment in Capital Assets	1,526,604	1,526,604
Unrestricted Net Position	393,904	393,904
Total net position	<u>1,920,508</u>	<u>1,920,508</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 3,561,690</u>	<u>3,561,690</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2023

	<u>Golf Course</u>	
	<u>Fund 19</u>	<u>Total</u>
Operating revenues:		
Charges for services	\$ 1,479,343	1,479,343
Total operating revenues	<u>1,479,343</u>	<u>1,479,343</u>
Operating expenses:		
Contractual services	1,814,885	1,814,885
General and administrative	3,485	3,485
Depreciation	128,075	128,075
Total operating expenses	<u>1,946,445</u>	<u>1,946,445</u>
Operating income (loss)	(467,102)	(467,102)
Non-operating revenues (expenses):		
Miscellaneous	229,589	229,589
Interest income	1,065	1,065
Total non-operating revenues (expenses)	<u>230,654</u>	<u>230,654</u>
Income (loss) before transfers	(236,448)	(236,448)
Other financing sources/(uses)		
Transfers in	437,681	437,681
Transfers out	-	-
Total other financing sources/(uses)	<u>437,681</u>	<u>437,681</u>
Change in net position	201,233	201,233
Net position, beginning of year	<u>1,719,275</u>	<u>1,719,275</u>
Net position, end of year	<u>\$ 1,920,508</u>	<u>1,920,508</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2023**

	<u>Golf Course</u>	
	<u>Fund 19</u>	<u>Total</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,479,343	1,479,343
Payments to suppliers	(1,818,971)	(1,818,971)
Net cash provided (used) for operating activities	<u>(339,628)</u>	<u>(339,628)</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	437,681	437,681
Transfers to other funds	-	-
Miscellaneous income	229,589	229,589
Net cash provided (used) for noncapital financing activities	<u>667,270</u>	<u>667,270</u>
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(171,000)	(171,000)
Net cash provided (used) for capital and related financing activities	<u>(171,000)</u>	<u>(171,000)</u>
Cash flows from investing activities:		
Proceeds from sale and maturities of investments	86,004	86,004
Purchase of investments	(150,457)	(150,457)
Interest and dividends	1,065	1,065
Net cash provided (used) for investing activities	<u>(63,388)</u>	<u>(63,388)</u>
Net increase (decrease) in cash and cash equivalents	93,254	93,254
Cash and cash equivalents – beginning of year	97,257	97,257
Cash and cash equivalents – end of year	<u>\$ 190,511</u>	<u>190,511</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (467,102)	(467,102)
Adjustments		
Depreciation and amortization	128,075	128,075
Changes in assets and liabilities:		
Prepaid expenses	(39)	(39)
Accounts payable	(455)	(455)
Accrued expenses and other liabilities	(107)	(107)
Net cash provided by operating activities	<u>\$ (339,628)</u>	<u>(339,628)</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
INTERNAL SERVICE FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**INTERNAL SERVICE FUNDS LISTING**

Workers Compensation Fund (48) – To account for the provision of workers compensation coverage for employees of the City of Clovis.

Unemployment Reserve Fund (53) – To account for the provision of unemployment insurance coverage for employees of the City of Clovis.

Property and Liability Self-Insurance Fund (54) – To account for the property and liability self-insurance costs for the City of Clovis.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
As of June 30, 2023**

	Workers Compensation <u>Fund 48</u>	Un- employment Revenue <u>Fund 53</u>	Prop and Liability Self- Insurance Fund <u>Fund 54</u>	<u>Total</u>
Assets and deferred outflows of resources:				
Assets:				
Cash and cash equivalents	\$ 107,350	48,709	-	156,059
Investments	1,121,421	1,129,839	-	2,251,260
Receivables				
Due from other funds	293,653	-	-	293,653
Prepaid expenses	809	-	-	809
Total current assets	<u>1,523,233</u>	<u>1,178,548</u>	<u>-</u>	<u>2,701,781</u>
Non-current assets:				
Capital assets, net	-	-	-	-
Total assets	<u>1,523,233</u>	<u>1,178,548</u>	<u>-</u>	<u>2,701,781</u>
Deferred outflows of resources:				
OPEB deferrals	-	-	-	-
Pension deferrals	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,523,233</u>	<u>1,178,548</u>	<u>-</u>	<u>2,701,781</u>
Liabilities, deferred inflows of resources and net position:				
Liabilities:				
Accounts payable	\$ 6,783	-	-	6,783
Accrued payroll liabilities	4,727	-	-	4,727
Current portion of compensated absences	3,252	-	-	3,252
Total current liabilities	<u>14,762</u>	<u>-</u>	<u>-</u>	<u>14,762</u>
Non-current liabilities				
Compensated absences	813	-	-	813
Total liabilities	<u>15,575</u>	<u>-</u>	<u>-</u>	<u>15,575</u>
Deferred inflows of resources:				
OPEB deferrals	-	-	-	-
Pension deferrals	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position				
Net Investment in Capital Assets	-	-	-	-
Unrestricted Net Position	1,507,658	1,178,548	-	2,686,206
Total net position	<u>1,507,658</u>	<u>1,178,548</u>	<u>-</u>	<u>2,686,206</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 1,523,233</u>	<u>1,178,548</u>	<u>-</u>	<u>2,701,781</u>

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2023

	Workers Compensation <u>Fund 48</u>	Un- employment Revenue <u>Fund 53</u>	Prop and Liability Self- Insurance Fund <u>Fund 54</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	-	-	-
Total operating revenues	-	-	-	-
Operating expenses:				
Personnel services	221,948	-	-	221,948
Contractual services	422,216	19,894	-	442,110
General and administrative	36,312	-	-	36,312
Depreciation	-	-	-	-
Total operating expenses	<u>680,476</u>	<u>19,894</u>	<u>-</u>	<u>700,370</u>
Operating income (loss)	(680,476)	(19,894)	-	(700,370)
Non-operating revenues (expenses):				
Gain/(loss) on disposal of capital assets	-	-	-	-
Miscellaneous	306,030	47,445	-	353,475
Interest income	32,713	37,370	-	70,083
Total non-operating revenues (expenses)	<u>338,743</u>	<u>84,815</u>	<u>-</u>	<u>423,558</u>
Income (loss) before transfers	(341,733)	64,921	-	(276,812)
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	(1,900)	-	-	(1,900)
Total other financing sources/(uses)	<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>
Change in net position	(343,633)	64,921	-	(278,712)
Net position, beginning of year	<u>1,851,291</u>	<u>1,113,627</u>	<u>-</u>	<u>2,964,918</u>
Net position, end of year	<u>\$ 1,507,658</u>	<u>1,178,548</u>	<u>-</u>	<u>2,686,206</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2023**

	Workers Compensation Fund 48	Un- employment Revenue Fund 53	Prop and Liability Self- Insurance Fund Fund 54	Total
Cash flows from operating activities:				
Payments to suppliers	\$ (452,508)	(19,894)	-	(472,402)
Payments to employees	(228,011)	-	-	(228,011)
Net cash provided (used) for operating activities	<u>(680,519)</u>	<u>(19,894)</u>	<u>-</u>	<u>(700,413)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,900)	-	-	(1,900)
Increase/(decrease) in interfund balances	200,000	-	-	200,000
Miscellaneous income	306,030	47,446	-	353,476
Net cash provided (used) for noncapital financing activities	<u>504,130</u>	<u>47,446</u>	<u>-</u>	<u>551,576</u>
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	-	-	-	-
Interest paid on long-term debt	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from sale and maturities of investments	216,103	-	-	216,103
Purchase of investments	-	(16,477)	-	(16,477)
Interest and dividends	32,713	37,370	-	70,083
Net cash provided (used) for investing activities	<u>248,816</u>	<u>20,893</u>	<u>-</u>	<u>269,709</u>
Net increase (decrease) in cash and cash equivalents	72,427	48,445	-	120,872
Cash and cash equivalents – beginning of year	34,923	264	-	35,187
Cash and cash equivalents – end of year	<u>\$ 107,350</u>	<u>48,709</u>	<u>-</u>	<u>156,059</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (680,476)	(19,894)	-	(700,370)
Adjustments				
Depreciation and amortization	-	-	-	-
Changes in assets and liabilities:				
Prepaid expenses	(48)	-	-	(48)
Accounts payable	6,068	-	-	6,068
Accrued expenses and other liabilities	(8,307)	-	-	(8,307)
Compensated absences	2,244	-	-	2,244
Net cash provided by operating activities	<u>\$ (680,519)</u>	<u>(19,894)</u>	<u>-</u>	<u>(700,413)</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
FIDUCIARY FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**FIDUCIARY FUNDS LISTING**

Veterinary Fund (49) – To account for monies collected and expended to veterinarians on behalf of City residents who have had their unvaccinated animals detained. The fund is custodial in nature.

Municipal Court Service Fund (50) - To account for bonds collected from alleged law violators. The fund is custodial in nature.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
As of June 30, 2023

	<u>Veterinary</u> <u>Fund 49</u>	<u>Municipal</u> <u>Court</u> <u>Fund 50</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ -	1,829	1,829
Investments	-	-	-
Total assets	<u>\$ -</u>	<u>1,829</u>	<u>1,829</u>
Liabilities:			
Accounts payable	\$ -	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Restricted for:			
Individuals, other governments	-	1,829	1,829
Total net position	<u>\$ -</u>	<u>1,829</u>	<u>1,829</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
For the Year Ended June 30, 2023**

	<u>Veterinary Fund 49</u>	<u>Municipal Court Fund 50</u>	<u>Total</u>
<b>Additions</b>			
Rabies vaccination	\$ -	-	-
Interest	-	-	-
Total additions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deductions</b>			
Bonds	-	-	-
Transfer	4,323	-	4,323
Total deductions	<u>4,323</u>	<u>-</u>	<u>4,323</u>
Net increase (decrease) in fiduciary net position	(4,323)	-	(4,323)
Net position, beginning	<u>4,323</u>	<u>1,829</u>	<u>6,152</u>
Net position, ending	<u>\$ -</u>	<u>1,829</u>	<u>1,829</u>

See independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF GOVERNMENTAL FUND BALANCES  
As of June 30, 2023**

	Major Funds				Total Non- Major Funds	Total Funds
	General Fund Funds 01, 18, 79	Special Revenue Funds		Street Construction Fund 87		
		Environmental Tax Fund 06	ARPA Fund 94			
Fund Balances:						
Nonspendable:						
Inventory	\$ 68,921	-	-	-	237,790	306,711
Prepaid expenses	578,221	-	-	-	50,022	628,243
Leases	7,122	-	-	-	-	7,122
Subtotal nonspendable funds	<u>654,264</u>	-	-	-	<u>287,812</u>	<u>942,076</u>
Restricted for:						
DFA required reserves	2,628,241	-	-	-	-	2,628,241
Environmental projects	-	9,512,222	-	-	-	9,512,222
Road/drainage improvements	-	-	-	-	7,324,193	7,324,193
Economic development efforts	-	-	69,177	-	1,946,381	2,015,558
Various capital project efforts	-	-	-	3,190,590	-	3,190,590
Debt service requirements	-	-	-	-	1,557,741	1,557,741
Fire fighting efforts/equipment	-	-	-	-	387,428	387,428
Public safety and law enforcement efforts	-	-	-	-	153	153
Subtotal restricted funds	<u>2,628,241</u>	<u>9,512,222</u>	<u>69,177</u>	<u>3,190,590</u>	<u>11,215,896</u>	<u>26,616,126</u>
Committed to:						
Operate/maintain recreational facilities	-	-	-	-	1,335,978	1,335,978
Improvement of sewer distribution lines	-	-	-	-	393,160	393,160
Road/drainage improvements	-	-	-	-	1,417,652	1,417,652
Improvement of City property/equipment	-	-	-	-	4,754,524	4,754,524
Various capital project efforts	-	-	-	-	2,509,963	2,509,963
Recycling efforts	-	-	-	-	1,446	1,446
Public safety and law enforcement efforts	-	-	-	-	32,621	32,621
Operate/maintain senior citizens facility	-	-	-	-	27,261	27,261
Economic development efforts	-	-	-	-	5,610,569	5,610,569
Subtotal committed funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,083,174</u>	<u>16,083,174</u>
Assigned to:						
Operate/maintain recreational facilities	-	-	-	-	82,542	82,542
Multi-purpose special events center	-	-	-	-	908,912	908,912
Departmental improvements	-	-	-	-	1,911,255	1,911,255
Subtotal assigned funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,902,709</u>	<u>2,902,709</u>
Unassigned	<u>16,883,883</u>	-	-	-	<u>(60,786)</u>	<u>16,823,097</u>
	<u>\$ 20,166,388</u>	<u>9,512,222</u>	<u>69,177</u>	<u>3,190,590</u>	<u>30,428,805</u>	<u>63,367,182</u>

See independent auditor's report.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF DEPOSITORIES  
As of June 30, 2023**

Account name	Type	Citizens Bank	New Mexico Bank and Trust	Western Commerce Bank	NMFA	State of New Mexico	Plus Deposits in Transit	Less O/S Checks	Petty cash	Balance Per Books
Cash and equivalents:										
General Fund	CK*	\$ 4,708,885	-	-	-	-	1,791,807	(2,386,773)	-	4,113,919
Special Streets Fund	CK*	653,777	-	-	-	-	200	(122,468)	-	531,509
NM Law Enforcement Protection	CK*	22,012	-	-	-	-	-	(22,012)	-	-
American Rescue Plan	CK*	9,118,036	-	-	-	-	197,786	-	-	9,315,822
General Fund Investment	CK*	-	23,792,164	-	-	-	87,504	(898,690)	-	22,980,978
Fire Fund	MM*	-	328,314	-	-	-	-	-	-	328,314
Airport vending	CK*	-	432	-	-	-	-	-	-	432
NHP Shooting Range	CK*	-	5,180	-	-	-	-	-	-	5,180
Touchstone Golf CPGC	CK*	-	243,909	-	-	-	-	-	-	243,909
Payroll Account	CK*	-	12,639	-	-	-	1,982	(638)	-	13,983
Municipal Court Trust Account	CK	-	832	-	-	-	-	(3)	-	829
Civic Center Checking-CC Card Account	CK*	-	225,473	-	-	-	-	-	-	225,473
Department of Justice	CK*	-	9,051	-	-	-	-	(8,898)	-	153
Drug Control Fund	CK*	-	1,084	-	-	-	-	-	-	1,084
Finance Credit Card	CK*	-	25,459	-	-	-	952	(25,345)	-	1,066
EFT Transfer Fund	CK*	-	1,532	-	-	-	-	-	-	1,532
Zoo Credit Card	CK*	-	20,975	-	-	-	-	(14,808)	-	6,167
Landfill Credit Card	CK*	-	600,243	-	-	-	-	-	-	600,243
Money Market Account	MM*	-	1,225,203	-	-	-	-	-	-	1,225,203
Aquatic Center Credit Cards	CK*	-	62,926	-	-	-	-	(537)	-	62,389
Animal Shelter Revenue	CK*	-	5,373	-	-	-	-	(2,890)	-	2,483
Municipal Court Credit Cards	CK*	-	907	-	-	-	939	(845)	-	1,001
CDBG	CK*	-	130,171	-	-	-	-	(130,171)	-	-
Money Market Investment Account	MM	-	-	1,733,612	-	-	-	-	-	1,733,612
Lodging Tax Fund	CK	-	-	776,488	-	-	-	(6,436)	-	770,052
NMFA cash	CK*	-	-	-	1,435,313	-	-	-	-	1,435,313
Petty cash	Cash	-	-	-	-	-	-	-	7,980	7,980
Total cash and equivalents		14,502,710	26,691,867	2,510,100	1,435,313	-	2,081,170	(3,620,514)	7,980	43,608,626
Investments:										
State of New Mexico	LGIP Fund (pool-4101)	-	-	-	-	25,397,832	-	-	-	25,397,832
Total investments		-	-	-	-	25,397,832	-	-	-	25,397,832
Total amount on deposit		\$ 14,502,710	26,691,867	2,510,100	1,435,313	25,397,832	2,081,170	(3,620,514)	7,980	69,006,458

\* denotes interest bearing account

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF PLEDGED COLLATERAL BY DEPOSITORY  
As of June 30, 2023

Account Name	CUSIP	Citizens Bank	New Mexico Bank and Trust	Western Commerce Bank	NMFA	Total
Total amount of deposit in bank		\$ 14,502,710	26,691,867	2,510,100	1,435,313	45,139,990
FDIC coverage		(250,000)	(250,000)	(250,000)	-	(750,000)
Total uninsured public funds		14,252,710	26,441,867	2,260,100	1,435,313	44,389,990
50%/102% of Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 7,126,355	13,220,934	1,130,050	717,657	22,194,995
Pledged collateral:						
FNMA Pool #FM1050 - 6/1/34	3140X4EY8	-	541,080	-	-	541,080
FNMA Pool #BF0423 - 2/1/49	3140FXPH9	-	366,493	-	-	366,493
FNMA Pool #BF0485 - 1/1/50	3140FXRF1	-	344,100	-	-	344,100
FNMA Pool #BF0485 - 1/1/50	3140FXRF1	-	162,856	-	-	162,856
FHLMC Pool #RA2581 - 5/1/50	3133KH2N5	-	37,430	-	-	37,430
FNMA Pool #BF0215 - 2/1/51	3140FXGZ9	-	992,753	-	-	992,753
FNMA Pool #BF0215 - 2/1/51	3140FXGZ9	-	486,118	-	-	486,118
FNMA Pool #BF0135 - 8/1/56	3140FXEH1	-	1,607,676	-	-	1,607,676
FNMA Pool #BF0141 - 9/1/56	3140FXEP3	-	3,872,365	-	-	3,872,365
FNMA Pool #BF0272 - 5/1/58	3140FXJS2	-	1,053,451	-	-	1,053,451
FNMA Pool #BF0272 - 5/1/58	3140FXJS2	-	1,176,713	-	-	1,176,713
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	642,112	-	-	642,112
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	985,751	-	-	985,751
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	1,964,518	-	-	1,964,518
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	817,191	-	-	817,191
FNMA Pool #BF0462 - 3/1/60	3140FXQQ8	-	3,302,548	-	-	3,302,548
FNMA Pool #AM4522 - 10/1/24	3138L5AY6	-	528,217	-	-	528,217
FNMA Pool #AN9640 - 6/1/28	3138LNWA5	-	1,742,561	-	-	1,742,561
FNMA Pool #AN9639 - 6/1/33	3138LNV99	-	949,324	-	-	949,324
Guaranteed Loans Receivable pledged:						
XXX3816 - 90%	n/a	-	152,227	-	-	152,227
XXX3855 - 90%	n/a	-	262,048	-	-	262,048
XXX7707 - 90%	n/a	-	503,291	-	-	503,291
XXX2972 - 90%	n/a	-	49,500	-	-	49,500
XXXXX8001 - 90%	n/a	-	260,669	-	-	260,669
XXXXX0281 - 90%	n/a	-	606,648	-	-	606,648
XXXXX7571 - 90%	n/a	-	145,788	-	-	145,788
XXXXX72135 - 90%	n/a	-	957,303	-	-	957,303
XXXXX32235 - 90%	n/a	-	539,788	-	-	539,788
XXXX542235 - 90%	n/a	-	137,082	-	-	137,082
XXXX632235 - 90%	n/a	-	856,788	-	-	856,788
XXXX722235 - 90%	n/a	-	190,613	-	-	190,613
XXXX932235 - 90%	n/a	-	237,896	-	-	237,896
XXXX942235 - 90%	n/a	-	88,881	-	-	88,881
XXXXXX0001 - 90%	n/a	-	72,618	-	-	72,618
XXXXXX1501 - 90%	n/a	-	85,982	-	-	85,982
XXXXXX9032 - 90%	n/a	-	368,492	-	-	368,492
XXXXXX9034 - 90%	n/a	-	28,413	-	-	28,413
XXXXXX3082 - 90%	n/a	-	248,375	-	-	248,375
FNMA Pool MA4915 - 2/1/2038	31418EN97	-	-	2,015,164	-	2,015,164
FNMA Pool MA4957 - 3/1/2043	31418EQK9	-	-	468,840	-	468,840
GNR 2012-106 QC - 7/20/42	38378HKU9	103,673	-	-	-	103,673
GNR 2015-100 PJ - 7/20/45	38379NQ54	53,781	-	-	-	53,781
GNR 2016-127 AC - 8/16/50	38379UH74	521,186	-	-	-	521,186
GNR 2021-71 AG - 1/16/62	38380RS84	1,426,021	-	-	-	1,426,021
CFGMS 2021-24 A - 9/4/23	140197AA2	2,385,267	-	-	-	2,385,267
SBAP 2012-20I 1 - 9/1/32	83162CVA8	322,709	-	-	-	322,709
SBA Pool #509619 - 12/25/32	83164LVL2	855,996	-	-	-	855,996
GNR 2021-193 WH - 2/20/50	38383DRF7	1,284,599	-	-	-	1,284,599
GNR 2021-147 KE - 9/16/59	38381DF88	1,430,133	-	-	-	1,430,133
GNR 2021-108 EA - 9/16/59	38381DNU0	1,474,531	-	-	-	1,474,531
GNR 2021-218 AC - 11/16/59	38381EJP4	1,444,693	-	-	-	1,444,693
See NMFA audited financials		-	-	-	1,435,313	1,435,313
Total collateral		11,302,589	27,365,659	2,484,004	1,435,313	42,587,565
Amount over/(under) collateralized		\$ 4,176,234	14,144,726	1,353,954	717,657	20,392,570

Safekeepers of the above securities are: The Independent Bankers; Texas Independent Bank; Plains Capital Bank; Suntrust; Raymond James.

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF JOINT POWERS AGREEMENTS  
As of June 30, 2023

Joint Powers Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Agency	Amount contributed by City during current FY	Audit Responsibility	Fiscal agent and responsible reporting entity	
1	ENMWUA	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	Based on water rights cost and maintenance costs	\$ -	City	City of Clovis  *Effective July 1, 2015  ENMWUA is the fiscal agent and responsible for reporting entity*
2	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
3	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 varies No matching funds	\$ -	City	City of Clovis
4	Exchange of service	Curry County City of Clovis	City of Clovis	County to provide detention services City to provide Pest Control, Emer Mgmt. E-911, Library, Fire/EMS services, 4 free landfill dump days to County residents	5/15/18 to 6/30/2028	\$350,000 to Curry County Annually	\$ 22,131 \$ 11,065 Monthly paid for net services towards CCDC	City of Clovis	City of Clovis
5	Bus Routes	Clovis Schools Curry County	Clovis Schools	Improving and repairing of roads and highways	4/1/89 to as allowed by State	In kind services	\$ -	Clovis Schools	Clovis Schools

See independent auditor's report.

**FEDERAL COMPLIANCE SECTION**

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	AL Number	Federal Grantors Number	Federal Awards Expended
<u>Department of the Treasury</u>			
Passed through NM Department of Finance and Administration			
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	FRF-CLOVI-019	\$ 222,643
Passed through NM Economic Development Department			
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	20,000
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	2,667
Total Department of the Treasury			<u>245,310</u>
<u>Department of the Interior</u>			
Passed through NM Department of Game and Fish			
Fish and Wildlife Cluster			
Wildlife Restoration and Basic Hunter Education	15.611	F20AF10674	33,008
Total Fish and Wildlife Cluster			<u>33,008</u>
Total Department of the Interior			<u>33,008</u>
<u>U.S. Department of Transportation</u>			
Direct			
COVID19-Airport Improvement Program	20.106	3-35-0011-034-2021	18,660
Airport Improvement Program	20.106	3-35-0011-032-2021	36,917
Passed through NM Department of Transportation			
Federal Transit Cluster			
Formula Grants for Rural Areas	* 20.509	FY23	350,341
Formula Grants for Rural Areas	* 20.509	FY22	189,206
Subtotal Federal Transit Cluster			<u>539,547</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	01-AL-64-023	8,604
Passed through NM Department of Homeland Security			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMEP-2022-00	9,007
Total U.S. Department of Transportation			<u>612,735</u>
<u>U.S. Department of Justice</u>			
Direct			
Bulletproof Vest Partnership Program	16.607	FY2023	3,738
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-03446-UHPX	11,603
Edward Byrne Memorial Grant Program	16.738	315PBJ-A-22-GG-02608-JAGX	9,871
Passed through NM Department of Public Safety			
Edward Byrne Memorial Grant Program	16.738	21-JAG-REG5-FFY23	111,893
Total U.S. Department of Justice			<u>137,105</u>
<u>U.S. Department of Homeland Security</u>			
Passed through NM Department of Homeland Security			
Emergency Management Performance Grants	97.042	EMT-2022-EP-00005	73,410
Homeland Security Grant Program	97.067	EMW-2022-SS-00044	18,019
Hazard Mitigation	97.039	EMT-2019-PC-00005	31,289
Total U.S. Department of Homeland Security			<u>122,718</u>
<u>Department of Health and Human Services</u>			
Passed through NM Department of Health			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	FY22-24119	42,977
Total U.S. Department of Homeland Security			<u>42,977</u>
<u>Department of Housing and Urban Development</u>			
Passed through NM Department of Finance and Administration			
Community Development Block Grants/Entitlement Grants	14.228	B-20-DC-35-00001	130,171
Total U.S. Department of Housing and Urban Development			<u>130,171</u>
<u>Other Federal Agencies</u>			
Passed through NM State Library			
COVID19-ARPA Grant to Public Library	45.310	LS-250227-OLS-21	10,458
Total Other Federal Agencies			<u>10,458</u>
Total Federal Financial Assistance			<u>\$ 1,334,482</u>

\* Major federal program

See independent auditor's report.

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

Federal grant revenue per fund financials	\$ 1,334,482
Federal expenditures per SEFA	<u>1,334,482</u>
Difference	<u><u>\$ -</u></u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Clovis, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 2 - Sub-recipients

The City did not provide any federal awards to sub-recipients during the year.

Note 3 - Federally Funded Loans

The City has no federally funded loans or loan guarantee programs as of June 30, 2023.

Note 4 - 10% de minimus Indirect Cost Rate

The City did not elect to use the allowed 10% indirect cost rate.



**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**

Joseph M. Maestas, P.E., State Auditor  
State of New Mexico, Office of the State Auditor  
Mayor and City Commission  
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, and the budgetary comparisons of the general fund and major special revenue funds of the City of Clovis, State of New Mexico, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2023.

**Report on 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.

*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. A *significant deficiency* is a deficiency, or

December 14, 2023

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, continued

---

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

**Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City of Clovis, State of New Mexico's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.



December 14, 2023

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, continued

---

**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.*

Hinkle + Landers, PC  
Albuquerque, NM  
December 14, 2023



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Joseph M. Maestas, P.E., State Auditor  
State of New Mexico, Office of the State Auditor  
Mayor and City Commission  
City of Clovis  
Clovis, New Mexico

**Opinion on Each Major Federal Program**

We have audited the City’s compliance with the types of compliance requirements identified as subject to audit in the OMB 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, 2023. 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.

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, 2023.

**Basis for Opinion on Each Major Federal Program**

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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hinkle + Landers, PC  
Albuquerque, NM  
December 14, 2023

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements:*

- |  |                   |
|--|-------------------|
| 1. Type of auditor's report issued   | <b>Unmodified</b> |
| 2. Internal control over financial reporting:                                    |                   |
| a. Material weakness identified?   | <b>No</b>         |
| b. Significant deficiencies identified not considered to be material weaknesses? | <b>Yes</b>        |
| c. Noncompliance material to the financial statements noted?                     | <b>No</b>         |

*Federal Awards:*

- |  |                   |
|--|-------------------|
| 1. Internal control over major federal programs:   |                   |
| a. Material weaknesses identified?   | <b>No</b>         |
| b. Significant deficiencies identified not considered to be material weaknesses?                         | <b>No</b>         |
| 2. Type of auditors' report issued on compliance for major federal programs                              | <b>Unmodified</b> |
| 3. Any audit findings disclosed that are required to be reported<br>in accordance with 2 CFR 200.516(a)? | <b>No</b>         |
| 4. Identification of major federal programs:   |                   |

AL Number	Federal Program	Funding Agency
20.509	Formula Grants for Rural Areas	U.S. Department of Transportation

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as low-risk auditee? **Yes**

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION II - FINANCIAL STATEMENT AND FEDERAL AWARD FINDINGS**

<u>Finding</u>	<u>Status of Current and Prior Year Findings</u>	<u>Type of Finding</u>
Prior Year Findings		
2022-001 [2021-001] - PERA & RHCA REMITTANCE	<b>RESOLVED</b>	G
2022-002 [2021-003]- CREDIT CARD RECONCILIATION PROCESS	<b>RESOLVED</b>	B
2022-003 - 24 HOUR DEPOSIT REQUIREMENT	<b>RESOLVED</b>	G
Current Year Findings		
2023-001 - RESTATEMENTS IN FINANCIAL STATEMENTS	Current	B

\* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency (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 Related to Federal Awards
- G. Other Non-compliance with State Audit Rule, NM State Statutes, NMAC,  
    or Other Entity Compliance
- H. Instance of Material Non-compliance

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**PRIOR YEAR FINDINGS**

Resolved, see Summary of Audit Findings

STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

**CURRENT YEAR FINDINGS**

**2023-001—RESTATEMENTS IN FINANCIAL STATEMENTS**

**Type of Finding:** (B) Significant Deficiency in Internal Control Over Financial Reporting

**Statement of Condition**

In the course of our audit procedures, we identified material misstatements in the financial statements that pertain to prior periods, requiring prior period adjustments (see Note 21). These adjustments were not appropriately recorded or disclosed in the financial statements for the relevant periods.

**Criteria**

Some of the key underlying concepts of AU-C 265 *Communicating Internal Control Related Matters Identified* in an audit:

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

Financial close is considered a significant process of internal control and should be performed by the organization’s staff. This does not preclude the organization from asking technical advice from its auditors, someone else, and/or arranging for non-attest services performed by the auditor to prepare certain adjustments that will need to be made as long as all threats to independence are properly mitigated according to independence requirements.

**Cause**

The primary cause of the restatements is attributed to errors in the initial application of accounting policies, miscalculations, or inadequate internal controls. Failure to detect and correct these issues during the financial close process has contributed to the need for restatements.



**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Effect**

The identified prior period adjustments have a material impact on the accuracy and reliability of the financial statements for the affected periods. This may result in a misrepresentation of the City's financial position, operating results, and cash flows, affecting the comparability of financial information.

**Recommendation**

To address the identified deficiency and prevent future restatements, the City should enhance internal controls over its financial close by increasing oversight and conducting periodic reviews of supporting documentation to ensure consistency with accounting standards and policies. By implementing these recommendations, the City can strengthen its financial close processes, reduce the risk of restatements, and enhance the reliability of its financial statements in future reporting periods.

**View of Responsible Officials and Corrective Action Plan**

In reference to allowance for doubtful accounts, there was a change in software used for the Fire department and the additional outstanding accounts were not captured in previous financial statements.

GRT spreadsheets used during the FY '22 audit report had errors that were not discovered by the audit team or the finance staff. Cannabis revenue was new revenue and finance staff did not record the receivable and the audit team was not aware of the new revenue.

Capital Assets received a full inventory count during the implementation of the new software module for asset management/work orders and departments discovered items that were not included or had been incorrectly marked as deleted. The hail and windstorm in May 2024 has provided a full inventory of vehicles and equipment and finance staff was notified of vehicles that had been scheduled for auction that for various reasons were placed back in service.

**Corrective Action Plan Timeline**

Ambulance billing staff is providing the documentation from both billing systems to provide an accurate allowance with their monthly report to Finance.

Finance staff will do a complete review of all revenue that will be recorded as a receivable and verify that any documentation provided to the auditor balances to the amounts provided. During

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

the review at the end of the year, Finance staff will also provide a listing of any new revenue subject to receivable posting.

Updated policy and procedures specific to deletion of property will be instituted by March 31, 2023. Status of the deletion request will be reviewed at the end of the fiscal year to determine the accuracy of the request. Department Directors will be made aware of the new policy for deletions and a policy for a complete review of assets at the department level will also be instituted before the end of the fiscal year.

Designation of Employee Position Responsible for Meeting Deadline

Finance Director and Assistant Finance Director.

**STATE OF NEW MEXICO  
CITY OF CLOVIS  
OTHER DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2023**

**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. The City is capable, with guidance, of preparing, reviewing, and approving the financial statements and footnotes, however it is felt that the City personnel do not have the time to prepare them.

**B. EXIT CONFERENCE**

The contents of the report for the City of Clovis were discussed on December 14, 2023. The following individuals were in attendance.

City of Clovis Officials

Megan Palla, CPA	Commissioner, District 4
Justin A Howalt, P.E.	City Manager
LeighAnn Melancon	Finance Director
Mercedes Robinson	Assistant Finance Director

Hinkle + Landers, PC

Farley Vener, CPA, CFE	President & Managing Shareholder
Maclen Enriquez, CPA	Senior Audit Manager