



**STATE OF NEW MEXICO
CITY OF CLOVIS**

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

For the Year Ended June 30, 2022

2500 9th St. NW
Albuquerque, NM 87102
505.883.8788
www.HL-cpas.com

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
CITY OF CLOVIS
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION	Page
Table of contents	i-ii
Official roster	iii
FINANCIAL SECTION	
Independent auditor's report	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	21-81
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of City's proportionate share of the net pension liability-PERA Plan	82
Schedule of City's Contributions-PERA Plan	83
Schedule of the City's proportionate share of the net OPEB liability	84
Schedule of the City's Contributions-OPEB Plan	85
SUPPLEMENTARY INFORMATION	
Combining and individual fund statements and schedules:	
Non-major governmental fund descriptions	86-90

**STATE OF NEW MEXICO
CITY OF CLOVIS
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2022**

SUPPLEMENTARY INFORMATION, continued	Page
Combining balance sheet – non-major governmental funds	91
Combining statement of revenues, expenditures, and changes in fund balance – non-major governmental funds	92
Combining balance sheet – Non-major funds-special revenue funds	93-96
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-special revenue funds	97-100
Combining balance sheet – Non-major funds-capital project funds	101
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-capital project funds	102
Combining balance sheet – Non-major funds-debt service funds	103
Combining statement of revenues, expenditures and changes in fund balance – Non-major funds-debt service funds	104
Non-major enterprise fund descriptions	105
Combining balance sheets – Non-major enterprise funds	106
Combining statements of revenues, expenditures and changes in net position – Non-major enterprise funds	107
Combining statement of cash flows – Non-major enterprise funds	108
Internal service fund descriptions	109
Combining balance sheets – Internal service funds	110
Combining statements of revenues, expenditures and changes in net position – Internal service funds	111
Combining statement of cash flows – Internal service funds	112
Fiduciary fund descriptions	113
Combining statement of fiduciary net position - Custodial funds	114
Combining statement of changes in fiduciary net position - Custodial funds	115
OTHER SUPPLEMENTARY INFORMATION	
Schedule of governmental fund balances	116
Schedule of depositories	117
Schedule of pledged collateral by depository	118
Schedule of joint powers agreements and memorandums of understanding	119-120
FEDERAL COMPLIANCE SECTION	
Schedule of expenditures of federal awards	121-122
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>	123-125
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	126-128
Schedule of findings and questioned costs	129-137
OTHER DISCLOSURES	138

**STATE OF NEW MEXICO
CITY OF CLOVIS
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2022**

<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**

Mr. Brian S. Colón
New Mexico 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, 2022, 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, 2022, 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 Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*. Our opinions are not modified with respect to this matter.

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.

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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, 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 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 15, 2022, 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.

A handwritten signature in black ink that reads "Hinkle + Landers, P.C." in a cursive, professional style.

Hinkle + Landers, PC

Albuquerque, NM

December 15, 2022

STATE OF NEW MEXICO
CITY OF CLOVIS
STATEMENT OF NET POSITION
As of June 30, 2022

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
Assets and deferred inflows of resources:			
Assets:			
Cash and cash equivalents	\$ 32,240,006	4,532,472	36,772,478
Investments	21,227,774	4,170,048	25,397,822
Receivables			
Accounts receivable	2,687,646	3,020,613	5,708,259
Taxes receivable	6,471,554	-	6,471,554
Leases receivable, current portion	6,158	21,529	27,687
Due from other funds	2,219,492	81,926	2,301,418
Due from other governments	490,538	2,371,429	2,861,967
Prepaid expenses	591,931	106,847	698,778
Inventories	288,543	84,975	373,518
Total current assets	66,223,642	14,389,839	80,613,481
Non-current assets:			
Notes receivable, noncurrent portion	459,000	-	459,000
Leases receivable, noncurrent portion	497,417	54,294	551,711
Capital assets	152,848,329	133,746,913	286,595,242
Less: Accumulated depreciation	(87,822,716)	(64,175,429)	(151,998,145)
Right-to-use leased assets, net	28,984	-	28,984
Total non-current assets	66,011,014	69,625,778	135,636,792
Total assets	132,234,656	84,015,617	216,250,273
Deferred Outflows of Resources:			
OPEB deferrals	2,298,535	312,838	2,611,373
Pension deferrals	1,597,070	38,983	1,636,053
Total deferred outflows of resources	3,895,605	351,821	4,247,426
Total assets and deferred outflows of resources	\$ 136,130,261	84,367,438	220,497,699

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, 2022

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
Liabilities, deferred inflows of resources and net position:			
Liabilities:			
Accounts payable	\$ 561,431	1,617,676	2,179,107
Accrued payroll liabilities	1,247,707	151,602	1,399,309
Accrued interest	16,663	12,217	28,880
Unearned revenue/grant advances	7,023,400	-	7,023,400
Due to other fund	-	2,301,418	2,301,418
Current portion of lease liability	8,684	-	8,684
Current portion of compensated absences	807,384	96,198	903,582
Current portion of long-term obligations	1,765,000	1,781,446	3,546,446
Total current liabilities	11,430,269	5,960,557	17,390,826
Non-current liabilities			
Lease liability	20,432	-	20,432
Landfill closure	-	6,012,817	6,012,817
Long-term obligations	9,212,369	10,435,314	19,647,683
Bond premium, net of amortization	81,164	-	81,164
Compensated absences	201,846	24,049	225,895
Net pension liability	10,473,303	282,765	10,756,068
Net OPEB liability	8,200,108	1,259,977	9,460,085
Total non-current liabilities	28,189,222	18,014,922	46,204,144
Total liabilities	39,619,491	23,975,479	63,594,970
Deferred inflows of resources:			
OPEB deferrals	5,308,139	812,090	6,120,229
Pension deferrals	3,618,539	102,072	3,720,611
Lease deferral	499,972	75,636	575,608
Total deferred inflows of resources	9,426,650	989,798	10,416,448
Net position			
Net investment in capital assets	54,031,449	57,354,724	111,386,173
Restricted	24,337,370	-	24,337,370
Unrestricted net position	8,715,301	2,047,437	10,762,738
Total net position	87,084,120	59,402,161	146,486,281
Total liabilities, deferred inflows of resources and net position:	\$ 136,130,261	84,367,438	220,497,699

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, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 8,742,749	2,292,919	2,258	-	(6,447,572)	-	(6,447,572)
Public safety	16,916,779	-	1,140,197	-	(15,776,582)	-	(15,776,582)
Public works	7,157,328	-	705,533	390,375	(6,061,420)	-	(6,061,420)
Culture and recreation	4,804,943	-	1,156,974	-	(3,647,969)	-	(3,647,969)
Health and welfare	265,226	46,708	-	-	(218,518)	-	(218,518)
Interest on long-term obligations	283,476	-	-	-	(283,476)	-	(283,476)
Total governmental activities	38,170,501	2,339,627	3,004,962	390,375	(32,435,537)	-	(32,435,537)
Business-type activities:							
Solid waste	5,032,822	5,725,704	-	84,375	-	777,257	777,257
Wastewater	3,573,479	3,633,263	-	2,743,288	-	2,803,072	2,803,072
Airport	3,049,623	-	-	2,695,310	-	(354,313)	(354,313)
Golf course	1,618,881	891,932	-	-	-	(726,949)	(726,949)
Total business-type activities	13,274,805	10,250,899	-	5,522,973	-	2,499,067	2,499,067
Total primary government	51,445,306	12,590,526	3,004,962	5,913,348	(32,435,537)	2,499,067	(29,936,470)
General revenues:							
Taxes							
Property taxes levied for general purposes					\$ 2,350,356	-	2,350,356
Gross receipts taxes					32,715,723	-	32,715,723
Other taxes and fees					2,471,614	-	2,471,614
Licenses and permits					636,139	-	636,139
Fines, forfeitures, and penalties					302,032	-	302,032
Interest income					104,103	482,114	586,217
Miscellaneous income					1,750,387	1,677,367	3,427,754
Gain/(loss) on disposal of capital assets					(2,799)	-	(2,799)
Transfers					(549,317)	549,317	-
Total general revenue and transfers					39,778,238	2,708,798	42,487,036
Changes in net position					7,342,701	5,207,865	12,550,566
Beginning net position					79,741,419	54,194,296	133,935,715
Net position, end of year					\$ 87,084,120	59,402,161	146,486,281

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, 2022**

	Major Funds					
		Special Revenue Funds				
	General Fund	Environmental Tax	ARPA	Street Construction		
	Funds 01, 18, 79	Fund 06	Fund 94	Fund 87	Total Non-Major Funds	Total Funds
Assets and deferred inflows of resources:						
Assets:						
Cash and cash equivalents	\$ 3,776,063	4,876,515	4,743,866	95,123	18,713,252	32,204,819
Investments	4,422,457	3,859,111	-	2,562,590	7,932,728	18,776,886
Receivables						
Accounts receivable	2,687,523	-	-	-	123	2,687,646
Other taxes receivable	3,925,324	111,585	-	-	2,434,644	6,471,553
Leases receivable	503,575	-	-	-	-	503,575
Other receivables	-	-	-	-	459,000	459,000
Due from other funds	2,097,690	60,214	-	-	164,356	2,322,260
Due from other governments	-	-	-	48,889	441,650	490,539
Prepaid expenses	544,098	-	-	-	47,072	591,170
Inventories	62,080	-	-	-	226,463	288,543
Total assets	18,018,810	8,907,425	4,743,866	2,706,602	30,419,288	64,795,991
Deferred Outflows of Resources:						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 18,018,810	8,907,425	4,743,866	2,706,602	30,419,288	64,795,991
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts payable	\$ 356,892	15,387	-	7,303	181,133	560,715
Accrued payroll liabilities	1,043,308	-	-	-	191,363	1,234,671
Unearned revenue/grant advances	-	-	4,734,645	2,135,321	153,435	7,023,401
Due to other fund	5,081	-	-	-	591,341	596,422
Total liabilities	1,405,281	15,387	4,734,645	2,142,624	1,117,272	9,415,209
Deferred Inflows of Resources:						
"Unavailable" revenues - property tax	90,688	-	-	-	-	90,688
Leases	499,972	-	-	-	-	499,972
Total deferred inflows of resources	590,660	-	-	-	-	590,660
Fund balances:						
Nonspendable	609,781	-	-	-	273,535	883,316
Restricted	2,207,473	8,892,038	9,221	563,978	12,664,660	24,337,370
Committed	-	-	-	-	13,629,482	13,629,482
Assigned	-	-	-	-	2,743,183	2,743,183
Unassigned	13,205,615	-	-	-	(8,844)	13,196,771
Total fund balances	16,022,869	8,892,038	9,221	563,978	29,302,016	54,790,122
Total liabilities, deferred inflows of resources and fund balances:	\$ 18,018,810	8,907,425	4,743,866	2,706,602	30,419,288	64,795,991

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, 2022**

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

Total fund balance - Governmental funds	\$ 54,790,122
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	65,025,613
Right-to-use leased assets (net of amortization) used in governmental activities are not financial resources and therefore are not reported in the funds	(132)
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.	90,688
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	2,298,535
Pension deferrals	1,597,070
Deferred inflows of resources related to:	
OPEB deferrals	(5,308,139)
Pension deferrals	(3,618,539)
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	\$ (10,473,303)
Net OPEB liability	(8,200,108)
Bond premium, net of amortization	(81,164)
Accrued interest payable	(16,663)
Current compensated absences	(805,927)
Non-current compensated absences	(201,481)
Current notes payable	(1,765,000)
Non-current notes payable	\$ <u>(9,212,369)</u>
	(30,756,015)
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.	2,964,918
Rounding	(1)
Net position for governmental activities	\$ <u><u>87,084,120</u></u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Major Funds					
	Special Revenue Funds					
	General Fund	Environmental Tax	ARPA	Street Construction		
	Funds 01, 18, 79	Fund 06	Fund 94	Fund 87	Total Non-Major Funds	Total Funds
Revenues:						
Taxes						
Property	\$ 2,330,600	-	-	-	-	2,330,600
Gross receipts/State shared	19,153,945	624,775	-	-	12,937,003	32,715,723
Other	1,195,797	-	-	-	1,275,817	2,471,614
Licenses and permits	632,478	-	-	-	3,661	636,139
Charges for services	2,148,219	-	-	-	191,410	2,339,629
Fines and forfeitures	133,929	-	-	-	168,103	302,032
Intergovernmental revenue						
Federal grants	-	-	-	-	2,118,124	2,118,124
State grants	-	-	-	390,375	886,838	1,277,213
Interest income	50,470	10,284	9,221	2,588	27,897	100,460
Miscellaneous income	844,236	-	-	-	894,842	1,739,078
Total revenues	26,489,674	635,059	9,221	392,963	18,503,695	46,030,612
Expenditures:						
Current:						
General government	4,494,219	-	-	-	434,930	4,929,149
Public safety	15,993,824	-	-	-	922,953	16,916,777
Public works	770,931	54,554	-	748,840	5,687,601	7,261,926
Culture and recreation	2,612,298	-	-	-	2,209,554	4,821,852
Health and welfare	341	-	-	-	264,884	265,225
Capital outlay	770,571	-	-	51,243	1,649,384	2,471,198
Debt service						
Principal	8,641	-	-	-	1,747,075	1,755,716
Interest	165	-	-	-	283,518	283,683
Total expenditures	24,650,990	54,554	-	800,083	13,199,899	38,705,526
Excess (deficiency) of revenues over (under) expenditures	1,838,684	580,505	9,221	(407,120)	5,303,796	7,325,086
Other financing sources (uses):						
Proceeds from debt issuance	-	-	-	-	3,250,000	3,250,000
Transfers in	3,621,780	-	-	77,079	4,310,549	8,009,408
Transfers out	(1,754,696)	-	-	-	(6,802,129)	(8,556,825)
Total other financing sources (uses):	1,867,084	-	-	77,079	758,420	2,702,583
Net change in fund balances	3,705,768	580,505	9,221	(330,041)	6,062,216	10,027,669
Beginning fund balance	12,317,101	8,311,533	-	894,019	23,239,800	44,762,453
Ending fund balance	\$ 16,022,869	8,892,038	9,221	563,978	29,302,016	54,790,122

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, 2022

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

Total net change in fund balances-governmental funds	\$ 10,027,669
--	---------------

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.

Capital expenditures recorded as capital outlay or other expenses	2,573,213
---	-----------

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.

(4,861,983)

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.

(2,798)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred inflows of resources related to property taxes receivable	19,756
--	--------

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.

(Increase)/decrease in accrued interest	42
---	----

(Increase)/decrease in compensated absences	109,353
---	---------

Amortization of bond premiums	11,328
-------------------------------	--------

Issuance of long-term debt	(3,250,000)
----------------------------	-------------

Principal payments on long-term obligations	1,755,716
---	-----------

Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds

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:

Pension income	244,193
----------------	---------

OPEB income	1,297,964
-------------	-----------

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.

(581,752)

Rounding

Change in net position of governmental activities	\$ <u>7,342,701</u>
---	---------------------

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

STATE OF NEW MEXICO
CITY OF CLOVIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes				
Property	\$ 2,251,041	2,251,041	2,334,008	82,967
Gross receipts	16,440,500	16,478,462	18,852,214	2,373,752
Other	1,012,000	1,012,000	1,159,273	147,273
Licenses and permits	269,000	269,000	625,095	356,095
Charges for services	2,059,500	2,059,500	2,079,571	20,071
Fines and forfeitures	115,000	115,000	133,929	18,929
Interest income	40,000	40,000	41,643	1,643
Miscellaneous income	334,656	921,792	846,707	(75,085)
Total revenues	22,521,697	23,146,795	26,072,440	2,925,645
Expenditures:				
Current:				
General government	5,251,678	5,425,952	4,463,579	962,373
Public safety	18,158,416	18,439,425	15,851,062	2,588,363
Public works	735,931	736,431	714,271	22,160
Culture and recreation	3,141,376	3,278,454	2,554,298	724,156
Capital outlay	610,544	1,277,480	770,571	506,909
Total expenditures	27,897,945	29,157,742	24,353,781	4,803,961
Excess (deficiency) of revenues over (under) expenditures	(5,376,248)	(6,010,947)	1,718,659	(1,878,316)
Other financing sources (uses):				
Transfers in	-	-	3,621,780	3,621,780
Transfers out	-	-	(1,754,696)	(1,754,696)
Total other financing sources (uses):	-	-	1,867,084	1,867,084
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(5,376,248)	(6,010,947)	3,585,743	(11,232)
Budgeted cash carryover	5,376,248	6,010,947	-	
Net change in fund balance	\$ -	-	3,585,743	

Reconciliation From Budget/Actual to GAAP

Net change in fund balance (Non-GAAP budgetary basis)	\$ 3,585,743
To adjust applicable revenue accruals and deferrals	417,235
To adjust applicable expenditure accruals	(297,210)
Net change in fund balance (GAAP)	\$ 3,705,768

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, 2022

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes				
Gross receipts	\$ 485,000	488,000	561,771	73,771
Interest income	21,500	21,500	10,284	(11,216)
Total revenues	506,500	509,500	572,055	62,555
Expenditures:				
Current:				
Public works	15,000	181,319	38,850	142,469
Total expenditures	15,000	181,319	38,850	142,469
Excess (deficiency) of revenues over (under) expenditures	491,500	328,181	533,205	(79,914)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	491,500	328,181	533,205	(79,914)
Budgeted cash carryover	-	-	-	
Net change in fund balance	\$ 491,500	328,181	533,205	
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 533,205	
To adjust applicable revenue accruals and deferrals			63,004	
To adjust applicable expenditure accruals			(15,704)	
Net change in fund balance (GAAP)			\$ 580,505	

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, 2022

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 4,734,645	4,734,645	4,734,645	-
State grants	-	-	-	-
Total revenues	4,734,645	4,734,645	4,743,864	9,219
Expenditures:				
Current:				
Public works	-	500,000	-	500,000
Capital outlay	-	4,234,645	-	4,234,645
Total expenditures	-	4,734,645	-	4,734,645
Excess (deficiency) of revenues over (under) expenditures	4,734,645	-	4,743,864	(4,725,426)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	4,734,645	-	4,743,864	(4,725,426)
Budgeted cash carryover	-	-	-	
Net change in fund balance	\$ 4,734,645	-	4,743,864	
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 4,743,864	
To adjust applicable revenue accruals and deferrals			(4,734,643)	
To adjust applicable expenditure accruals			-	
Net change in fund balance (GAAP)			\$ 9,221	

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, 2022**

	Business-Type Activities Enterprise Funds					Governmental Activities
	Major Funds			Non-Major	Total	Internal Service Funds
	Solid Waste	Wastewater	Airport	Golf Course		
	Fund 02	Fund 10	Fund 12	Fund 19		
Assets and deferred inflows of resources:						
Assets:						
Cash and cash equivalents	\$ 2,864,330	1,570,685	200	97,257	4,532,472	35,188
Investments	806	4,018,785	-	150,457	4,170,048	2,450,887
Receivables						
Accounts receivable, net	1,904,228	1,109,980	6,405	-	3,020,613	-
Leases receivable, current portion	21,529	-	-	-	21,529	-
Due from other funds	1,987	79,939	-	-	81,926	493,653
Due from other governments	-	24,077	2,347,352	-	2,371,429	-
Prepaid expenses	60,646	21,941	23,634	626	106,847	761
Inventories	25,310	59,665	-	-	84,975	-
Total current assets	4,878,836	6,885,072	2,377,591	248,340	14,389,839	2,980,489
Non-current assets:						
Leases receivable, noncurrent portion	54,294	-	-	-	54,294	-
Capital assets, net	10,497,417	34,036,692	21,753,694	3,283,679	69,571,482	-
Total non-current assets	10,551,711	34,036,692	21,753,694	3,283,679	69,625,776	-
Total assets	15,430,547	40,921,764	24,131,285	3,532,019	84,015,615	2,980,489
Deferred outflows of resources:						
OPEB deferrals	202,569	85,183	25,086	-	312,838	-
Pension deferrals	30,286	22,122	(13,425)	-	38,983	-
Total deferred outflows of resources	232,855	107,305	11,661	-	351,821	-
Total assets and deferred outflows of resources	\$ 15,663,402	41,029,069	24,142,946	3,532,019	84,367,436	2,980,489
Liabilities, deferred inflows of resources and net position:						
Liabilities:						
Accounts payable	\$ 248,656	61,543	1,296,859	10,618	1,617,676	715
Accrued payroll liabilities	96,795	36,493	18,314	-	151,602	13,034
Accrued interest	2,372	7,719	-	2,126	12,217	-
Due to other fund	-	4,977	2,296,441	-	2,301,418	-
Current portion of compensated absences	79,696	12,739	3,763	-	96,198	1,457
Current portion of long-term debt	516,227	1,094,219	-	171,000	1,781,446	-
Total current liabilities	943,746	1,217,690	3,615,377	183,744	5,960,557	15,206
Non-current liabilities						
Landfill closure	6,012,817	-	-	-	6,012,817	-
Long-term debt	529,907	8,276,407	-	1,629,000	10,435,314	-
Compensated absences	19,923	3,185	941	-	24,049	365
Net pension liability	174,937	120,221	(12,393)	-	282,765	-
Net OPEB liability	813,695	360,054	86,228	-	1,259,977	-
Total non-current liabilities	7,551,279	8,759,867	74,776	1,629,000	18,014,922	365
Total liabilities	8,495,025	9,977,557	3,690,153	1,812,744	23,975,479	15,571
Deferred inflows of resources:						
OPEB deferrals	526,649	222,757	62,684	-	812,090	-
Pension deferrals	47,433	24,390	30,249	-	102,072	-
Leases	75,636	-	-	-	75,636	-
Total deferred inflows of resources	649,718	247,147	92,933	-	989,798	-
Net position						
Net investment in capital assets	9,451,283	24,666,066	21,753,694	1,483,679	57,354,722	-
Unrestricted net position	(2,932,624)	6,138,299	(1,393,834)	235,596	2,047,437	2,964,918
Total net position	6,518,659	30,804,365	20,359,860	1,719,275	59,402,159	2,964,918
Total liabilities, deferred inflows of resources and net position:	\$ 15,663,402	41,029,069	24,142,946	3,532,019	84,367,436	2,980,489

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 NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Funds			Non-Major	
	Solid Waste Fund 02	Wastewater Fund 10	Airport Fund 12	Golf Course Fund 19	Total
Operating revenues:					
Charges for services	\$ 5,725,704	3,633,262	-	891,932	10,250,898
Total operating revenues	5,725,704	3,633,262	-	891,932	10,250,898
Operating expenses:					
Personnel services	1,783,762	621,112	315,061	-	2,719,935
Contractual services	1,230,738	681,114	788,210	1,490,673	4,190,735
General and administrative	1,134,598	309,122	1,148,212	-	2,591,932
Depreciation	883,724	1,847,835	798,142	128,207	3,657,908
Total operating expenses	5,032,822	3,459,183	3,049,625	1,618,880	13,160,510
Operating income (loss)	692,882	174,079	(3,049,625)	(726,948)	(2,909,612)
Non-operating revenues (expenses):					
Gain/(loss) on disposal of capital assets	-	-	-	-	-
Federal grants - capital	-	-	1,543,182	-	1,543,182
State grants - capital	84,375	2,743,288	1,152,128	-	3,979,791
Miscellaneous	24,930	84,101	1,280,913	287,426	1,677,370
Interest income	278,144	201,857	2,097	16	482,114
Interest expense	-	(114,297)	-	-	(114,297)
Total non-operating revenues (expenses)	387,449	2,914,949	3,978,320	287,442	7,568,160
Income (loss) before transfers	1,080,331	3,089,028	928,695	(439,506)	4,658,548
Other financing sources/(uses)					
Transfers in	505,091	715,782	114,325	541,743	1,876,941
Transfers out	(803,692)	(523,932)	-	-	(1,327,624)
Total other financing sources/(uses)	(298,601)	191,850	114,325	541,743	549,317
Change in net position	781,730	3,280,878	1,043,020	102,237	5,207,865
Net position, beginning of year	5,736,929	27,523,487	19,316,840	1,617,038	54,194,294
Net position, end of year	\$ 6,518,659	30,804,365	20,359,860	1,719,275	59,402,159

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, 2022

	Business-Type Activities Enterprise Funds					Governmental Activities
	Major Funds			Non-Major		
	Solid Waste Fund 02	Wastewater Fund 10	Airport Fund 12	Golf Course Fund 19	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 5,368,428	3,932,907	-	891,932	10,193,267	-
Payments to suppliers	(2,163,665)	(1,181,646)	(2,666,767)	(1,484,033)	(7,496,111)	(404,496)
Payments to employees	(1,806,914)	(656,215)	(334,734)	-	(2,797,863)	(230,900)
Net cash provided (used) for operating activities	1,397,849	2,095,046	(3,001,501)	(592,101)	(100,707)	(635,396)
Cash flows from noncapital financing activities:						
Transfers from other funds	505,091	715,782	114,325	541,743	1,876,941	-
Transfers to other funds	(803,692)	(523,932)	-	-	(1,327,624)	(1,900)
Increase/(decrease) in interfund balances	-	(56,437)	1,537,849	-	1,481,412	(216,010)
Miscellaneous income	24,930	84,101	1,280,913	287,426	1,677,370	6,590
Net cash provided (used) for noncapital financing activities	(273,671)	219,514	2,933,087	829,169	3,708,099	(211,320)
Cash flows from capital and related financing activities:						
Intergovernmental receipts-capital	84,375	2,743,288	2,695,310	-	5,522,973	-
Acquisition and construction of capital assets	(145,852)	(3,674,584)	(2,628,993)	-	(6,449,429)	-
Principal paid on long-term debt	(504,079)	(1,105,778)	-	(170,000)	(1,779,857)	-
Interest paid on long-term debt	-	(114,297)	-	-	(114,297)	-
Long-term debt proceeds	-	371,535	-	-	371,535	-
Net cash provided (used) for capital and related financing activities.	(565,556)	(1,779,836)	66,317	(170,000)	(2,449,075)	-
Cash flows from investing activities:						
Proceeds from sale & maturities of investments	35,474	(155,945)	-	-	(120,471)	482,363
Purchase of investments	-	-	-	(150,457)	(150,457)	(243,666)
Interest and dividends	278,144	201,857	2,097	16	482,114	3,641
Net cash provided (used) for investing activities.	313,618	45,912	2,097	(150,441)	211,186	242,338
Net increase (decrease) in cash and cash equivalents	872,240	580,636	-	(83,373)	1,369,503	(604,378)
Cash and cash equivalents – beginning of year	1,992,090	990,049	200	180,630	3,162,969	639,566
Cash and cash equivalents – end of year	<u>\$ 2,864,330</u>	<u>1,570,685</u>	<u>200</u>	<u>97,257</u>	<u>4,532,472</u>	<u>35,188</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 692,882	174,079	(3,049,625)	(726,948)	(2,909,612)	(586,798)
Adjustments						
Depreciation and amortization	883,724	1,847,835	798,142	128,207	3,657,908	-
Pension expense/(revenue)	(5,487)	(2,593)	(4,123)	-	(12,203)	-
OPEB expense/(revenue)	(113,881)	(40,601)	(18,991)	-	(173,473)	-
Deferred outflows - leases	75,636	-	-	-	75,636	(3,285)
Changes in assets and liabilities:						
Receivables	(357,276)	299,645	(1,518,032)	-	(1,575,663)	-
Prepaid expenses	(5,471)	(1,979)	(2,132)	(56)	(9,638)	(69)
Inventories	(7,985)	59,547	-	-	51,562	-
Accounts payable	230,607	(248,978)	789,819	6,794	778,242	(43,800)
Accrued expenses and other liabilities	16,804	6,682	3,286	(98)	26,674	2,420
Landfill post closure liabilities	(15,480)	-	-	-	(15,480)	-
Compensated absences	3,776	1,409	155	-	5,340	(3,864)
Net cash provided by operating activities	<u>\$ 1,397,849</u>	<u>2,095,046</u>	<u>(3,001,501)</u>	<u>(592,101)</u>	<u>(100,707)</u>	<u>(635,396)</u>

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, 2022

	Custodial Funds
Assets:	
Cash and cash equivalents	\$ 6,172
Investments	10
Total assets	<u>\$ 6,182</u>
Liabilities:	
Accounts payable	\$ 30
Total liabilities	<u>30</u>
Net position	
Restricted for:	
Individuals, other governments	<u>6,152</u>
Total net position	<u>\$ 6,152</u>

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, 2022

	Custodial Funds
Additions	
Rabies vaccination	\$ 1,339
Interest	1
Total additions	<u>1,340</u>
Deductions	
Bonds	<u>-</u>
Total deductions	<u>-</u>
Net increase (decrease) in fiduciary net position	1,340
Net position, beginning	<u>4,812</u>
Net position, ending	<u>\$ 6,152</u>

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, 2022**

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.

GASB Statement 87, Leases

GASB 87 was adopted in fiscal year 2022 and requires recognition of lease assets and liabilities for non-cancellable agreements greater than one year in duration. The City has entered into lease agreements as both the lessor and lessee, and as such has recognized the corresponding receivables, payables, intangible assets, and deferred inflows required under this statement. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. It was not considered practicable to restate beginning balances in the capital assets and lease liability tables.

A. 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, or 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.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022.

B. 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 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. 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 following proprietary funds, all of which are considered major funds except the Golf Course 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

C. Assets, 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 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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

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.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$30,000 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB 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 is 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Land	Perpetuity
Construction in progress	Perpetuity
Land improvements	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, 2022.

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 the amount the employee accrues 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 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 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 \$2,611,373 and \$1,636,053 related to OPEB and Pension deferrals, respectively.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Deferred Inflows of Resources

In addition to liabilities, the 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 six 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 recorded \$90,688 related to property taxes and \$- related to grants that are considered “unavailable”.

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 \$6,120,229 and \$3,720,611 related to related to OPEB and Pension deferrals, respectively.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.
- 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 2022 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.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

D. 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.

E. 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.

F. 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 2019. For the year ended June 30, 2022, no interest or penalties were recorded or included in the financial statements.

G. 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 lease liability and receivables, utility and other receivable allowance for doubtful accounts, and inputs and methods related to pension and OPEB balances and activity.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

H. 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 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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, 2022 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022:

Fund Type	Amount
Primary government	
Governmental funds	\$ 32,204,818
Internal service funds	35,188
Business-type activities	4,532,472
Fiduciary funds	6,172
Total cash and cash equivalents - primary government	<u>\$ 36,778,650</u>

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.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$3,368,541 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.

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% 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.

As of June 30, 2022, the City's bank balances (inclusive of investments listed in Note 4) of \$62,120,564 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.	\$ 35,972,732
Uninsured and uncollateralized	<u>-</u>
Total uninsured deposits	<u><u>\$ 35,972,732</u></u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 4 – INVESTMENTS

The City's investments consisted of the following as of June 30, 2022:

<u>Investment Type</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Credit Risk- Rating</u>	<u>Maturity</u>
				[49] day WAM (R)
New Mexico LGIP	\$ 25,397,832	25,397,832	AAAm	[89] day WAM (F)
	<u>\$ 25,397,832</u>	<u>25,397,832</u>		

A summary of the City's investments by fund type as of June 30, 2022 is as follows:

<u>Fund Type</u>	<u>Amount</u>
Primary government	
Governmental funds	\$ 18,776,887
Internal service funds	2,450,887
Business-type activities	4,170,048
Fiduciary funds	<u>10</u>
Total cash and cash equivalents - primary government	<u>\$ 25,397,832</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, 2022, the City's investment balances were exposed to custodial credit risk as follows. The local short-term investment fund, along with other public monies in the State Treasurer's investment account including amounts held by the NM Self Insurer's fund, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collateral at 102% of investment balances for the City. All investing is performed in accordance with State Statutes and the City Charter. For more information, refer to separately issued financial statements for the State Treasurer, which disclose the collateral pledged to secure the State Treasurer's cash and investments.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

Fair Value Measurements

The fair value framework uses a hierarchy that prioritizes the inputs to the 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

New Mexico LGIP – Valued at the daily closing price as reported by the fund. These investments held by the City are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the City are deemed to be actively traded.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City maintained a balance of \$25,397,832 in investments at June 30, 2022 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2022:

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
\$ <u>25,397,832</u>	<u>-</u>	<u>-</u>	<u>25,397,832</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 5 – RECEIVABLES

Receivables as of June 30, 2022 are as follows:

	General Fund	Environ- mental Tax	Street Const.	Nonmajor Funds	Total Receivables
Accounts	\$ 4,246,203	-	-	123	4,246,326
Taxes (Property, GRT, etc.)	3,925,324	111,585	-	2,434,645	6,471,554
Other intergovernmental	-	-	48,889	441,649	490,538
Other	-	-	-	459,000	459,000
Leases	503,575	-	-	-	503,575
Subtotal	8,675,102	111,585	48,889	3,335,417	12,170,993
Less: Allowance for uncollectibles	(1,558,680)	-	-	-	(1,558,680)
Net Receivables	<u>\$ 7,116,422</u>	<u>111,585</u>	<u>48,889</u>	<u>3,335,417</u>	<u>10,612,313</u>

	Solid Waste Fund	Waste- water	Airport	Golf Course	Total Proprietary
Accounts	\$ 4,057,857	2,247,307	9,442	-	6,314,606
Taxes:					
Other intergovernmental	-	24,077	2,347,352	-	2,371,429
Leases	75,823	-	-	-	75,823
Subtotal	4,133,680	2,271,384	2,356,794	-	8,761,858
Less: Allowance for uncollectibles	(2,153,629)	(1,137,327)	(3,037)	-	(3,293,993)
Net Receivables	<u>\$ 1,980,051</u>	<u>1,134,057</u>	<u>2,353,757</u>	<u>-</u>	<u>5,467,865</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 \$90,688 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, 2022**

Lease Receivables

The City is entered into multiple land and building leases. The City's lessor leasing arrangements on June 30, 2022 are summarized below (excluding short-term leases):

	<u>Balance at June 30, 2022</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	\$ 503,575	\$ 6,158	3	41-87 years	1.75%
Total governmental activities	<u>\$ 503,575</u>	<u>6,158</u>			
<u>Business-Type Activities</u>					
Lessor					
Land	75,823	21,529	1	3.5 years	0.05%
Total business-type activities	<u>75,823</u>	<u>21,529</u>			
Total lease receivables	<u>\$ 579,398</u>	<u>\$ 27,687</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, 2022, the City recognized the following in lease income and interest earned on leases:

<u>Governmental Activities</u>	<u>2022</u>
Lease income	\$ 9,678
Lease interest	\$ 8,826
<u>Business-Type Activities</u>	<u>2022</u>
Lease income	\$ 21,610
Lease interest	\$ 427

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

As of June 30, 2022, the City had at least eight active regulated leases 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, 2022, the City recognized the following in lease income on regulated airport leases:

<u>Business-Type Activities</u>	<u>2022</u>
Regulated lease income	\$ 44,338

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, 2022, were as follows:

	<u>Regulated Airport Leases</u>
2023	\$ 10,896
2024	10,896
2025	10,896
2026	10,896
2027	10,896
2028-2032	54,479
2033-2037	52,610
2038-2042	49,139
2043-2047	49,139
2048-2052	37,658
2053-2057	36,838
2058-2063	20,954
	<u>\$ 355,295</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022 follows. Land and construction in progress are not subject to depreciation.

GOVERNMENTAL ACTIVITIES	Balance 06/30/21	Additions	Deletions	Transfers/ Adjustments	Balance 06/30/22
Non-depreciable capital assets:					
Land	\$ 3,401,468	-	-	-	3,401,468
Construction in progress	2,592,018	1,152,900	-	-	3,744,918
Total non-depreciable capital assets	5,993,486	1,152,900	-	-	7,146,386
Capital assets being depreciated:					
Land improvements	3,820,729	-	-	-	3,820,729
Buildings and improvements	23,753,996	-	-	20,450	23,774,446
Equipment and vehicles	23,327,793	1,420,313	(664,247)	269,766	24,353,625
Infrastructure	93,753,142	-	-	-	93,753,142
Right-to-use leased equipment	-	37,757	-	-	37,757
Total capital assets being depreciated/amortized	144,655,660	1,458,070	(664,247)	290,216	145,739,699
Less accumulated depreciation/amortization for:					
Land improvements	(335,602)	(34,239)	-	-	(369,841)
Buildings and improvements	(12,085,793)	(597,138)	-	(20,450)	(12,703,381)
Equipment and vehicles	(18,566,614)	(1,405,219)	661,449	(269,766)	(19,580,150)
Infrastructure	(52,352,729)	(2,816,614)	-	-	(55,169,343)
Right-to-use leased equipment	-	(8,773)	-	-	(8,773)
Total accumulated depreciation/amortization	(83,340,738)	(4,861,983)	661,449	(290,216)	(87,831,488)
Total capital assets being depreciated/amortized	61,314,922	(3,403,913)	(2,798)	-	57,908,211
Total capital assets, net of depreciation/amortization	\$ 67,308,408	(2,251,013)	(2,798)	-	65,054,597

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 7 – CAPITAL ASSETS, continued

BUSINESS-TYPE ACTIVITIES	Balance 06/30/21	Additions	Deletions	Transfers/ Adjustments	Balance 06/30/22
Non-depreciable capital assets:					
Land	6,159,811	-	-	-	6,159,811
Construction in progress	\$ 6,893,681	5,814,867	-	(6,532,637)	6,175,911
Total non-depreciable capital assets	<u>13,053,492</u>	<u>5,814,867</u>	<u>-</u>	<u>(6,532,637)</u>	<u>12,335,722</u>
Capital assets being depreciated:					
Land improvements	1,517,878	-	-	-	1,517,878
Buildings and improvements	16,874,356	-	-	-	16,874,356
Equipment and vehicles	15,431,255	634,564	-	66,728	16,132,547
Infrastructure	<u>80,690,266</u>	<u>-</u>	<u>-</u>	<u>6,196,143</u>	<u>86,886,409</u>
Total capital assets being depreciated	114,513,755	634,564	-	6,262,871	121,411,190
Less accumulated depreciation for:					
Land improvements	(225,726)	(27,857)	-	-	(253,583)
Buildings and improvements	(8,104,200)	(535,089)	-	-	(8,639,289)
Equipment and vehicles	(12,544,291)	(644,567)	-	269,766	(12,919,092)
Infrastructure	<u>(39,913,068)</u>	<u>(2,450,396)</u>	<u>-</u>	<u>-</u>	<u>(42,363,464)</u>
Total accumulated depreciation	<u>(60,787,285)</u>	<u>(3,657,909)</u>	<u>-</u>	<u>269,766</u>	<u>(64,175,428)</u>
Total capital assets being depreciated	<u>53,726,470</u>	<u>(3,023,345)</u>	<u>-</u>	<u>6,532,637</u>	<u>57,235,762</u>
Total capital assets, net of depreciation	<u>\$ 66,779,962</u>	<u>2,791,522</u>	<u>-</u>	<u>-</u>	<u>69,571,484</u>

Depreciation and amortization expense for the year ended June 30, 2022 was charged to the following functions and funds:

Governmental activities:

General government	\$ 1,234,076
Public safety	2,077,081
Public works	1,035,828
Culture and recreation	458,181
Health and welfare	56,817
Total governmental activities	<u>\$ 4,861,983</u>

Business-type activities

Solid Waste	\$ 883,725
Wastewater	1,847,835
Airport	798,142
Golf course	128,207
Total business type activities	<u>\$ 3,657,909</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amount due within one year
Governmental funds					
Lease liability	\$ -	37,757	(8,641)	29,116	8,684
Compensated absences	1,122,446	1,050,194	(1,163,410)	1,009,230	807,384
Revenues bonds payable	4,810,000	3,250,000	(1,375,000)	6,685,000	1,390,000
Notes payable	4,664,444	-	(372,075)	4,292,369	375,000
Total governmental activities	<u>\$ 10,596,890</u>	<u>4,337,951</u>	<u>(2,919,126)</u>	<u>12,015,715</u>	<u>2,581,068</u>
Business-type funds					
Compensated absences	\$ 114,908	107,774	(102,435)	120,247	96,198
Revenues bonds payable	5,760,213	-	(834,079)	4,926,134	936,227
Notes payable	7,864,869	371,535	(945,778)	7,290,626	845,219
Total business-type activities	<u>\$ 13,739,990</u>	<u>479,309</u>	<u>(1,882,292)</u>	<u>12,337,007</u>	<u>1,877,644</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 2022.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2022 are as follows.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Governmental activities

Revenue Bonds

Bonds payable for governmental funds at June 30, 2022 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

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.

The annual requirements to amortize the 2012 Bond Issue outstanding as of June 30, 2022, including interest payments are as follows:

	Principal	Interest	Total
2023	\$ 440,000	49,725	489,725
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
2028-2032	-	-	-
Total	\$ 2,165,000	151,825	2,316,825

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

The annual requirements to amortize the 2015 Bond Issue outstanding as of June 30, 2022, including interest payments are as follows:

	Principal	Interest	Total
2023	\$ 360,000	57,100	417,100
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
2028-2032	460,000	45,900	505,900
Total \$	<u>1,855,000</u>	<u>248,400</u>	<u>2,103,400</u>

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The annual requirements to amortize the 2021 Bond Issue outstanding as of June 30, 2022, including interest payments are as follows:

	Principal	Interest	Total
2023	\$ 590,000	19,565	609,565
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
2028-2032	625,000	64,937	689,937
2033-2037	470,000	21,900	491,900
Total \$	<u>2,665,000</u>	<u>174,437</u>	<u>2,839,437</u>

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 \$220,319 at June 30, 2022, and equal 37.1% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2022, the City collected \$593,587 in pledged revenues, and retired \$220,319 in principal and interest on the aforementioned note.

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

	Principal	Interest	Total
2023	\$ 200,000	20,403	220,403
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
2028-2032	1,057,000	44,848	1,101,848
Total \$	<u>2,068,000</u>	<u>135,780</u>	<u>2,203,780</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$236,593 at June 30, 2022, and equal 2.0% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2022, the City collected \$11,915,657 in pledged revenues, and retired \$236,593 in principal and interest on the aforementioned note.

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

	Principal	Interest	Total
2023	\$ 175,000	59,858	234,858
2024	175,777	56,215	231,992
2025	184,390	52,303	236,693
2026	189,218	47,952	237,170
2027	195,002	43,284	238,286
2028-2032	1,083,849	132,506	1,216,355
2033-2037	221,133	6,600	227,733
Total	\$ 2,224,369	398,718	2,623,087

Business-type activities

Revenue Bonds

Bonds payable for proprietary funds at June 30, 2022 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 7-1-6.4 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, 2022, including interest payments are as follows:

		Principal	Interest	Total
2023	\$	420,000	34,872	454,872
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
2028-2032		1,758,750	53,761	1,812,511
Total	\$	<u>3,880,000</u>	<u>204,545</u>	<u>4,084,545</u>

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The annual requirements to amortize the 2014 Bond Issue outstanding as of June 30, 2022, including interest payments are as follows:

	Principal	Interest	Total
2023	\$ 516,227	28,464	544,691
2024	529,907	14,784	544,691
2025	-	-	-
2026	-	-	-
2027	-	-	-
Total	\$ 1,046,134	43,248	1,089,382

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, 2022, and equal 14.7% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 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
2023	\$ 474,597	59,877	534,474
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
2028-2032	523,994	10,480	534,474
Total	\$ 2,993,818	213,026	3,206,844

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,

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

2032. The payments of principal and interest are paid from pledged governmental gross receipts tax revenues. The revenues pledged totaled \$196,687 at June 30, 2022, and equal 33.1% of future state shared gross receipts tax at their current rate. During the year ended June 30, 2022, the City collected \$593,587 in pledged revenues, and retired \$196,687 in principal and interest on the aforementioned note.

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

		Principal	Interest	Total
2023	\$	171,000	25,514	196,514
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
2028-2032		931,000	51,713	982,713
Total	\$	<u>1,800,000</u>	<u>163,960</u>	<u>1,963,960</u>

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 \$168,891 at June 30, 2022, and equal 4.6% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 in pledged revenues, and retired \$168,891 in principal and interest on the aforementioned note.

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

		Principal	Interest	Total
2023	\$	82,363	2,082	84,445
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
2028-2032		419,079	3,148	422,227
Total	\$	<u>832,960</u>	<u>11,496</u>	<u>844,456</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$133,962 at June 30, 2022, and equal 3.7% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 in pledged revenues, and retired \$133,962 in principal and interest on the aforementioned note.

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

	Principal	Interest	Total
2023	\$ 64,842	1,325	66,167
2024	65,004	1,161	66,165
2025	65,167	996	66,163
2026	65,329	831	66,160
2027	65,493	666	66,159
2028-2032	329,929	5,801	335,730
2033-2037	199,973	1,001	200,974
Total	<u>\$ 855,737</u>	<u>11,781</u>	<u>867,518</u>

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 \$18,019 at June 30, 2022, and equal 0.5% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 in pledged revenues, and retired \$18,019 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, 2022**

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

	Principal	Interest	Total
2023	\$ 8,633	374	9,007
2024	8,656	353	9,009
2025	8,679	331	9,010
2026	8,699	310	9,009
2027	8,722	288	9,010
2028-2032	43,936	2,180	46,116
2033-2037	44,488	559	45,047
2038-2042	17,952	67	18,019
Total \$	<u>149,765</u>	<u>4,462</u>	<u>154,227</u>

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 \$-0- at June 30, 2022, and equal 0.0% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 in pledged revenues, and retired \$-0- in principal and interest on the aforementioned note.

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

	Principal	Interest	Total
2023	\$ 27,094	685	27,779
2024	14,125	649	14,774
2025	14,160	614	14,774
2026	14,195	579	14,774
2027	14,231	543	14,774
2028-2032	71,689	2,359	74,048
2033-2037	72,589	1,279	73,868
2038-2042	58,728	368	59,096
Total \$	<u>286,811</u>	<u>7,076</u>	<u>293,887</u>

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$-0- at June 30, 2022, and equal 0.0% of future wastewater utility revenues at their current rate. During the year ended June 30, 2022, the City collected \$3,633,263 in pledged revenues, and retired \$-0- in principal and interest on the aforementioned note.

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

	Principal	Interest	Total
2023	\$ 16,690	2,456	19,146
2024	18,259	887	19,146
2025	18,305	841	19,146
2026	18,351	796	19,147
2027	18,397	750	19,147
2028-2032	111,349	3,530	114,879
2033-2037	94,075	1,659	95,734
2038-2042	76,109	476	76,585
Total \$	<u>371,535</u>	<u>11,395</u>	<u>382,930</u>

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 allows 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Lease Liability

The City's leasing arrangements at June 30, 2022 are summarized below:

<u>Classification</u>	<u># of Lease Contracts</u>	<u>Remaining Lease Terms</u>	<u>Interest Rate</u>
Right-to-use Equipment	1	~ 5-18.5 years	.75% - 1.75%

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

During the year ended June 30, 2022, the City did not recognize any variable payment amounts.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,684	122	8,806
2024	8,727	79	8,806
2025	8,771	35	8,806
2026	2,934	2	2,935
2027	-	-	-
Total	<u>\$ 29,116</u>	<u>238</u>	<u>29,354</u>

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 4; Asbestos Monofill; C & D Wedge and the OD closed landfill is \$6,012,817 as of June 30, 2022, which is based on the cumulative capacity to date as a percentage of projected capacity at the time of landfill closure. This represents a decrease of \$15,480 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

total current cost of the landfill closure and post-closure care of \$6,012,817 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, 2022. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in state and federal landfill laws and regulations.

The City of Clovis is required by the State of New Mexico Environmental Regulation Board to demonstrate financial assurance for the closure and post-closure costs. The City of Clovis obtained permanent financing from the NM Finance Authority for landfill expansion, closure, and post-closure care. The agreement establishes terms for use of the proceeds, and repayment of amounts loaned. In addition, the City has designated funds totaling \$8,892,038 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.

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, 2022 was as follows:

	General Fund	Street Const.	Non-Major Govern- mental Funds	Solid Waste	Wastewater	Airport	Golf Course	Total
General	\$ 789,514	-	965,182	-	-	-	-	1,754,696
Non-Major Governmental	2,421,366	77,079	2,800,675	505,091	341,850	114,325	541,743	6,802,129
Solid Waste	259,000	-	544,692	-	-	-	-	803,692
Wastewater	150,000	-	-	-	373,932	-	-	523,932
Internal Service Funds	1,900	-	-	-	-	-	-	1,900
Total	<u>\$ 3,621,780</u>	<u>77,079</u>	<u>4,310,549</u>	<u>505,091</u>	<u>715,782</u>	<u>114,325</u>	<u>541,743</u>	<u>9,886,349</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 10 – INTERFUND BALANCES AND TRANSFERS, continued

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. Interfund balances as of June 30, 2022, are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Total</u>
General Fund (01)	\$ 2,097,690	(5,081)	2,092,609
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)	150,000	(277,743)	(127,743)
Wastewater Fund (10)	79,939	(4,977)	74,962
Airport Fund (12)	-	(2,296,440)	(2,296,440)
Ned Houk Park Fund (13)	-	(50,044)	(50,044)
Library Fund (14)	-	(124)	(124)
Worker's Comp Fund (48)	493,653	-	493,653
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)	-	(5,627)	(5,627)
Special Fire & Police GRT (86)	-	(17,045)	(17,045)
Drainage Improvement (88)	-	(11,359)	(11,359)
Clovis Area Transit System (92)	-	(8,032)	(8,032)
Intergovernmental Grants (97)	-	(34,847)	(34,847)
Drug Control Fund (98)	-	(17,541)	(17,541)
	<u>\$ 2,897,839</u>	<u>(2,897,839)</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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

collected on behalf of the City by the County Treasurer, and are remitted to the City in the month 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, 2022 totaled \$1,534,186.

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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

NOTE 13 – PERA 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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-7, 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, Article 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 <https://www.nmpera.org/financial-overview/>.

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 67 with 8 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

PERA Fund Contribution Rates and Pension Factors in effect during FY21						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
Coverage Plan	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	9.42%	17.74%	3%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
"Municipal Plan 1 (plan open to new employers)"	7.0%	8.5%	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%
MUNICIPAL POLICE PLANS 1 - 5						
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%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.00%	9.50%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.00%	9.50%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.00%	9.50%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.80%	14.30%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.20%	17.70%	21.90%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.3%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.5%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	17.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.37%	3.0%	3.0%	90%

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022, the City reported a liability of \$10,756,068 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2021. 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, 2021, the City's proportion was 0.295702%, which was a decrease of 0.1144% from its proportion measured as of June 30, 2020.

For PERA Fund Division Municipal General: At June 30, 2022, the City reported a liability of \$1,956,007 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.173610%, which was an increase of 0.0326% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$334,883. At June 30, 2022, 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	\$ 48,692	6,697
Changes of assumptions	643	-
Net difference between projected and actual earnings on pension plan investments	-	803,806
Changes in proportion and differences between City contributions and proportionate share of contributions	437,500	31,417
City contributions subsequent to the measurement date	130,527	-
	<u>\$ 617,362</u>	<u>841,920</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

\$130,527 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, 2022. 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:		
2023	\$	29,131
2024		18,116
2025		(72,410)
2026		(329,819)
2027		-
Thereafter	\$	-

For PERA Fund Division Municipal Police: At June 30, 2022, the City reported a liability of \$2,615,161 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.505676%, which was an increase of 0.0075% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$32,079. At June 30, 2022, 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	\$ 197,710	-
Changes of assumptions	1,018	-
Net difference between projected and actual earnings on pension plan investments	-	947,961
Changes in proportion and differences between City contributions and proportionate share of contributions	35,360	467,191
City contributions subsequent to the measurement date	271,430	-
	<u>\$ 505,518</u>	<u>1,415,152</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

\$271,430 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, 2022. 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:	
2023	\$ (389,496)
2024	(229,095)
2025	(175,799)
2026	(386,589)
2027	-
Thereafter	\$ -

For PERA Fund Division Municipal Fire: At June 30, 2022, the City reported a liability of \$6,184,900 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 1.018887%, which was a decrease of 0.0106% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$165,873. At June 30, 2022, 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	\$ 92,665	8,584
Changes of assumptions	914	-
Net difference between projected and actual earnings on pension plan investments	-	903,027
Changes in proportion and differences between City contributions and proportionate share of contributions	501	551,927
City contributions subsequent to the measurement date	419,093	-
	<u>\$ 513,173</u>	<u>1,463,538</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

\$419,093 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, 2022. 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:

2023	\$ (545,827)
2024	(244,520)
2025	(210,039)
2026	(368,864)
2027	-
Thereafter	\$ -

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization period	Level Percent of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
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)

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2021. These assumptions were adopted by the Board use in the June 30, 2020 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%	5.90%
Risk Reduction & Mitigation	19.50%	1.00%
Credit Oriented Fixed Income	15.00%	4.20%
Real Assets	20.00%	6.00%
Multi-Risk Allocation	10.00%	6.40%
Total	<u>100.00%</u>	

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2021. 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, 2022**

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	Current	1% Increase
	(6.25%)	Discount Rate (7.25%)	(8.25%)
<u>PERA Fund Division</u>			
Municipal General Division \$	3,508,646	1,956,007	668,047
Municipal Police Division	4,578,445	2,615,161	1,008,543
Municipal Fire Division	8,538,101	6,184,900	4,250,900

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, 2022, the City reported \$65,798 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 employee's 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, 2022**

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, 2022, 2021, and 2020, the City's required and actual contributions totaled \$1,718,115, \$1,409,161, and \$1,381,009, 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 International City/County Management Association.

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

Employees are mandated to contribute a minimum of 3% of their gross salary but may elect to contribute up to 100% of their salary up to a maximum dollar amount of \$20,500 (or the current IRS limit) per year into the plan. Eligible employees may also make catch-up contributions totaling \$5,500 per year. There are employees that are making contributions to the Deferred Compensation Plan. All contributions withheld from participant's wages by the City have been paid to the plan administrator. Employee contributions withheld and remitted to the plan were \$1,030,117, \$1,074,621, and \$885,026 for the years ended June 30, 2022, 2021, and 2020, respectively.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan description. Employees of the County are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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	11,754
Current active members	92,484
	<u>157,330</u>
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	49,188
	<u>92,484</u>

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$290,907 for the year ended June 30, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources/Inflows of Resources Related to OPEB:

At June 30, 2022, the City reported a liability of \$9,460,085 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 0.28751 percent.

For the year ended June 30, 2022, the City recognized OPEB expense (income) of \$(1,116,299). At June 30, 2022 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	\$ 138,319	1,508,687
Changes of assumptions	1,893,997	3,420,156
Net difference between projected and actual earnings on OPEB plan investments	-	271,165
Changes of proportion	288,150	920,221
City contributions subsequent to the measurement date	290,907	-
	<u>\$ 2,611,373</u>	<u>6,120,229</u>

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Deferred outflows of resources totaling \$290,907 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:	
2023	\$ (1,495,261)
2024	(1,016,770)
2025	(679,649)
2026	(245,174)
2027	(362,909)
Total	<u>\$ (3,799,763)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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 payroll 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 years 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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

Discount rate. The discount rate used to measure the Fund's total OPEB liability is 3.62% as of June 30, 2021. 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 Fund'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, 2052. Thus, the 7.00% discount rate was used to calculate the net OPEB liability through 2052. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2052, resulting in a blended discount rate of 3.62%.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. 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 a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

1% Decrease 2.62%	Current Discount 3.62%	1% Increase 4.62%
\$ 11,886,375	9,460,085	7,572,697

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:

1% Decrease	Current Trend Rate	1% Increase
\$ 7,608,956	9,460,085	10,950,799

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, 2021.

Payable Changes in the Net OPEB Liability. At June 30, 2022, the City reported a payable of \$17,224 for outstanding contributions due to NMRHCA for the year ended June 30, 2022.

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, 2022, 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, 2022**

NOTE 18 – FUND DEFICITS AND NON-COMPLIANCE

Deficit Fund Balances

The City reported the following funds with a deficit fund balance at June 30, 2022:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Fund 72 - Emergency Medical Services Fund	Special revenue fund	\$ (99)
Fund 96 - Department of Justice fund	Special revenue fund	(8,745)
		<u>\$ (8,844)</u>

Legal Compliance with Budget

The City did not have any funds that exceeded budget at the fund level as of June 30, 2022.

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 6/30/2021</u>	<u>% of Completion</u>
Shooting Range Engineering	Infrastructure	\$ 170,175	105,348	61.91%
Shooting Range Construction	Infrastructure	3,613,327	3,588,328	99.31%
Effluent Phase 2 Construction	Infrastructure	4,225,043	3,975,054	94.08%
Effluent Phase 2 Engineering	Infrastructure	632,615	470,232	74.33%
Airport - Metal Storage Building	Buildings	267,571	261,528	97.74%
Airport - Fencing	Infrastructure	1,796,506	1,469,095	81.78%
Roundabout	Infrastructure	73,351	29,211	39.82%
7th St - Maple to Main	Infrastructure	64,659	22,033	34.08%
		<u>\$ 10,843,247</u>	<u>9,920,829</u>	

NOTE 20 – RESTRICTED NET POSITION

The Balance Sheet – Governmental Funds reports \$24,337,370 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.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 21 – 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, 2022.

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.	\$283,514
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 \$36,857 and Clovis Community College \$25,516 and Clovis Schools \$99,230

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$39,198.00, Clovis Community College \$27,137.00 and Clovis Schools \$105,534.00
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 contractors 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

NOTE 22 – EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 15, 2022, the date which the financial statements were available to be issued.

Opioid Settlements

Nationwide settlements have been reached to resolve all opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors and Johnson & Johnson (J&J). The City has reached an agreement with Curry County (County) in which the County will serve as fiscal agent for any disbursement of funds. The City does not anticipate receiving distributor or J&J payments.

**STATE OF NEW MEXICO
CITY OF CLOVIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

These settlements will provide substantial funds to states and local governments for abatement of the opioids epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business. Of the funds going directly to participating states and subdivisions, at least 85% must be used for abatement of the opioid epidemic, with the overwhelming bulk of the proceeds restricted to funding future abatement efforts by state and local governments.

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*

	2022	2021	2020	2019	2018	2017	2016	2015
	Measurement Date as of							
	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	0.173610%	0.1410%	0.1323%	0.1424%	0.1336%	0.1253%	0.1337%	0.1271%
Municipal Police	0.505676%	0.4982%	0.5896%	0.7166%	0.7018%	0.6646%	0.6532%	0.7284%
Municipal Fire	1.018887%	1.0295%	1.0839%	1.3121%	1.2777%	1.3111%	1.2779%	1.2928%
	0.295702%	0.4101%	0.4464%	0.5334%	0.5214%	0.5213%	0.5504%	0.5751%
City's proportionate share of the net pension liability (asset) (\$)								
Municipal General	\$ 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	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	6,184,900	7,786,868	7,448,960	8,398,263	7,310,291	8,746,370	6,595,474	5,396,139
	10,756,068	14,917,096	14,094,396	15,558,038	13,045,027	15,651,859	11,099,613	8,762,160
City's covered-employee payroll								
Municipal General	\$ 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	1,361,410	1,231,950	1,366,592	1,775,175	1,551,727	1,657,838	1,544,617	1,483,178
Municipal Fire	1,600,735	1,479,731	1,502,250	1,872,670	1,767,380	1,758,475	1,640,783	1,451,816
	4,325,257	4,219,011	4,118,213	4,771,091	4,624,688	4,519,172	4,331,856	3,783,727
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll								
Municipal General	143.50%	189.16%	183.31%	202.13%	140.61%	181.52%	118.90%	116.82%
Municipal Police	192.09%	347.33%	318.69%	275.43%	251.27%	295.78%	203.35%	160.10%
Municipal Fire	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	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Police	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Fire	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. See notes to required supplementary information

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*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution								
Municipal General	\$ 130,527	133,585	116,615	101,009	87,592	107,270	124,683	105,323
Municipal Police	271,430	260,710	270,810	272,640	289,045	273,377	238,966	255,307
Municipal Fire	419,093	350,561	338,859	330,934	352,460	335,208	316,361	314,767
	<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	130,527	133,585	116,615	101,009	87,592	107,270	124,683	105,323
Municipal Police	271,430	260,710	270,810	272,640	289,045	273,377	238,966	9,498
Municipal Fire	419,093	350,561	338,859	330,934	352,460	335,208	316,361	68,003
	<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>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, 2022

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. <https://www.nmpera.org/financial-overview/>.
Changes of Assumptions : The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 2021 report is available at <http://www.nmpera.org/>.

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>Measurement Date as of</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)	0.28751%	0.28358%	0.30511%	0.31231%	0.30460%
City's proportionate share of the net OPEB liability (asset)	\$ 9,460,085	11,907,263	12,101,343	13,580,347	13,801,663
City's covered-employee payroll	\$ 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	71.31%	97.69%	87.12%	102.04%	118.59%
Plan fiduciary net position as a percentage of the total OPEB liability	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.

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

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

Changes of Benefit Terms : There were no modifications to the benefit provisions.

Changes of Assumptions : In the June 30, 2021 actuarial valuation and the total OPEB liability measured as of June 30, 2021, changes in assumptions include adjustments resulting from an decrease in the discount rate from 2.86% to 3.62%.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
Assets and deferred inflows of resources:				
Assets:				
Cash and cash equivalents	\$ 14,843,104	545,176	3,324,972	18,713,252
Investments	6,439,314	1,174,318	319,096	7,932,728
Receivables				
Accounts receivable	123	-	-	123
Taxes receivable	2,328,605	106,039	-	2,434,644
Other receivables	459,000	-	-	459,000
Due from other funds	164,356	-	-	164,356
Due from other governments	441,650	-	-	441,650
Prepaid expenses	47,072	-	-	47,072
Inventories	226,463	-	-	226,463
Total assets	<u>24,949,687</u>	<u>1,825,533</u>	<u>3,644,068</u>	<u>30,419,288</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>\$ 24,949,687</u>	<u>1,825,533</u>	<u>3,644,068</u>	<u>30,419,288</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 173,133	8,000	-	181,133
Accrued payroll liabilities	191,363	-	-	191,363
Unearned revenues/grant advances	153,435	-	-	153,435
Due to other fund	579,982	11,359	-	591,341
Total liabilities	<u>1,097,913</u>	<u>19,359</u>	<u>-</u>	<u>1,117,272</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	273,535	-	-	273,535
Restricted	9,020,388	204	3,644,068	12,664,660
Committed	11,823,512	1,805,970	-	13,629,482
Assigned	2,743,183	-	-	2,743,183
Unassigned	(8,844)	-	-	(8,844)
Total fund balances	<u>23,851,774</u>	<u>1,806,174</u>	<u>3,644,068</u>	<u>29,302,016</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 24,949,687</u>	<u>1,825,533</u>	<u>3,644,068</u>	<u>30,419,288</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
Revenues:				
Taxes				
Gross receipts	\$ 12,343,416	593,587	-	12,937,003
Other	1,275,817	-	-	1,275,817
Licenses and permits	3,661	-	-	3,661
Charges for services	191,410	-	-	191,410
Fines and forfeitures	168,103	-	-	168,103
Intergovernmental revenue				
Federal grants	2,118,124	-	-	2,118,124
State grants	886,838	-	-	886,838
Interest income	15,996	1,614	10,287	27,897
Miscellaneous income	894,842	-	-	894,842
Total revenues	<u>17,898,207</u>	<u>595,201</u>	<u>10,287</u>	<u>18,503,695</u>
Expenditures:				
Current:				
General government	434,930	-	-	434,930
Public safety	922,953	-	-	922,953
Public works	5,550,167	80,467	56,967	5,687,601
Culture and recreation	2,209,554	-	-	2,209,554
Health and welfare	264,884	-	-	264,884
Capital outlay	1,649,384	-	-	1,649,384
Debt service				
Principal	-	-	1,747,075	1,747,075
Interest	-	-	283,518	283,518
Total expenditures	<u>11,031,872</u>	<u>80,467</u>	<u>2,087,560</u>	<u>13,199,899</u>
Excess (deficiency) of revenues over (under) expenditures	6,866,335	514,734	(2,077,273)	5,303,796
Other financing sources (uses):				
Proceeds from debt issuance	-	-	3,250,000	3,250,000
Transfers in	2,229,158	-	2,081,391	4,310,549
Transfers out	(6,802,129)	-	-	(6,802,129)
Total other financing sources (uses):	<u>(4,572,971)</u>	<u>-</u>	<u>5,331,391</u>	<u>758,420</u>
Net change in fund balances	2,293,364	514,734	3,254,118	6,062,216
Beginning fund balance	21,558,410	1,291,440	389,950	23,239,800
Ending fund balance	<u>\$ 23,851,774</u>	<u>1,806,174</u>	<u>3,644,068</u>	<u>29,302,016</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	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 inflows of resources:							
Assets:							
Cash and cash equivalents	\$ -	-	75	191,803	341,895	-	100
Investments	-	83,887	80,100	230,717	54	-	77,850
Receivables							
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	18,991	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	2,997	-	-	150,000	-	-	-
Due from other governments	-	-	2,258	-	-	88,266	-
Prepaid expenses	-	1,998	3,380	-	-	3,601	2,779
Inventories	-	-	-	-	-	2,444	-
Total assets	<u>21,988</u>	<u>85,885</u>	<u>85,813</u>	<u>572,520</u>	<u>341,949</u>	<u>94,311</u>	<u>80,729</u>
Deferred Outflows of Resources:							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 21,988</u>	<u>85,885</u>	<u>85,813</u>	<u>572,520</u>	<u>341,949</u>	<u>94,311</u>	<u>80,729</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	5,219	4,857	9,407	-	5,410	22,627
Accrued payroll liabilities	-	18,690	12,746	-	-	7,898	39,250
Unearned revenues/grant advances	-	-	-	-	-	-	10,458
Due to other fund	-	39	165	277,743	-	50,044	124
Total liabilities	<u>-</u>	<u>23,948</u>	<u>17,768</u>	<u>287,150</u>	<u>-</u>	<u>63,352</u>	<u>72,459</u>
Deferred Inflows of Resources:							
"Unavailable" revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	1,998	3,380	-	-	6,045	2,779
Restricted	21,988	-	-	285,370	-	-	-
Committed	-	59,939	64,665	-	341,949	-	-
Assigned	-	-	-	-	-	24,914	5,491
Unassigned	-	-	-	-	-	-	-
Total fund balances	<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>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 21,988</u>	<u>85,885</u>	<u>85,813</u>	<u>572,520</u>	<u>341,949</u>	<u>94,311</u>	<u>80,729</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	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 inflows of resources:							
Assets:							
Cash and cash equivalents	\$ 378,357	316,280	267,046	1,906,500	3,064,181	2,165,030	5,010,013
Investments	1,085,960	425,618	473,410	-	1,085,972	31,248	1,295,045
Receivables							
Accounts receivable	-	-	-	123	-	-	-
Taxes receivable	106,039	106,039	106,039	-	203,184	428,608	406,369
Other receivables	-	-	-	-	459,000	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Prepaid expenses	-	-	182	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>1,570,356</u>	<u>847,937</u>	<u>846,677</u>	<u>1,906,623</u>	<u>4,812,337</u>	<u>2,624,886</u>	<u>6,711,427</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>\$ 1,570,356</u>	<u>847,937</u>	<u>846,677</u>	<u>1,906,623</u>	<u>4,812,337</u>	<u>2,624,886</u>	<u>6,711,427</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	-	39,938	402	46,919	-	-
Accrued payroll liabilities	-	-	-	-	-	-	-
Unearned revenues/grant advances	-	-	-	-	-	-	-
Due to other fund	-	-	-	-	59,780	-	35,391
Total liabilities	<u>-</u>	<u>-</u>	<u>39,938</u>	<u>402</u>	<u>106,699</u>	<u>-</u>	<u>35,391</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	-	-	182	-	-	-	-
Restricted	-	-	-	-	-	-	6,676,036
Committed	1,570,356	847,937	-	-	4,705,638	2,624,886	-
Assigned	-	-	806,557	1,906,221	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,570,356</u>	<u>847,937</u>	<u>806,739</u>	<u>1,906,221</u>	<u>4,705,638</u>	<u>2,624,886</u>	<u>6,676,036</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 1,570,356</u>	<u>847,937</u>	<u>846,677</u>	<u>1,906,623</u>	<u>4,812,337</u>	<u>2,624,886</u>	<u>6,711,427</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	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 inflows of resources:							
Assets:							
Cash and cash equivalents	\$ -	564,035	-	497,062	-	-	-
Investments	-	261,409	-	1,233,430	65,653	-	-
Receivables							
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	-	457,923	-	71,256	424,157	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	11,359	-	-	-	-	-
Due from other governments	-	-	19,168	-	-	-	-
Prepaid expenses	-	26,034	-	-	-	-	-
Inventories	-	224,019	-	-	-	-	-
Total assets	-	1,544,779	19,168	1,801,748	489,810	-	-
Deferred Outflows of Resources:							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ -	1,544,779	19,168	1,801,748	489,810	-	-
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	26,270	250	9,264	-	-	-
Accrued payroll liabilities	-	81,610	-	-	-	-	-
Unearned revenues/grant advances	-	-	-	100,000	-	-	-
Due to other fund	99	64,760	5,627	-	17,045	-	-
Total liabilities	99	172,640	5,877	109,264	17,045	-	-
Deferred Inflows of Resources:							
"Unavailable" revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balances:							
Nonspendable	-	250,053	-	-	-	-	-
Restricted	-	-	-	1,692,484	-	-	-
Committed	-	1,122,086	13,291	-	472,765	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(99)	-	-	-	-	-	-
Total fund balances	(99)	1,372,139	13,291	1,692,484	472,765	-	-
Total liabilities, deferred inflows of resources and fund balances:	\$ -	1,544,779	19,168	1,801,748	489,810	-	-

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	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 inflows of resources:					
Assets:					
Cash and cash equivalents	\$ 140,727	-	-	-	14,843,104
Investments	-	-	-	8,961	6,439,314
Receivables					
Accounts receivable	-	-	-	-	123
Taxes receivable	-	-	-	-	2,328,605
Other receivables	-	-	-	-	459,000
Due from other funds	-	-	-	-	164,356
Due from other governments	151,849	-	146,743	33,366	441,650
Prepaid expenses	8,038	-	-	1,060	47,072
Inventories	-	-	-	-	226,463
Total assets	<u>300,614</u>	<u>-</u>	<u>146,743</u>	<u>43,387</u>	<u>24,949,687</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>\$ 300,614</u>	<u>-</u>	<u>146,743</u>	<u>43,387</u>	<u>24,949,687</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ 2,570	-	-	-	173,133
Accrued payroll liabilities	31,169	-	-	-	191,363
Unearned revenues/grant advances	-	-	42,977	-	153,435
Due to other fund	8,032	8,745	34,847	17,541	579,982
Total liabilities	<u>41,771</u>	<u>8,745</u>	<u>77,824</u>	<u>17,541</u>	<u>1,097,913</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	8,038	-	-	1,060	273,535
Restricted	250,805	-	68,919	24,786	9,020,388
Committed	-	-	-	-	11,823,512
Assigned	-	-	-	-	2,743,183
Unassigned	-	(8,745)	-	-	(8,844)
Total fund balances	<u>258,843</u>	<u>(8,745)</u>	<u>68,919</u>	<u>25,846</u>	<u>23,851,774</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 300,614</u>	<u>-</u>	<u>146,743</u>	<u>43,387</u>	<u>24,949,687</u>

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

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, 2022

	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	108,962	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	46,708	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental revenue							
Federal grants	-	20,000	-	-	-	1,065,980	7,370
State grants	-	-	2,258	716,370	-	-	63,624
Interest income	5	178	201	547	105	17	366
Miscellaneous income	-	-	187	-	-	-	13,474
Total revenues	108,967	20,178	2,646	716,917	46,813	1,065,997	84,834
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	544,094	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	241,498	-	-	-	268,928	920,059
Health and welfare	-	-	264,884	-	-	-	-
Capital outlay	-	-	-	349,145	-	1,136,631	36,490
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	-	241,498	264,884	893,239	-	1,405,559	956,549
Excess (deficiency) of revenues over (under) expenditures	108,967	(221,320)	(262,238)	(176,322)	46,813	(339,562)	(871,715)
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	252,107	234,896	-	-	278,199	829,782
Transfers out	(99,375)	-	-	-	-	-	-
Total other financing sources (uses):	(99,375)	252,107	234,896	-	-	278,199	829,782
Net change in fund balances	9,592	30,787	(27,342)	(176,322)	46,813	(61,363)	(41,933)
Beginning fund balance	12,396	31,150	95,387	461,692	295,136	92,322	50,203
Ending fund balance	\$ 21,988	61,937	68,045	285,370	341,949	30,959	8,270

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

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, 2022

	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	\$ 593,587	593,587	593,587	-	1,137,819	2,400,505	2,275,637
Other	-	-	-	-	-	-	-
Licenses and permits	-	-	-	3,661	-	-	-
Charges for services	-	-	-	144,667	-	-	-
Fines and forfeitures	-	-	-	96,571	-	-	-
Intergovernmental revenue							
Federal grants	-	-	-	-	-	-	-
State grants	-	-	-	-	-	-	-
Interest income	1,456	633	798	549	2,157	843	2,922
Miscellaneous income	-	10,324	370,935	65,835	124,841	117,668	91,703
Total revenues	595,043	604,544	965,320	311,283	1,264,817	2,519,016	2,370,262
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	16,868	-	-	-	257,502	67,455	1,362,135
Culture and recreation	-	16,868	762,201	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	16,868	16,868	762,201	-	257,502	67,455	1,362,135
Excess (deficiency) of revenues over (under) expenditures	578,175	587,676	203,119	311,283	1,007,315	2,451,561	1,008,127
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	13,600	160,000	-	-	-	-
Transfers out	(200,000)	(474,077)	(247,248)	(504,917)	(341,850)	(1,547,642)	-
Total other financing sources (uses):	(200,000)	(460,477)	(87,248)	(504,917)	(341,850)	(1,547,642)	-
Net change in fund balances	378,175	127,199	115,871	(193,634)	665,465	903,919	1,008,127
Beginning fund balance	1,192,181	720,738	690,868	2,099,855	4,040,173	1,720,967	5,667,909
Ending fund balance	\$ 1,570,356	847,937	806,739	1,906,221	4,705,638	2,624,886	6,676,036

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

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, 2022

	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	\$ -	2,374,347	-	-	2,374,347	-	-
Other	-	455,073	-	711,782	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	71,532	-
Intergovernmental revenue							
Federal grants	-	-	-	-	-	-	-
State grants	16,568	-	19,168	-	-	-	54,000
Interest income	-	2,335	-	2,713	120	4	23
Miscellaneous income	-	87,329	12,473	-	-	-	-
Total revenues	16,568	2,919,084	31,641	714,495	2,374,467	71,536	54,023
Expenditures:							
Current:							
General government	-	-	-	434,930	-	-	-
Public safety	16,667	-	-	-	67,465	-	54,023
Public works	-	3,082,219	21,224	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	37,803	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	16,667	3,120,022	21,224	434,930	67,465	-	54,023
Excess (deficiency) of revenues over (under) expenditures	(99)	(200,938)	10,417	279,565	2,307,002	71,536	-
Other financing sources (uses):							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	-	5,000	448,787	-	-	-
Transfers out	-	-	-	(980,432)	(2,319,611)	(86,977)	-
Total other financing sources (uses):	-	-	5,000	(531,645)	(2,319,611)	(86,977)	-
Net change in fund balances	(99)	(200,938)	15,417	(252,080)	(12,609)	(15,441)	-
Beginning fund balance	-	1,573,077	(2,126)	1,944,564	485,374	15,441	-
Ending fund balance	\$ (99)	1,372,139	13,291	1,692,484	472,765	-	-

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

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, 2022

	Clovis Area Transit System Fund 92	Department of Justice Fund 96	Inter- governmental Grants Fund 97	Drug Control Fund Fund 98	Total
Revenues:					
Taxes					
Property	-	-	-	-	-
Gross receipts	\$ -	-	-	-	12,343,416
Other	-	-	-	-	1,275,817
Licenses and permits	-	-	-	-	3,661
Charges for services	35	-	-	-	191,410
Fines and forfeitures	-	-	-	-	168,103
Intergovernmental revenue					
Federal grants	705,533	-	209,548	109,693	2,118,124
State grants	-	-	14,850	-	886,838
Other grants	-	-	-	-	-
Interest income	-	-	12	12	15,996
Miscellaneous income	5	-	-	68	894,842
Total revenues	705,573	-	224,410	109,773	17,898,207
Expenditures:					
Current:					
General government	-	-	-	-	434,930
Public safety	-	-	131,335	109,369	922,953
Public works	742,764	-	-	-	5,550,167
Culture and recreation	-	-	-	-	2,209,554
Health and welfare	-	-	-	-	264,884
Capital outlay	-	-	89,315	-	1,649,384
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	742,764	-	220,650	109,369	11,031,872
Excess (deficiency) of revenues over (under) expenditures	(37,191)	-	3,760	404	6,866,335
Other financing sources (uses):					
Proceeds from debt issuance	-	-	-	-	-
Transfers in	-	-	6,787	-	2,229,158
Transfers out	-	-	-	-	(6,802,129)
Total other financing sources (uses):	-	-	6,787	-	(4,572,971)
Net change in fund balances	(37,191)	-	10,547	404	2,293,364
Beginning fund balance	296,034	(8,745)	58,372	25,442	21,558,410
Ending fund balance	\$ 258,843	(8,745)	68,919	25,846	23,851,774

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	Street Improvement Fund 24	2018 Street Bonds Fund 25	Drainage Improvement Fund 88	Total
Assets and deferred inflows of resources:				
Assets:				
Cash and cash equivalents	\$ -	-	545,176	545,176
Investments	204	-	1,174,114	1,174,318
Receivables				
Accounts receivable	-	-	-	-
Taxes receivable	-	-	106,039	106,039
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>204</u>	<u>-</u>	<u>1,825,329</u>	<u>1,825,533</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>\$ 204</u>	<u>-</u>	<u>1,825,329</u>	<u>1,825,533</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ -	-	8,000	8,000
Accrued payroll liabilities	-	-	-	-
Unearned revenue/grant advances	-	-	-	-
Due to other fund	-	-	11,359	11,359
Total liabilities	<u>-</u>	<u>-</u>	<u>19,359</u>	<u>19,359</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	204	-	-	204
Committed	-	-	1,805,970	1,805,970
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>204</u>	<u>-</u>	<u>1,805,970</u>	<u>1,806,174</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 204</u>	<u>-</u>	<u>1,825,329</u>	<u>1,825,533</u>

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

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, 2022

	Street Improvement Fund 24	2018 Street Bonds Fund 25	Drainage Improvement Fund 88	Total
Revenues:				
Taxes				
Gross receipts	\$ -	-	593,587	593,587
Interest income	2	-	1,612	1,614
Total revenues	<u>2</u>	<u>-</u>	<u>595,199</u>	<u>595,201</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	10,770	-	69,697	80,467
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>10,770</u>	<u>-</u>	<u>69,697</u>	<u>80,467</u>
Excess (deficiency) of revenues over (under) expenditures	(10,768)	-	525,502	514,734
Other financing sources (uses):				
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,768)	-	525,502	514,734
Beginning fund balance	10,972	-	1,280,468	1,291,440
Ending fund balance	<u>\$ 204</u>	<u>-</u>	<u>1,805,970</u>	<u>1,806,174</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2022

	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 inflows of resources:						
Assets:						
Cash and cash equivalents	\$ 3,252,318	-	-	30,446	42,208	3,324,972
Investments	29,676	100,264	20,652	-	168,504	319,096
Receivables						
Accounts receivable	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>3,281,994</u>	<u>100,264</u>	<u>20,652</u>	<u>30,446</u>	<u>210,712</u>	<u>3,644,068</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>\$ 3,281,994</u>	<u>100,264</u>	<u>20,652</u>	<u>30,446</u>	<u>210,712</u>	<u>3,644,068</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts payable	\$ -	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-	-
Due to other fund	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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	3,281,994	100,264	20,652	30,446	210,712	3,644,068
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>3,281,994</u>	<u>100,264</u>	<u>20,652</u>	<u>30,446</u>	<u>210,712</u>	<u>3,644,068</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 3,281,994</u>	<u>100,264</u>	<u>20,652</u>	<u>30,446</u>	<u>210,712</u>	<u>3,644,068</u>

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

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, 2022

	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						
Property	\$ -	-	-	-	-	-
Gross receipts	-	-	-	-	-	-
Interest income	8,758	595	345	43	546	10,287
Total revenues	8,758	595	345	43	546	10,287
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	56,967	-	-	-	-	56,967
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	1,025,000	-	350,000	173,075	199,000	1,747,075
Interest	75,519	39,600	57,100	63,398	47,901	283,518
Total expenditures	1,157,486	39,600	407,100	236,473	246,901	2,087,560
Excess (deficiency) of revenues over (under) expenditures	(1,148,728)	(39,005)	(406,755)	(236,430)	(246,355)	(2,077,273)
Other financing sources (uses):						
Proceeds from debt issuance	3,250,000	-	-	-	-	3,250,000
Transfers in	1,151,316	39,601	407,100	236,473	246,901	2,081,391
Transfers out	-	-	-	-	-	-
Total other financing sources (uses):	4,401,316	39,601	407,100	236,473	246,901	5,331,391
Net change in fund balances	3,252,588	596	345	43	546	3,254,118
Beginning fund balance	29,406	99,668	20,307	30,403	210,166	389,950
Ending fund balance	\$ 3,281,994	100,264	20,652	30,446	210,712	3,644,068

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
NON-MAJOR ENTERPRISE FUND DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

	Golf Course Fund 19	Total
Assets and deferred inflows of resources:		
Assets:		
Cash and cash equivalents	\$ 97,257	97,257
Investments	150,457	150,457
Prepaid expenses	626	626
Total current assets	<u>248,340</u>	<u>248,340</u>
Non-current assets:		
Capital assets, net	3,283,679	3,283,679
Total non-current assets	<u>3,283,679</u>	<u>3,283,679</u>
Total assets	<u>3,532,019</u>	<u>3,532,019</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>\$ 3,532,019</u>	<u>3,532,019</u>
Liabilities, deferred inflows of resources and net position:		
Liabilities:		
Accounts payable	\$ 10,618	10,618
Accrued interest	2,126	2,126
Current portion of long-term debt	171,000	171,000
Total current liabilities	<u>183,744</u>	<u>183,744</u>
Non-current liabilities		
Long-term debt	1,629,000	1,629,000
Total non-current liabilities	<u>1,629,000</u>	<u>1,629,000</u>
Total liabilities	1,812,744	1,812,744
Deferred inflows of resources:		
OPEB deferrals	-	-
Pension deferrals	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Net position		
Net Investment in Capital Assets	1,483,679	1,483,679
Unrestricted Net Position	235,596	235,596
Total net position	<u>1,719,275</u>	<u>1,719,275</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 3,532,019</u>	<u>3,532,019</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	Golf Course Fund 19	Total
Operating revenues:		
Charges for services	\$ 891,932	891,932
Total operating revenues	<u>891,932</u>	<u>891,932</u>
Operating expenses:		
Contractual services	1,490,673	1,490,673
Depreciation	<u>128,207</u>	<u>128,207</u>
Total operating expenses	1,618,880	1,618,880
Operating income (loss)	(726,948)	(726,948)
Non-operating revenues (expenses):		
Miscellaneous	287,426	287,426
Interest income	<u>16</u>	<u>16</u>
Total non-operating revenues (expenses)	<u>287,442</u>	<u>287,442</u>
Income (loss) before transfers	(439,506)	(439,506)
Other financing sources/(uses)		
Transfers in	541,743	541,743
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources/(uses)	541,743	541,743
Change in net position	102,237	102,237
Net position, beginning of year	<u>1,617,038</u>	<u>1,617,038</u>
Net position, end of year	<u>\$ 1,719,275</u>	<u>1,719,275</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	Golf Course Fund 19	Total
Cash flows from operating activities:		
Receipts from customers and users	\$ 891,932	891,932
Payments to suppliers	(1,484,033)	(1,484,033)
Net cash provided (used) for operating activities	(592,101)	(592,101)
Cash flows from noncapital financing activities:		
Transfers from other funds	541,743	541,743
Transfers to other funds	-	-
Miscellaneous income	287,426	287,426
Net cash provided (used) for noncapital financing activities	829,169	829,169
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(170,000)	(170,000)
Net cash provided (used) for capital and related financing activities	(170,000)	(170,000)
Cash flows from investing activities:		
Proceeds from sale and maturities of investments	-	-
Purchase of investments	(150,457)	(150,457)
Interest and dividends	16	16
Net cash provided (used) for investing activities	(150,441)	(150,441)
Net increase (decrease) in cash and cash equivalents	(83,373)	(83,373)
Cash and cash equivalents – beginning of year	180,630	180,630
Cash and cash equivalents – end of year	\$ 97,257	97,257
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (726,948)	(726,948)
Adjustments		
Depreciation and amortization	128,207	128,207
Changes in assets and liabilities:		
Prepaid expenses	(56)	(56)
Accounts payable	6,794	6,794
Accrued expenses and other liabilities	(98)	(98)
Net cash provided by operating activities	\$ (592,101)	(592,101)

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
INTERNAL SERVICE FUND DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

	Workers Compensation Fund 48	Un- employment Revenue Fund 53	Prop and Liability Self- Insurance Fund Fund 54	Total
Assets and deferred inflows of resources:				
Assets:				
Cash and cash equivalents	\$ 34,923	265	-	35,188
Investments	1,337,525	1,113,362	-	2,450,887
Receivables				
Due from other funds	493,653	-	-	493,653
Prepaid expenses	761	-	-	761
Total current assets	<u>1,866,862</u>	<u>1,113,627</u>	<u>-</u>	<u>2,980,489</u>
Non-current assets:				
Capital assets, net	-	-	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,866,862</u>	<u>1,113,627</u>	<u>-</u>	<u>2,980,489</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>\$ 1,866,862</u>	<u>1,113,627</u>	<u>-</u>	<u>2,980,489</u>
Liabilities, deferred inflows of resources and net position:				
Liabilities:				
Accounts payable	\$ 715	-	-	715
Accrued payroll liabilities	13,034	-	-	13,034
Current portion of compensated absences	1,457	-	-	1,457
Total current liabilities	<u>15,206</u>	<u>-</u>	<u>-</u>	<u>15,206</u>
Non-current liabilities				
Compensated absences	365	-	-	365
Total non-current liabilities	<u>365</u>	<u>-</u>	<u>-</u>	<u>365</u>
Total liabilities	<u>15,571</u>	<u>-</u>	<u>-</u>	<u>15,571</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	1,851,291	1,113,627	-	2,964,918
Total net position	<u>1,851,291</u>	<u>1,113,627</u>	<u>-</u>	<u>2,964,918</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 1,866,862</u>	<u>1,113,627</u>	<u>-</u>	<u>2,980,489</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

	Workers Compensation Fund 48	Un- employment Revenue Fund 53	Prop and Liability Self- Insurance Fund Fund 54	Total
Operating revenues:				
Charges for services	\$ -	-	-	-
Total operating revenues	-	-	-	-
Operating expenses:				
Personnel services	226,171	-	-	226,171
Contractual services	303,328	23,788	-	327,116
General and administrative	33,511	-	-	33,511
Depreciation	-	-	-	-
Total operating expenses	563,010	23,788	-	586,798
Operating income (loss)	(563,010)	(23,788)	-	(586,798)
Non-operating revenues (expenses):				
Gain/(loss) on disposal of capital assets	(3,285)	-	-	(3,285)
Miscellaneous	6,590	-	-	6,590
Interest income	2,145	1,496	-	3,641
Total non-operating revenues (expenses)	5,450	1,496	-	6,946
Income (loss) before transfers	(557,560)	(22,292)	-	(579,852)
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	(1,900)	-	-	(1,900)
Total other financing sources/(uses)	(1,900)	-	-	(1,900)
Change in net position	(559,460)	(22,292)	-	(581,752)
Net position, beginning of year	2,410,751	1,135,919	-	3,546,670
Net position, end of year	\$ 1,851,291	1,113,627	-	2,964,918

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

	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	\$ (379,692)	(24,804)	-	(404,496)
Payments to employees	(230,900)	-	-	(230,900)
Net cash provided (used) for operating activities	(610,592)	(24,804)	-	(635,396)
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,900)	-	-	(1,900)
Increase/(decrease) in interfund balances	(216,010)	-	-	(216,010)
Miscellaneous income	6,590	-	-	6,590
Net cash provided (used) for noncapital financing activities	(211,320)	-	-	(211,320)
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	-	-	-	-
Cash flows from investing activities:				
Proceeds from sale and maturities of investments	215,761	266,602	-	482,363
Purchase of investments	-	(243,666)	-	(243,666)
Interest and dividends	2,145	1,496	-	3,641
Net cash provided (used) for investing activities	217,906	24,432	-	242,338
Net increase (decrease) in cash and cash equivalents	(604,006)	(372)	-	(604,378)
Cash and cash equivalents – beginning of year	638,929	637	-	639,566
Cash and cash equivalents – end of year	\$ 34,923	265	-	35,188
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (563,010)	(23,788)	-	(586,798)
Adjustments				
Gain/(loss) on disposal	(3,285)	-	-	(3,285)
Changes in assets and liabilities:				
Prepaid expenses	(69)	-	-	(69)
Accounts payable	(42,784)	(1,016)	-	(43,800)
Accrued expenses and other liabilities	2,420	-	-	2,420
Compensated absences	(3,864)	-	-	(3,864)
Net cash provided by operating activities	\$ (610,592)	(24,804)	-	(635,396)

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
FIDUCIARY FUND DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

	Veterinary Fund 49	Municipal Court Fund 50	Total
Assets:			
Cash and cash equivalents	\$ 4,343	1,829	6,172
Investments	10	-	10
Total assets	<u>\$ 4,353</u>	<u>1,829</u>	<u>6,182</u>
Liabilities:			
Accounts payable	\$ 30	-	30
Total liabilities	<u>30</u>	<u>-</u>	<u>30</u>
Net position			
Restricted for:			
Individuals, other governments	4,323	1,829	6,152
Total net position	<u>\$ 4,323</u>	<u>1,829</u>	<u>6,152</u>

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

STATE OF NEW MEXICO
CITY OF CLOVIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2022

	Veterinary Fund 49	Municipal Court Fund 50	Total
Additions			
Rabies vaccination	\$ 1,339	-	1,339
Interest	1	-	1
Total additions	1,340	-	1,340
Deductions			
Bonds	-	-	-
Total deductions	-	-	-
Net increase (decrease) in fiduciary net position	1,340	-	1,340
Net position, beginning	2,983	1,829	4,812
Net position, ending	\$ 4,323	1,829	6,152

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

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF GOVERNMENTAL FUND BALANCES
As of June 30, 2022

	Major Funds				
	Special Revenue Funds				
	General Fund	Environmental	ARPA	Street	
	Funds 01, 18,	Tax		Construction	
	79	Fund 06	Fund 94	Fund 87	Total Non-Major Funds
					Total Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 62,080	-	-	-	226,463
Prepaid expenses	544,098	-	-	-	47,072
Leases	3,603	-	-	-	-
Subtotal nonspendable funds	609,781	-	-	-	273,535
Restricted for:					
DFA required reserves	2,207,473	-	-	-	-
Environmental projects	-	8,892,038	-	-	-
Road/drainage improvements	-	-	-	-	6,698,024
Economic development efforts	-	-	9,221	-	1,761,403
Various capital project efforts	-	-	-	563,978	204
Debt service requirements	-	-	-	-	3,644,068
Transportation services	-	-	-	-	250,805
Fire fighting efforts/equipment	-	-	-	-	285,370
Public safety and law enforcement efforts	-	-	-	-	24,786
Subtotal restricted funds	2,207,473	8,892,038	9,221	563,978	12,664,660
Committed to:					
Operate/maintain recreational facilities	-	-	-	-	907,876
Improvement of sewer distribution lines	-	-	-	-	341,949
Road/drainage improvements	-	-	-	-	1,122,086
Improvement of City property/equipment	-	-	-	-	4,195,242
Various capital project efforts	-	-	-	-	1,805,970
Recycling efforts	-	-	-	-	13,291
Public safety and law enforcement efforts	-	-	-	-	472,765
Operate/maintain senior citizens facility	-	-	-	-	64,665
Economic development efforts	-	-	-	-	4,705,638
Subtotal committed funds	-	-	-	-	13,629,482
Assigned to:					
Operate/maintain recreational facilities	-	-	-	-	30,405
Multi-purpose special events center	-	-	-	-	806,557
Departmental improvements	-	-	-	-	1,906,221
Subtotal assigned funds	-	-	-	-	2,743,183
Unassigned	13,205,615	-	-	-	(8,844)
	\$ 16,022,869	8,892,038	9,221	563,978	29,302,016

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

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF DEPOSITORIES
As of June 30, 2022

Account name	Type	Citizens Bank	New Mexico Bank and Trust	Western Bank of Clovis	NMFA	State of New Mexico	Plus Deposits in Transit	Less O/S Checks	Petty cash	Balance Per Books
Cash and equivalents:										
General Fund	CK*	\$ 2,002,056	-	-	-	-	2,248,341	(559,810)	-	3,690,587
Special Streets Fund	CK*	1,036,501	-	-	-	-	-	(472,465)	-	564,036
NM Law Enforcement Protection	CK*	3,557	-	-	-	-	-	(3,557)	-	-
American Rescue Plan	CK*	4,743,863	-	-	-	-	-	-	-	4,743,863
General Fund Investment	CK*	-	21,243,096	-	-	-	83,992	(1,141,188)	-	20,185,900
Fire Fund	MM*	-	265,746	-	-	-	-	(73,943)	-	191,803
Airport vending	CK*	-	923	-	-	-	-	-	-	923
Touchstone Golf CPGC	CK*	-	97,257	-	-	-	-	-	-	97,257
Payroll Account	CK*	-	15,413	-	-	-	-	(1,430)	-	13,983
Municipal Court Trust Account	CK	-	889	-	-	-	-	(60)	-	829
Civic Center Checking-CC Card Account	CK*	-	76,840	-	-	-	-	-	-	76,840
Department of Justice	CK*	-	153	-	-	-	-	-	-	153
Drug Control Fund	CK*	-	197	-	-	-	-	-	-	197
Finance Credit Card	CK*	-	38,500	-	-	-	-	(37,454)	-	1,046
EFT Transfer Fund	CK*	-	1,327	-	-	-	205	-	-	1,532
Zoo Credit Card	CK*	-	12,725	-	-	-	-	(6,565)	-	6,160
Landfill Credit Card	CK*	-	328,553	-	-	-	-	-	-	328,553
Money Market Account	MM*	-	1,220,534	-	-	-	-	-	-	1,220,534
Aquatic Center Credit Cards	CK*	-	48,105	-	-	-	-	-	-	48,105
Animal Shelter Revenue	CK*	-	4,300	-	-	-	-	(1,818)	-	2,482
Municipal Court Credit Cards	CK*	-	1,279	-	-	-	-	(279)	-	1,000
Money Market Investment Account	MM	-	-	1,729,284	-	-	-	-	-	1,729,284
Lodging Tax Fund	CK	-	-	483,093	-	-	13,969	-	-	497,062
NMFA cash	CK*	-	-	-	3,368,541	-	-	-	-	3,368,541
Petty cash	Cash	-	-	-	-	-	-	-	7,980	7,980
Total cash and equivalents		<u>7,785,977</u>	<u>23,355,837</u>	<u>2,212,377</u>	<u>3,368,541</u>	<u>-</u>	<u>2,346,507</u>	<u>(2,298,569)</u>	<u>7,980</u>	<u>36,778,650</u>
Investments:										
State of New Mexico	LGIP Fund	-	-	-	-	25,397,832	-	-	-	25,397,832
Total investments	(pool-4101)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,397,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,397,832</u>
Total amount on deposit		<u>\$ 7,785,977</u>	<u>23,355,837</u>	<u>2,212,377</u>	<u>3,368,541</u>	<u>25,397,832</u>	<u>2,346,507</u>	<u>(2,298,569)</u>	<u>7,980</u>	<u>62,176,482</u>

* denotes interest bearing account

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

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF PLEDGED COLLATERAL BY DEPOSITORY
As of June 30, 2022

Account Name	CUSIP	Citizens Bank	New Mexico Bank and Trust	Western Bank of Clovis	NMFA	Total
Total amount of deposit in bank		\$ 7,785,977	23,355,837	2,212,377	3,368,541	36,722,732
FDIC coverage		(250,000)	(250,000)	(250,000)	-	(750,000)
Total uninsured public funds		7,535,977	23,105,837	1,962,377	3,368,541	35,972,732
50% of Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 3,767,989	11,552,919	981,189	1,684,271	17,986,366
Pledged collateral:						
FNMA Pool #FM1050 - 6/1/34	3140X4EY8	\$ -	690,068	-	-	690,068
FNMA Pool #BF0423 - 2/1/49	3140FXPH9	-	464,551	-	-	464,551
FNMA Pool #BF0485 - 1/1/50	3140FXRF1	-	206,982	-	-	206,982
FNMA Pool #BF0485 - 1/1/50	3140FXRF1	-	437,334	-	-	437,334
FHLMC Pool #RA2581 - 5/1/50	3133KH2N5	-	41,182	-	-	41,182
FNMA Pool #BF0135 - 8/1/56	3140FXEH1	-	1,950,031	-	-	1,950,031
FNMA Pool #BF0141 - 9/1/56	3140FXEP3	-	4,617,228	-	-	4,617,228
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	761,107	-	-	761,107
FNMA Pool #BF0274 - 5/1/58	3140FXJU7	-	968,631	-	-	968,631
FNMA Pool #BF0462 - 3/1/60	3140FXQQ8	-	3,984,260	-	-	3,984,260
FNMA Pool #AN9640 - 6/1/28	3138LNWA5	-	1,868,383	-	-	1,868,383
FNMA Pool #AN9639 - 6/1/33	3138LNV99	-	1,043,550	-	-	1,043,550
Guaranteed Loans Receivable pledged:						
XXX3816 - 90%	n/a	-	133,437	-	-	133,437
XXX3855 - 90%	n/a	-	312,106	-	-	312,106
XXX7707 - 90%	n/a	-	526,643	-	-	526,643
XXX2972 - 90%	n/a	-	46,350	-	-	46,350
XXXXXX8001 - 90%	n/a	-	498,224	-	-	498,224
XXXXXX0281 - 90%	n/a	-	620,987	-	-	620,987
XXXXXX2974 - 90%	n/a	-	270,000	-	-	270,000
XXXXXX7571 - 90%	n/a	-	133,311	-	-	133,311
XXXXXX2135 - 90%	n/a	-	993,256	-	-	993,256
XXXXXX2235 - 90%	n/a	-	555,750	-	-	555,750
XXXXXX2235 - 90%	n/a	-	140,636	-	-	140,636
XXXXXX2235 - 90%	n/a	-	869,940	-	-	869,940
XXXXXX8002 - 90%	n/a	-	39,415	-	-	39,415
XXXXXX0001 - 90%	n/a	-	81,984	-	-	81,984
XXXXXX6001 - 90%	n/a	-	34,196	-	-	34,196
XXXXXX1501 - 90%	n/a	-	272,707	-	-	272,707
XXXXXX1501 - 90%	n/a	-	87,947	-	-	87,947
XXXXXX9032 - 90%	n/a	-	383,502	-	-	383,502
XXXXXX9034 - 90%	n/a	-	75,475	-	-	75,475
XXXXXX2235 - 90%	n/a	-	193,914	-	-	193,914
XXXXXX5164 - 90%	n/a	-	281,263	-	-	281,263
XXXXXX3082 - 90%	n/a	-	290,146	-	-	290,146
FHLB SBAP 2011-20I - 9/1/2031	83162CUG6	-	-	91,150	-	91,150
FNMA Pool MA3283 - 2/1/2033	31418CUH5	-	-	122,941	-	122,941
FNMA Pool MA3339 - 4/1/2033	31418CV92	-	-	111,989	-	111,989
FHLB SBAP 2016-20D - 4/1/2036	83162CXS7	-	-	622,984	-	622,984
FNMA Pool #931836 - 8/1/2039	31412QHM4	-	-	152,227	-	152,227
GNMA II #4597 - 12/20/2039	36202FDA1	-	-	37,284	-	37,284
FNMA #AS8483 - 12/1/2046	3138WJM96	-	-	271,975	-	271,975
FHLMC #G08747 - 2/1/2047	3128MJZM5	-	-	293,820	-	293,820
FNMA #MA2920 - 3/1/2047	31418CG65	-	-	310,894	-	310,894
GNR 2012-106 QC - 7/20/42	38378HKU9	128,723	-	-	-	128,723
GNR 2015-100 PJ - 7/20/45	38379NQ54	65,682	-	-	-	65,682
GNR 2017-146 A - 1/16/42	38379R5Y5	11,389	-	-	-	11,389
GNR 2016-127 AC - 8/16/50	38379UH74	581,249	-	-	-	581,249
GNR 2021-71 AG - 1/16/62	38380RS84	1,596,308	-	-	-	1,596,308
CFGMS 2021-24 A - 9/4/23	140197AA2	2,474,595	-	-	-	2,474,595
SBAP 2012-20I 1 - 9/1/32	83162CVA8	433,743	-	-	-	433,743
SBA Pool #509619 - 12/25/32	83164LVL2	937,288	-	-	-	937,288
See NMFA audited financials		-	-	-	3,368,541	3,368,541
Total collateral		6,228,977	23,874,496	2,015,264	3,368,541	35,487,278
Amount over/(under) collateralized		\$ 2,460,989	12,321,578	1,034,076	1,684,271	17,500,912

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

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
As of June 30, 2022**

	Joint Powers Agreement/MOU	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	Emergency Override System	Cannon AFB City of Clovis	City Cos Communication	Provide Cannon AFB an Emergency Override System	7/1/1992 thru 6/30/2002 or term of franchise agree	N/A	\$ -	N/A	City of Clovis
2	Drug Task Force	City of Clovis Curry County City of Portales Roosevelt County Quay County City of Tucumcari any other agencies involved in Region V Task Force	City	Region V Task Force for prevention, investigation control & prosecution of drugs	7/1/1992 continues with existence of task force	Federal/state funds \$142,553 No matching required	\$ -	City	City of Clovis
3	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*
4	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
5	Emergency Services	City of Clovis Clovis Comm College	City	Define conditions under which emergency services are to be provided	1/27/1982 indefinite	n/a	\$ -	N/A	City of Clovis
6	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

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

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
As of June 30, 2022**

	Joint Powers Agreement/MOU	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Agency	Amount contributed by City during current FY	Audit Responsibility	Fiscal agent and responsible reporting entity
7	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 \$ 11,065.00 Monthly paid for net services towards CCDC	City of Clovis	City of Clovis
8	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
9	TRaCS Data	NMDPS Clovis Police	NMDPS	TraCS Data for Uniform Crash Reports	7/1/2021 until terminated	No costs	\$ -	N/A	N/A
10	Military Dogs	Dept. of Air Force All area Law Enforcement	Cannon 27 SOS	Response for use of Military working dogs	7/1/2021 until terminated	No costs	\$ -	N/A	N/A
11	JAG Program Award	City of Clovis Curry County	City of Clovis	2020 Edward Byrne JAG Program Award	7/1/2021 expiration of grant	\$ 19,640.00	\$ -	City of Clovis	City of Clovis
12	Covid-19 Planning	Dept of Health City of Clovis	Dept of Health	COVID 19 planning	7/1/2021 6/30/2022	\$ 42,977.00	\$ -	City of Clovis Dept of Health	City of Clovis
13	21 Homeland Grant	City of Clovis Curry County	City of Clovis	2021 Homeland Grant	1/1/2022 6/30/2023	\$ 12,685.00	\$ -	City of Clovis	City of Clovis
14	Local Enforcement Agencies	Cannon AFB Area LEA's	Cannon	Sharing of information related to criminal and/or terrorist activity in the area	7/1/2022 Until terminated	\$ -	\$ -	N/A	N/A
15	Main St. Area	City of Clovis Clovis MainStreet NM MainStreet	NM MainStreet	Community economic support for the Main Street area	7/1/2022 6/30/2024	\$ -	\$ -	N/A	N/A

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

FEDERAL COMPLIANCE SECTION

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

	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	41900-0000010650	\$ 20,000
Total Department of the Treasury			20,000
<u>Department of the Interior</u>			
Direct			
Fish and Wildlife Cluster			
Wildlife Restoration and Basic Hunter Education	15.611	F19AF00166	1,065,980
Total Fish and Wildlife Cluster			1,065,980
Total Department of the Interior			1,065,980
<u>U.S. Department of Transportation</u>			
Passed through NM Department of Transportation			
Federal Transit Cluster			
COVID19-Formula Grants for Rural Areas (CARES)	20.509	FY21	168,967
COVID19-Formula Grants for Rural Areas (CARES)	20.509	FY22	536,566
Subtotal Federal Transit Cluster			705,533
COVID19-Airport Improvement Program	* 20.106	3-35-0011-033-2020	8,171
COVID19-Airport Improvement Program	* 20.106	3-35-0011-034-2021	14,508
Airport Improvement Program	* 20.106	3-35-0011-032-2021	1,520,503
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02-AL-64-021	3,232
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02-AL-64-022	4,716
Total U.S. Department of Transportation			2,256,663
<u>U.S. Department of Justice</u>			
Passed through NM Department of Public Safety			
Bulletproof Vest Partnership Program	16.607	FY2021	7,062
Edward Byrne Memorial Grant Program	16.738	20-JAG-REG5-FFY22	109,693
Total U.S. Department of Justice			116,755
<u>U.S. Department of Homeland Security</u>			
Passed through NM Department of Homeland Security			
Emergency Management Performance Grants	97.042	21-EMPG	46,466
Homeland Security Grant Program	97.067	EMW-2020-SS-0127-S01	46,821
Homeland Security Grant Program	97.067	EMW-2021-SS-0127-S01	101,251
Total U.S. Department of Homeland Security			194,538
<u>Other Federal Agencies</u>			
Passed through NM State Library			
COVID19-ARPA Grant to Public Library	45.310	LS-250227-OLS-21	7,370
Total Other Federal Agencies			7,370
Total Federal Financial Assistance			\$ 3,661,306
* Major program			
<u>Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds</u>			
Federal grant revenue per fund financials			\$ 3,661,306
Federal expenditures per SEFA			3,661,306
Difference			\$ -

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

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

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, 2022.

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**

Mr. Brian S. Colón
New Mexico State Auditor
To the 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, 2022, 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 15, 2022.

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 15, 2022

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 2022-002 [2021-003] 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 [2021-001] and 2022-003.

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 15, 2022

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 15, 2022



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

Mr. Brian S. Colón
New Mexico 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, 2022. 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, 2022.

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 15, 2022

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

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

<u>AL Number</u>	<u>Federal Program</u>	<u>Funding Agency</u>
20.106	Airport Improvement Program	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?	No
--	-----------

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT AND FEDERAL FINDINGS

Finding	Status of Current and Prior Year Findings	Type of Finding
Prior Year Findings		
2022-001 [2021-001] - PERA & RHCA REMITTANCE	Repeated	G
2021-002 - EMPLOYEE BENEFITS & DEDUCTIONS	RESOLVED	B
2022-002 [2021-003]- CREDIT CARD RECONCILIATION PROCESS	Repeated	B
Current Year Findings		
2022-003 - 24 HOUR DEPOSIT REQUIREMENT	Current	G

* 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, 2022**

PRIOR YEAR FINDINGS

2022-001 [2021-001]— PERA & RHCA REMITTANCE

Type of Finding: (G) Other Non-compliance with State Audit Rule, NM State Statutes, NMAC, or Other Entity Compliance

Statement of Condition

During our FY22 testwork, we noted the following:

- in 16 out of 50 instances totaling \$134,526, RHC contributions were remitted after the 10th of the month following the end of the pay period/.
- in 3 out of 50 instances, an incorrect amount was remitted to RHC for a dollar difference of \$6,606.
- In 3 out of 25 instances totaling \$183,647, PERA contributions were remitted later than 15 days after the end of the month in which transmittal report was due.

Management's Progress

New procedures for reconciling and submitting PERA and RHC reports are now outlined in the Payroll Procedure Manual, which will provide for continuity in the position in the event of employee turnover. There have been no late payments for the later part of fiscal '22 and no issues during the first part of fiscal '23. Additionally, management worked through the process of submitting payment via ACH. The ACH payment process started the end of October and will eliminate the time delay in submitting the payment to NMRHCA.

Criteria

Monthly contributions to RHC are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15 and PERA instructions for preparing the contribution form states that contributions covered by the report are to be transmitted no later than the 15th day of the subsequent month.

Cause

Following the conversion to the new software the Payroll Administrator in position continued to have difficulty in resolving the issues relative to PERA and NMRHCA reporting and timing. PERA reports were "suspended" for each of the payrolls which resulted in delays in timely payment of

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

the liability. There were some unresolved issues with employees that did not have proper payments made and these were not resolved in a timely matter.

Effect

The City is not in compliance with New Mexico State Statutes regarding RHC and PERA contributions rules for transmitting and reporting contributions on a timely basis.

Recommendation

The City should implement internal controls to ensure that monthly RHC and PERA contributions are remitted by the due dates.

View of Responsible Officials and Corrective Action Plan

The Assistant Finance Director worked with other agencies that use Munis payroll and trained on the best practice for reconciling and submitting PERA reports that have resulted in a very short turnaround time for the payment to be available for processing. The procedures are outlined in the Payroll Procedure Manual which will provide for continuity in the position in the event of employee turnover. This issue has been resolved and with the Assistant Finance Director's diligent work, there have been no late payments for the later part of fiscal '22 and no issues during the first part of fiscal '23. The Assistant Finance Director also developed procedures for reconciling the NMRCHA report after each payroll. During the fieldwork it was brought to our attention there were a few late payments. At that time, we were processing a check and mailing it to NMRHCA. Delays in processing the payment and relying on the postal service contributed to the untimely receipt of payment. The Assistant Finance Director and Payroll Administrator contacted NMRHCA and worked through the process of submitting payment via ACH. The ACH payment process started the end of October and will eliminate the time delay in submitting the payment to NMRHCA.

Corrective Action Plan Timeline

The procedures and ACH payments are in place. Finance is comfortable the issues have been resolved.

Designation of Employee Position Responsible for Meeting Deadline

Finance Director and Assistant Finance Director.

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

2022-002 [2021-003]—CREDIT CARD RECONCILIATION PROCESS

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

Statement of Condition

We noted that credit card statements are not being reconciled or reviewed by upper management and payments were made on the credit card prior to receipt of the statements and the reconciling of all receipts for individual charges. During test work, \$49,312 of support was reviewed, but no reconciliation was provided.

Management's Progress

Management has reviewed all '22 statements and is working through the first several months of '23 statements. Additionally, a policy is being developed and deadlines will be instituted by the end of January 2023. The policy will provide remedies for a department with non-reconciled, late submittal statements. This policy will be submitted to the City Manager for approval by the end of January 2023.

Criteria

Appropriate credit card controls include review or reconciliation of credit card statements with receipts and expenses. Expenditures should be verified as correctly charged and in line with the organizations goals and policies. Credit card reconciliations should be reviewed by someone other than the authorized user of the credit card and the preparer, such as the Finance Director or Assistant Finance Director.

An essential element of a preventative control system is segregation of functions in such a manner that no single individual can perpetrate an error, misappropriation, or illegal act without being discovered in a timely manner. Ideally, three general categories of functions should be separated:

- Functions involving custody of assets (e.g., physical control of asset, handling cash, custody of check stock),
- Functions involving recording transactions (e.g., bookkeeping, preparation of bank reconciliations), and
- Functions involving authorization (e.g., sign checks, approve purchases)

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Improving internal controls reduces the opportunity for fraud or errors to take place, or to be identified and corrected in a timely manner.

Cause

The City's credit card issuer, Bank of America, has switched to online statements and Finance has been using the Works program to verify purchases. Departments that had not been set up in the Bank of America Global Access Program had no means to retrieve and review their statements. The Finance Department was unaware of this issue. The department directors and administrative assistants continued to use the Works program and Finance continued to verify through Works.

Effect

A significant opportunity exists for misappropriation of funds and/or for errors to go undetected when supporting documentation is not reconciled to charges, and when there is not an independent review.

Recommendation

We recommend a monthly reconciliation and review of all credit card accounts be completed. The reviews should be done by a responsible official (such as the Finance Director or Assistant Finance Director) of the organization who does not have access to cash, the check stock, or the general ledger and is familiar with accounting procedures.

A credit card reconciliation checklist is available upon request.

View of Responsible Officials and Corrective Action Plan

A reconciliation process of Bank of America statements has been developed by the Finance Director. The Finance Director receives the notification of statements available on the website after the close of each month. The statements are emailed to the corresponding department. Department Directors/and or Administrative Assistants are required to reconcile their respective statements and add the corresponding Purchase Order to each charge. The completed statements are uploaded to a shared drive. The Assistant Finance Director reviews each of the statements and will correspond with any department that has charges with no corresponding purchase order to resolve the issue so the payment can be submitted to Bank of America.

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Corrective Action Plan Timeline

The Assistant Finance Director has reviewed all '22 statements and is working through the first several months of '23 statements. These are the statements that occurred before the process was established. The policy is still being developed and deadlines will be instituted by the end of January 2023. The policy will provide remedies for a department with non-reconciled, late submittal statements. This policy is being developed and will be submitted to the City Manager for approval by the end of January 2023.

Designation of Employee Position Responsible for Meeting Deadline

Finance Director and Assistant Finance Director

STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

CURRENT YEAR FINDINGS

2022-003—24 HOUR DEPOSIT REQUIREMENT

Type of Finding: (G) Other Non-compliance with State Audit Rule, NM State Statutes, NMAC, or Other Entity Compliance

Statement of Condition

During our test of cash receipts, it was noted that the City's cash receipts were not deposited into a banking institution by the close of the next business day.

Out of 25 randomly selected deposits, 12 of the 30 sampled deposits, totaling \$576,046, were delivered to the bank more than 24 hours after receipt. 2 of these deposits were received by the bank more than 5 days after the date of collection.

Criteria

NMSA 1978. Section 6-10-3, the "24-hour deposit rule" requires all public money received by any state official or agency, "unless otherwise specified by statutory exception," be deposited into the state treasury before the close of the next succeeding business day after the receipt of the money.

Internal controls must be implemented and be adequate to mitigate the risks associated with the collection and deposit of cash.

Cause

The City experienced a staffing shortage that prevented staff from depositing money in a timely manner.

Effect

The City is not in compliance with state statute. Untimely deposits may cause the City to be at risk of misappropriations of funds.

Recommendation

We recommend that the City consider hiring and training sufficient staff to ensure that deposits can always be made within the 24-hour period required by state statute.

**STATE OF NEW MEXICO
CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

View of Responsible Officials and Corrective Action Plan

The Finance Department had several changes in personnel during the '22 fiscal year. At this time, we are fully staffed, and payments are being processed in a timely manner. Marketing efforts to encourage citizens to sign up for ACH payments continue and that will decrease the number of payments that will need to be processed manually by the clerks. The conversion to Tyler Utility Billing, scheduled to be completed by end of '23 fiscal year, will allow for electronic lock box of customer's bill pay payments – currently they must be a hard copy check and mailed to the city. The conversion will also allow for electronic processing of on-line payments to customer accounts. Both processes will decrease the number of accounts that are handled by staff. The Finance Director and the Assistant Finance Director are responsible for the implementation and also serve as back-up for transmitting the bank deposits on a timely basis. Should a deposit be submitted outside the 24-hour period, a note is added to the documentation stating the reason (bank found error and deposit was returned and corrected for the following day, limited staff, bank closed).

Corrective Action Plan Timeline

The positions that handle the processing of payments are currently occupied. The processes outlined above were instituted after the fieldwork was accomplished.

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, 2022**

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 15, 2022. The following individuals were in attendance.

City of Clovis Officials

Megan Palla, CPA

Justin A Howalt, P.E.

LeighAnn Melancon

Commissioner, District 4

City Manager

Finance Director

Hinkle + Landers, PC

Farley Vener, CPA, CFE

Maclen Enriquez, CPA

President & Managing Shareholder

Senior Audit Manager