

**CITY OF LAS CRUCES, NEW MEXICO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the Period Ended June 30, 2008**

**STATE OF NEW MEXICO**  
**CITY OF LAS CRUCES**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**Prepared by**  
**Finance Department**  
**Dr. Mark Sutter, Ph.D., CPA**  
**Financial Services Director**

# City of Las Cruces

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# City of Las Cruces

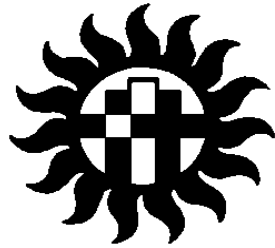
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City of Las Cruces



December 1, 2008

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico

We are pleased to submit the Comprehensive Annual Financial Report for the City of Las Cruces (City), New Mexico, for the fiscal year ended June 30, 2008, in accordance with Article V, Section 5.09, of the City Charter. Responsibility for the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner that fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In the Financial Section of this report, the independent auditor's report is immediately followed by Management's Discussion & Analysis (MD&A). The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City of Las Cruces, incorporated in 1946 and chartered in 1985, has a council/manager form of government consisting of a mayor and six council members. The mayor is elected at large for a four-year term. Council members are elected from six member districts for a four-year term. Elections are held on a bi-annual basis. The city manager, appointed by the City Council, is responsible for the management of all City employees and the administration of all City affairs.

This report includes financial statements of the funds required for those activities, organizations, and functions related to the City and that are controlled by or dependent upon the City's governing body, the City Council. The financial reporting entity consists of the City and two discretely presented component units: the Public Housing Authority and South Central Solid Waste Authority. These component units are included in the City's reporting entity because of the significance of their operational relationship or financial relationship with the City. Considering the above criteria, this report includes all funds of the City.

The City provides a full range of services. These services include public safety (police and fire); community services (culture and recreation); facilities; streets, public improvements; planning, zoning, engineering; public utilities (water, gas, wastewater, solid waste) and general administration of services.

### **Economic Condition and Outlook**

The City is the second largest city in the State and is the commercial service and cultural center of Southern New Mexico. The U. S. Census Bureau ranked the City in the top thirty fastest growing population areas in the country for the last decade.

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
12/01/2008

The City of Las Cruces, while still experiencing an expanding economy, has not been immune from national economic conditions. The construction industry has shown a sharp drop in fiscal year 2008 and lodging tax receipts are straining under the weight of high energy costs.

For fiscal year 2008/2009 the economic assumptions call for marked slowdown in growth. The City's largest revenue source is the gross receipts tax (GRT). The recent past has seen exceptional growth from this source fueled by rapid construction activity centered on residential housing. This changed in fiscal year 2008 in response to national conditions. Single family permits fell by almost half while the total valuation for all types of construction activity was off by over forty percent.

The City continues to benefit from its geographical location and environmental qualities. The outlook calls for overall construction activity to decelerate further to a level that is more in balance between population growth and construction activity. While residential construction will remain sluggish, commercial activity will show gains. Another positive factor is the on going construction of four large projects; a new City Hall, a City Aquatic Center, a Convention Center and a new Federal Court house. These projects will be built over the next four years.

The economy should, however, continue to outpace New Mexico as a whole and Las Cruces is well positioned to benefit when the economy returns to expansionary mode over the next 18 months.

### **Long Term Plans and Major Initiatives**

The City is working cooperatively with Dona Ana County and New Mexico State University to finalize and implement Vision 2040, a regional growth management planning initiative. The regional approach to long range planning will result in better intergovernmental cooperation, greater efficiency in analysis and public involvement, and more effective regional response to issues related to growth, economy, environment, and transportation. Updates to the City and County Comprehensive Plans will be included in the Vision 2040 process. Ultimately, the plan will guide the strategic decisions within the region, enhancing synergistic opportunities among the participating governmental units.

The City has invested large sums of money into recreational and cultural facilities, particularly in newly developing areas. In addition, considerable annexation has placed a demand on the City to finance basic utility services, public safety, and recreational facilities in new areas. Long range plans will continue the effort to provide the needed services and facilities.

### **Internal Control Framework**

Integrated within the business systems of the City are the policies and procedures over accounting and financial reporting that make up the internal control framework. The internal control framework provides assurance that the accounting systems and underlying data are reliable. There are certain limitations inherent in the internal control framework. Management may choose to accept certain risks because the cost to prevent all risks is not reasonable. Additionally, while management is responsible for establishing and maintaining effective internal controls, the authority to override controls is retained within management. Although some level of risk within the internal control framework is unavoidable, the City's management maintains an attitude of supporting strong and effective internal controls.



**Financial Information, Management and Control**

The financial position and operating results of the City is provided in the financial statements. Management’s discussion and analysis includes financial highlights, describes the financial statements, and provides financial analysis of the City’s financial position and results of operations. Following is a brief description of financial information, management of financial resources, and financial obligations.

**Budgetary Control**

In New Mexico, state statutes mandate that municipalities operate within the confines of a balanced budget. If a fund is not overspent, it is in compliance with state law. Annual budgets are adopted for all funds. All unexpended appropriations lapse at the end of the fiscal year. The City Manager is responsible for presenting an annual budget to the City Council. The Council sets hearings for annual budget review and approves the final budget. The final budget is then submitted to the New Mexico Department of Finance and Administration, Local Government Division. The Local Government Division must then approve and certify the City’s operating budget.

Budget adjustments requested throughout the fiscal year that increase fund expenditures must be reviewed and approved by the City Council. The adopted budget becomes a document that details a clear and precise picture of the cost of public services that will be provided. The budget is controlled through an on-line accounting system to assure effective fiscal management and accountability. Local Government Division approval must be obtained on budget increases and budget transfers between funds. The FY 2007/2008 budget was legally amended.

**Taxes**

The allocation of the property tax for fiscal year 2008 and the two preceding years is based on the mill levy below:

Purpose	2008	2007	2006
Operational mill levy:			
Residential	5.960	5.879	5.781
Non-residential	7.120	7.120	6.831

The City has no outstanding general obligation bonds. Therefore, the debt service levy for all three years is zero.

The gross receipts tax rate on receipts within the City was 7.125% at June 30, 2008. The breakdown and sources of the gross receipts tax rate at June 30, 2008 includes:

	<b>Tax Rate</b>	<b>Percent of Total Rate</b>
State General Fund	3.7750%	53.0%
State shared-municipal distribution	1.2250%	17.2%
Municipal GRT- general purpose	1.2500%	17.5%
Municipal GRT-infrastructure	0.1250%	1.8%
Municipal GRT-public safety	0.1250%	1.8%
Municipal Environmental GRT	0.0625%	0.9%
Dona Ana County-local option taxes	<u>0.5625%</u>	<u>7.9%</u>
	7.1250%	100.0%

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
12/01/2008

### **Debt Administration**

The City has significant capacity for future capital and infrastructure acquisitions, should the need arise. The City's current unused general obligation (G. O.) bond capacity is in excess of \$50 million. The City currently has no outstanding G.O. bonds.

The City had ten bond issues outstanding at June 30, 2008. Four issues are Joint Utilities Revenue Bonds. Gas tax revenues secure one issue and gross receipts tax revenues finance the other five bond issues outstanding. The amount of bonds outstanding at June 30, 2008 was \$104,325,000. The City of Las Cruces enjoys a favorable reputation in the bond market and has ratings of A and A-1 by Moody's Investors Service and A and A+ by Standard and Poor's on its uninsured issues and Aaa/AAA on its insured issues. In addition, the City has sixteen loans outstanding from New Mexico Finance Authority totaling \$68,403,709.

### **Cash Management**

The City's investment policy allows for the investment of cash balances over amounts required to meet current financial obligations to achieve the highest rate of return consistent with the primary objectives of preservation of principal and maintenance of adequate safety, liquidity, legality and yield. As of June 30, 2008, deposits were either insured by federal depository insurance or collateralized by pledged securities of U.S. government agencies. A pledging financial institution's trust department held all collateral in the City's name.

### **Risk Management**

The City maintains a self-insurance program for liability claims, unemployment compensation and workers compensation. The City participates in the State health insurance programs for both current and retired employees. In addition, the City's Risk Management office employs various risk control techniques, such as employee accident prevention training and inspection of City property and facilities, to minimize accident-related losses.

### **Independent Audit**

New Mexico State law requires that an annual audit of a governmental unit's financial statements be performed by independent public accountants. Federal law requires that a single audit be performed for federal grant funds as required by the Single Audit Act Amendments of 1996 Office of Management and Budget Circular A-133. Additionally, the City Charter requires an annual audit of all accounts of the City by an independent certified public accountant.

The independent auditor's reports on the financial statements, required supplementary information, and other supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

The independent firm of certified public accountants, REDW, LLP, has audited the financial statements and related notes.

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
12/01/2008

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

### **GFOA Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Las Cruces for the comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year 2008. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications medium.

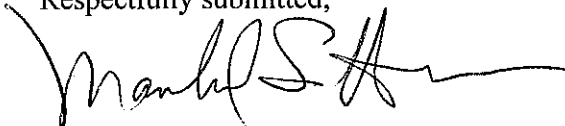
These awards represent the highest form of recognition in governmental accounting, financial reporting, and budget presentation. These are outstanding accomplishments that demonstrate the professionalism residing in the Financial Services Department.

### **Acknowledgments**

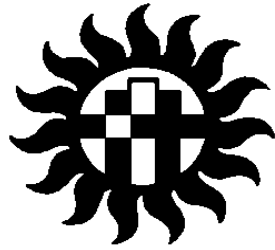
The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the efforts and dedication of the Financial Services Department staff. I would like to express my appreciation to staff for their many hours of hard work devoted to the project.

I would also like to thank the Mayor, City Council, and City Manager for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,



Mark D. Sutter, CPA, Ph.D.  
Director of Financial Services



City of Las Cruces

**City of Las Cruces**  
**June 30, 2008**

LIST OF PRINCIPAL OFFICIALS

Councilors

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<i>Ken Miyagishima</i>	Mayor
<i>Dolores C. Archuleta</i>	Mayor Pro-Tem
<i>Miguel Silva</i>	Councillor
<i>Dolores Connor</i>	Councillor
<i>Nathan P. Small</i>	Councillor
<i>Gil Jones</i>	Councillor
<i>Sharon Thomas</i>	Councillor

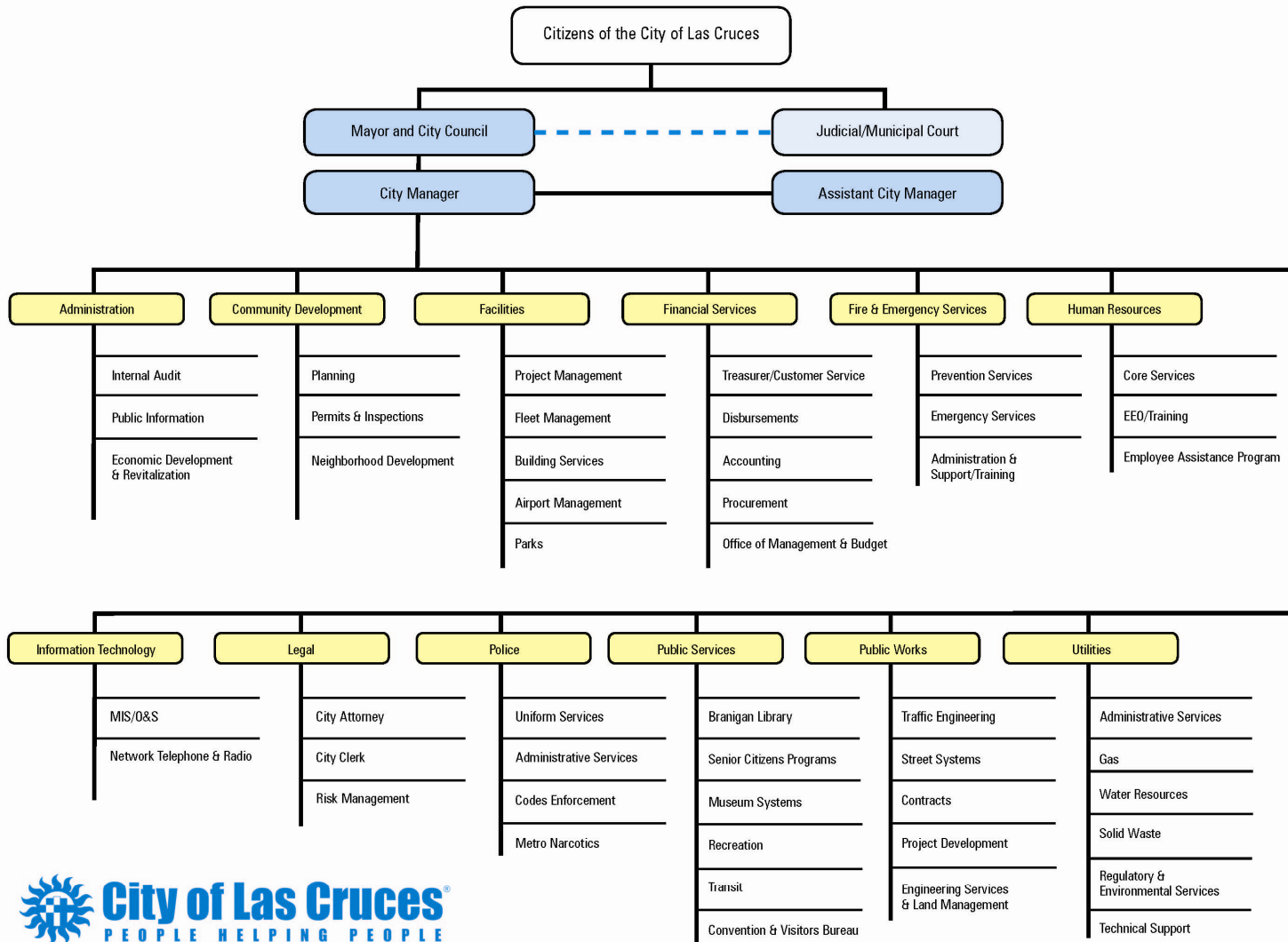
Other officials

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<i>Terence Moore</i>	City Manager
<i>Robert Garza</i>	Assistant City Manager
<i>Mark D. Sutter, CPA, Ph.D.</i>	Financial Services Director

# City of Las Cruces

## City Government Organization Chart: FY 2007-2008



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Las Cruces  
New Mexico

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

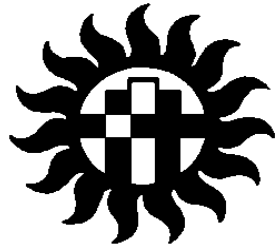


*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director



City of Las Cruces



## Independent Auditors' Report

Hector H. Balderas, State Auditor  
and the Honorable Mayor and City Council Members  
of the City of Las Cruces

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Las Cruces, New Mexico (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented in the accompanying combining financial statements and the budgetary comparison schedules as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements and schedules are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements and schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Las Cruces, New Mexico, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the general fund and major special revenue funds budgetary comparisons where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the respective financial position of each nonmajor

governmental, nonmajor enterprise, internal service and fiduciary fund of the City of Las Cruces, New Mexico as of June 30, 2008, and the respective changes in financial position, cash flows, and budgetary comparisons, where applicable, thereof, and the budgetary comparisons of each major debt service fund and major capital projects fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2008, on our consideration of the City of Las Cruces, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis is supplemental information required by the Governmental Accounting Standards Board and is not a required part of the basic financial statements. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and the combining and individual fund financial statements and respective budgetary comparisons. The accompanying information identified in the table of contents as supplementary information is presented for purposes of additional analysis and to meet the requirements of the State of New Mexico and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other data included in this report, listed in the accompanying table of contents as the introductory section and the statistical section, are also not required parts of the basic financial statements and have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

REDW LLC

November 26, 2008

## Management's Discussion and Analysis

The Management Discussion and Analysis presents an overview of the City's financial activities for the fiscal year ended June 30, 2008. It is intended to be read in conjunction with the Letter of Transmittal and the City's financial statements. In accordance with Governmental Accounting Standards Board standards, comparisons to prior-year balances and activity are presented.

### ***Financial Highlights***

- The assets of the City exceeded its liabilities at the close of fiscal year 2008 by \$500,426,544 (net assets). Of this amount, \$146,048,413 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2008 the City's governmental funds reported combined ending fund balances of \$151,454,291 an increase of \$24,073,749 in comparison with the prior year. This increase is primarily due to an increase in taxes, fees, and charges for services associated with continued growth in the City, and the donation of subdivisions to the City.
- At June 30, 2008, unreserved fund balance for the General Fund was \$36,250,120 of which approximately \$25.5 million is readily available (36% of general fund expenditures).
- The City's outstanding long-term debt increased \$57.4 million, or 37.8%. During the fiscal year, the City borrowed \$32 million from New Mexico Finance Authority to finance the Las Cruces Convention Center, street improvements, public works equipment, and fire equipment. Scheduled principal retirements of notes, bonds, and leases were approximately \$9.8 million during the fiscal year.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### ***Government-wide Financial Statements***

The *government-wide financial statements* consist of two statements and are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets.

The *Statement of Activities* presents information showing how the government's net assets changed during fiscal year 2008. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave). Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues

(*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include General Government, Police, Fire, Community Development, Public Services, and Public Works. The business-type activities of the City include Gas, Water, Waste Water, Solid Waste, Transit, and Alternative Fuels.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the following legally separate component units: Public Housing Authority (PHA) and South Central Solid Waste Authority (SCSWA). Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

### ***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains one hundred twenty individual governmental funds, eleven of which combine into the General Fund. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the funds that comprise the General Fund, which is considered to be a major fund. Four other governmental funds, Telshor Facility, Sonoma Ranch, the 2005 Gross Receipts Tax-City Hall, and the Las Cruces Convention Center fund are also reported as major funds. The remaining one hundred five governmental funds combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The City adopts an annual appropriated budget for its general, special revenue, debt service and capital projects funds. A budgetary comparison schedule has been provided for these funds to demonstrate budgetary compliance.

### ***Proprietary Funds***

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities relating to Gas, Water, and Waste Water Utilities, as well as Solid Waste disposal. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its support services, vehicle maintenance, and self-insurance. Because these services benefit both governmental and business-type functions, they have been allocated between *governmental and business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Gas, Water, and Waste Water Utilities, as well as Solid Waste funds, which are considered to be major funds of the City. Data from the non-major enterprise funds, as well as all the internal service funds, are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs.

### ***Notes to the Financial Statements***

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes follow the financial statements, and are an integral part of the financial statements.

### ***Other Information***

The combining statements of the non-major governmental funds, non-major enterprise funds, and internal service funds are presented in the supplementary information section of this report.

### ***Statistics***

The statistical section provides statistical data on financial trends, revenue and debt capacity, demographic and economic data, and operating information.

**CITY OF LAS CRUCES, NEW MEXICO  
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**Government-wide Financial Analysis**

At the end of fiscal year 2008, the City reports positive balances in all three categories of net assets, including the government-wide, governmental activities, and business-type activities. Comparative information is presented for fiscal years 2008, 2007, and 2006.

**Net Assets (in 000's)**

	Governmental Activities			Business - type Activities			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Current and Other Assets	\$189,948	\$162,816	\$137,694	\$104,132	\$90,149	\$70,388	\$294,080	\$252,965	\$208,082
Capital Assets	255,052	227,452	203,819	\$179,867	159,682	144,776	434,919	387,134	348,595
<b>Total Assets</b>	<b>445,000</b>	<b>390,268</b>	<b>341,513</b>	<b>283,999</b>	<b>249,831</b>	<b>215,164</b>	<b>728,999</b>	<b>640,099</b>	<b>556,677</b>
Current and Other Liabilities	37,187	35,809	17,314	12,570	10,906	8,674	49,757	46,715	25,988
Long-term Liabilities	101,801	75,136	72,174	77,014	54,797	38,847	178,815	129,933	111,021
<b>Total Liabilities</b>	<b>138,988</b>	<b>110,945</b>	<b>89,488</b>	<b>89,584</b>	<b>65,703</b>	<b>47,521</b>	<b>228,572</b>	<b>176,648</b>	<b>137,009</b>
<b>Net Assets:</b>									
Invested in Capital Assets, net of related debt	146,328	141,038	131,644	103,499	105,556	106,616	249,827	246,594	238,260
Restricted Net Assets	32,765	34,371	17,301	49,376	34,894	20,976	82,141	69,265	38,277
Unrestricted Net Assets	126,919	103,914	103,080	41,540	43,678	40,051	168,459	147,592	143,131
<b>Total Net Assets</b>	<b>306,012</b>	<b>279,323</b>	<b>252,025</b>	<b>194,415</b>	<b>184,128</b>	<b>167,643</b>	<b>500,427</b>	<b>463,451</b>	<b>419,668</b>
<b>Total Liabilities and Net Assets</b>	<b>\$445,000</b>	<b>\$390,268</b>	<b>\$341,513</b>	<b>\$283,999</b>	<b>249,831</b>	<b>\$215,164</b>	<b>\$728,999</b>	<b>\$640,099</b>	<b>\$556,677</b>

Fifty percent of the City's net assets are investment in capital assets (i.e., land, land improvements, buildings, equipment, utility infrastructure), net of any related outstanding debt used to acquire those assets. This compares with fifty-three percent in fiscal year 2007. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Sixteen percent of the City's net assets are resources that are subject to external restrictions on how they may be used. This amount is up from the twelve percent of restricted net assets reported for fiscal year 2007. The remaining balance of *unrestricted net* assets (\$171,861,288) may be used to meet the government's ongoing obligations to citizens and creditors.

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Changes in net assets during 2008 and comparative amounts for 2007 and 2006 were:

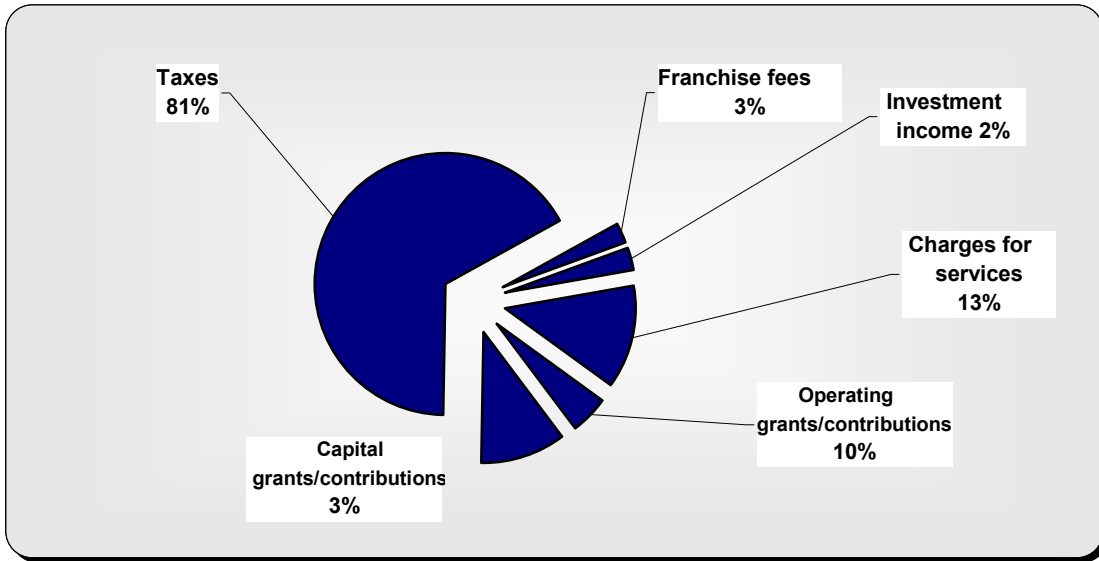
Summary of Changes in Net Assets (in thousands)

	Governmental Activities			Business - type Activities			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Revenues:									
Program Revenues:									
Charges for services	\$ 16,714	\$ 17,723	\$ 13,402	\$ 67,362	\$ 69,242	\$ 68,649	\$ 84,076	\$ 86,965	\$ 82,051
Operating grants and contributions	6,332	5,218	6,597	1,188	1,135	1,048	7,520	6,353	7,645
Capital grants and contributions	14,039	15,311	5,909	3,642	3,888	2,349	17,681	19,199	8,258
General Revenue:									
Taxes	87,970	82,242	75,102				87,970	82,242	75,102
Franchise fees	2,985	2,999	2,609				2,985	2,999	2,609
Investment income	3,842	5,902	3,881	3,408	3,855	1,857	7,250	9,757	5,738
Telshor Facility income	267	2,973	3,308				267	2,973	3,308
Miscellaneous	2,835	2,456	3,335	40	239	7	2,875	2,695	3,342
<b>Total Revenue</b>	<b>134,984</b>	<b>134,824</b>	<b>114,143</b>	<b>75,640</b>	<b>78,359</b>	<b>73,910</b>	<b>210,624</b>	<b>213,183</b>	<b>188,053</b>
Expenses:									
General Government	16,560	25,894	16,800				16,560	25,894	16,800
Facilities	9,857	9,648	9,018				9,857	9,648	9,018
Police	23,814	21,426	21,822				23,814	21,426	21,822
Fire	11,290	10,346	9,288				11,290	10,346	9,288
Community Development	5,047	4,641	5,124				5,047	4,641	5,124
Public Services	12,525	11,774	10,889				12,525	11,774	10,889
Public Works	19,729	16,756	15,604				19,729	16,756	15,604
Gas	-	-	-	30,478	29,976	30,368	30,478	29,976	30,368
Water	-	-	-	11,679	12,219	10,655	11,679	12,219	10,655
Waste water	-	-	-	8,767	8,514	8,362	8,767	8,514	8,362
Solid waste	-	-	-	10,905	9,172	9,335	10,905	9,172	9,335
Other	-	-	-	4,185	3,801	3,418	4,185	3,801	3,418
Interest on long-term debt	4,003	3,148	2,726	3,422	2,626	1,965	7,425	5,774	4,691
<b>Total Expenses</b>	<b>102,825</b>	<b>103,633</b>	<b>91,271</b>	<b>69,436</b>	<b>66,308</b>	<b>64,103</b>	<b>172,261</b>	<b>169,941</b>	<b>155,374</b>
Increase in net assets before transfers	32,159	31,191	22,872	6,204	12,051	9,807	38,363	43,242	32,679
Transfers	(4,083)	(4,435)	(3,159)	4,083	4,435	3,159	-	-	-
<b>Change in Net Assets</b>	<b>28,076</b>	<b>26,756</b>	<b>19,713</b>	<b>10,287</b>	<b>16,486</b>	<b>12,966</b>	<b>38,363</b>	<b>43,242</b>	<b>32,679</b>
Net Assets - beginning	277,936	252,567	232,313	184,128	167,642	154,676	462,064	420,209	386,989
<b>Net Assets - ending</b>	<b>\$ 306,012</b>	<b>\$ 279,323</b>	<b>\$ 252,026</b>	<b>\$ 194,415</b>	<b>\$ 184,128</b>	<b>\$ 167,642</b>	<b>\$ 500,427</b>	<b>\$ 463,451</b>	<b>\$ 419,668</b>

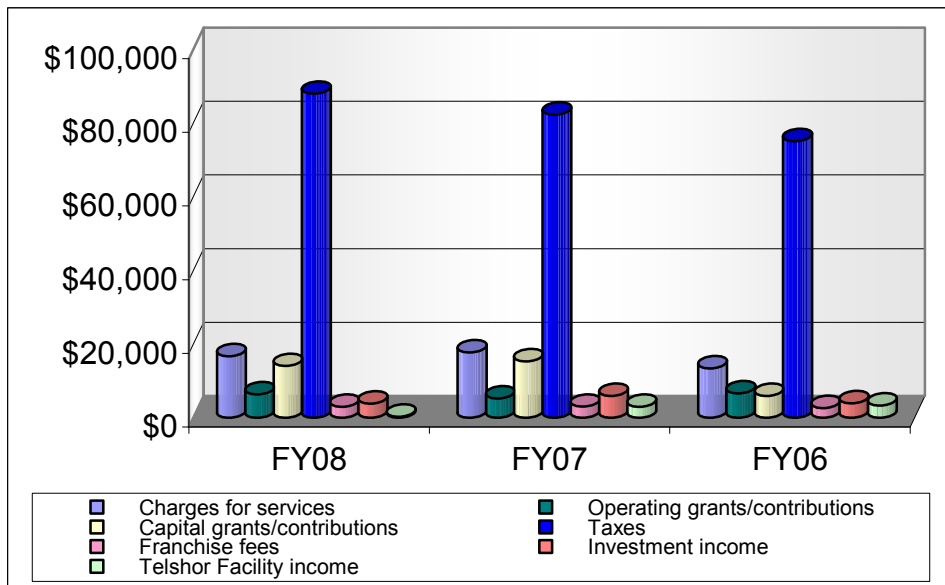
**Governmental Activities**

Governmental activities increased the City's net assets during the current fiscal year by \$26.7 million. Gross receipts tax, property tax, and franchise fees rose from \$85.2 million in fiscal year 2007 to \$91 million in fiscal year 2008. The taxes and franchise fees contributed a significant amount for covering the \$65.7 million net program expense associated with general governmental activities.

**Governmental Revenues**



**Revenue by Source – Governmental Activities**



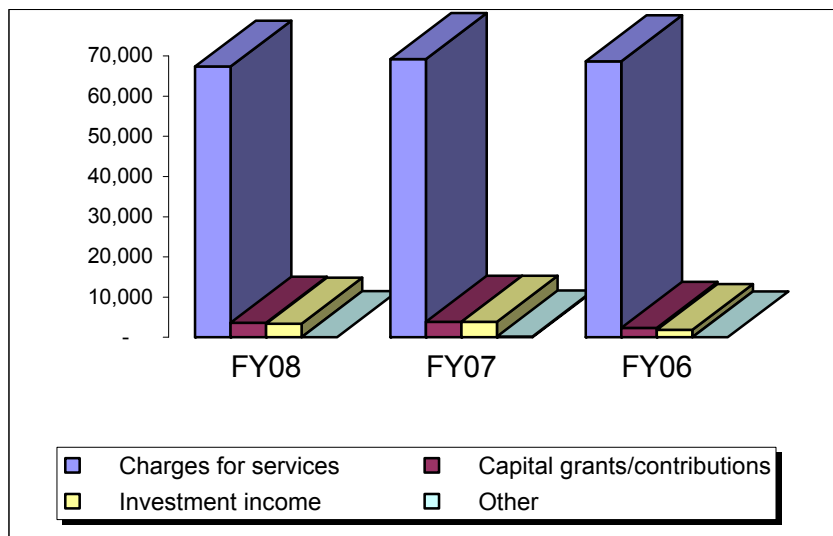


Expenses of the City's governmental activities decreased from \$103.6 million in fiscal year 2007 to \$102.8 million in 2008. The decrease resulted primarily from controlled spending in the general government.

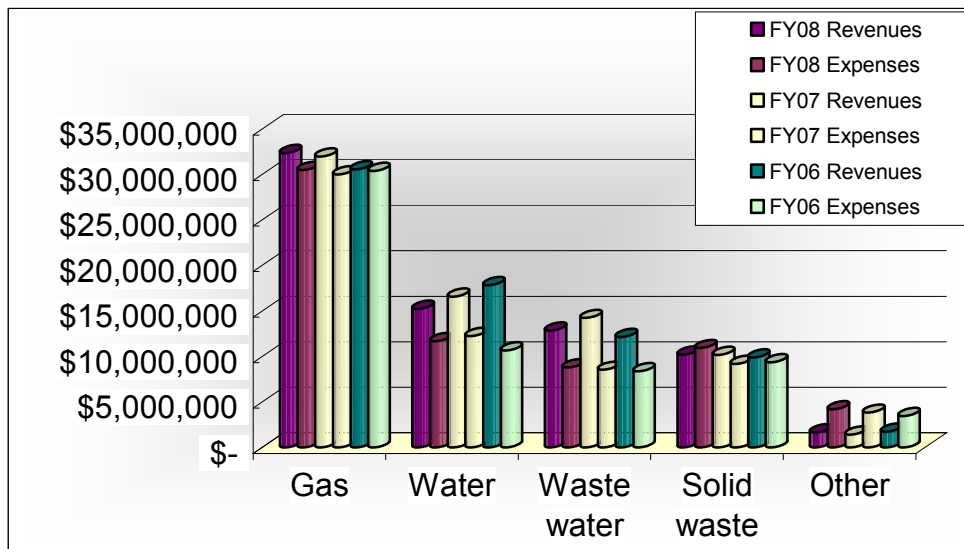
***Business-type Activities***

Business-type activities increased the City's net assets during the current fiscal year by \$10.3 million. Charges from services dropped from \$69.2 million in fiscal year 2007 to \$67.4 million in fiscal year 2008. Expenses increased from \$66.3 million in 2007 to \$69.4 million in 2008, with the Solid Waste fund showing the largest increases overall of approximately \$1.7 million. The Water fund showed a decrease in operating expenditures of approximately \$540,779. Interest on long-term debt increased \$795,835.

**Revenues by Source – Business-type Activities**



**Expenses and Program Revenues – Business-type Activities**



**Financial Analysis of the City's Funds**

The national economic slowdown is reflected in a decreased level of construction activity in the local area. This is evidenced by the fall of single family permits of almost fifty percent from 2007. The total valuation for all types of construction activity fell by over forty percent from 2007.

Although capital grants declined by \$1.27 million from 2007, public works continued to make improvements on streets, facilities, and infrastructure. The repair and rehabilitation of public facilities and maintenance of public parks continues according to the City's master plan.

**Governmental Funds**

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *Unreserved Fund Balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2008, the City's governmental funds reported combined ending fund balances of \$151,454,291, an increase of \$24,073,749 in comparison with the prior year. The General Fund, Telshor Facility, Sonoma Ranch, the 2005 Gross Receipts Tax-City Hall, and Las Cruces Convention Center funds are reported as major governmental funds. The unreserved fund balance in the General Fund is \$36.3 million. The remainder of the General Fund balance is *reserved* to indicate inventories of \$972,057 are not available to be spent. The Telshor Facility has a reserved fund balance of (\$23,899,960). Fund balances of other major governmental funds are unreserved and reported in

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Sonoma Ranch (\$48,750), the 2005 Gross Receipts Tax-City Hall fund (\$22,110,873), and the Las Cruces Convention Center (\$25,480,676). All other funds are combined and reported as non-major governmental funds. Reserved fund balances are reported in other special revenue funds (\$9,953,827), in other capital project funds (\$25,872,156), and debt service (\$6,865,872).

***General Fund***

The General Fund is the chief operating fund of the City. At the end of fiscal year 2008, unreserved fund balance of the general fund was \$36,250,120, while total fund balance reached \$37,222,177. Of the \$36.3 million in unreserved fund balance, \$10.8 million are amounts recorded as receivables from the State, primarily for taxes that will be collected in the ordinary course of business in the next fiscal year. Reducing the \$36.3 million in unreserved fund balance by this amount leaves approximately \$25.5 million in readily available resources that are not part of budgeted inflows for the upcoming year. This amount is 36% of General Fund expenditures for the year, and is one measure of liquidity of the General Fund.

The fund balance of the City's General Fund increased \$631,441 during the current fiscal year, attributed primarily to an increase in taxes, fees, and charges for services.

Differences between the original budget and the final amended budget for revenues increase of approximately \$333,463 for the year. The budget for property tax revenues increased \$317,000 while the budget in fees and fines decreased by \$758,307 due to lower than expected police fines. The budget for investment income increased by \$678,599 due to an increase in projected interest revenue.

Actual revenues for the fiscal year were approximately \$57 thousand less than the final amended budget. There were three significant variances between the budgeted revenues and actual revenues by category. These variances were due to:

- Actual revenues from property tax exceeded budget by approximately \$622 thousand due to an increase in property value assessments.
- Actual revenues from licenses and permits were lower than budgeted revenues by approximately \$1.2 million. This was due to a decrease in construction activity throughout the City.
- Actual revenues from operating grants and contributions exceeded budgeted revenues by \$320 thousand.
- Actual revenues from charges for services were lower than the budgeted revenues by approximately \$200 thousand.

Differences between the original expenditures budget and the final amended expenditures budget totaled approximately \$47,740 and can be briefly summarized as follows:

- The City reduced the budget for salary reserve for general government by \$1.8 million. The salary reserve provides funding for salary and merit increases.
- The City increased the budget for public works by \$605,843 due to increases in electricity costs.
- The City increased the budget for public safety by \$1.1 million for police and fire activities.

Actual expenditures were approximately \$5.5 million less than the final expenditures budget. These variances can be briefly summarized as follows:

- Actual expenditures were \$664 thousand less than budget as public works projects were delayed.
- The general government actual expenditures were approximately \$2.4 million less than the final budget. Activities less than budget within general government include: \$674 thousand for personnel expenditures, \$704 thousand for software, and \$1.0 million for operating costs.
- The actual expenditures for public services were approximately \$1.2 million less than actual expenditures due to reduced operating costs in the library of \$584 thousand and recreation of \$634 thousand.

### ***Telshor Facility***

In accordance with the 40-year lease agreement with LifePoint Hospitals (dba Memorial Medical Center), the final payment for expanded healthcare was made last fiscal year. Property taxes paid on behalf of Memorial Medical Center totaled \$266,790. These payments represent the fourth year of a five year term for property taxes. The tax payments were funded by the lease proceeds in 2004. Increases to the fund balance were attributable to interest income on the investment of the lease proceeds.

### ***2005 Gross Receipts Tax Fund for City Hall***

In September 2005, the City issued gross receipts tax bonds in the amount of \$33 million to fund public improvements and the construction of a new City Hall. The City Hall fund is reported as a major fund in the current year. The project is in the preliminary stages, with architectural and engineering services of \$3.6 million paid during the year. Groundbreaking took place on March 20, 2008. Construction is expected to be completed in October 2009.

### ***Las Cruces Convention Center***

In October 2007, the City secured a loan from New Mexico Finance Authority in the amount of \$27,361,565 to design and construct a convention center to meet the growing demands of the community. The convention center fund is reported as a major fund in the current year. The project is in the preliminary stages, with architectural and engineering services of \$443,782 paid during the year.

### ***Sonoma Ranch***

The Sonoma Ranch fund is major fund in FY2008. The fund was established to account for the reimbursement to the City, through certain assessments, for construction of public works projects in this area. The City secured a \$9.9 million loan from NMFA to finance public works projects. A municipal lien has been recorded on the property that directly benefits from these projects until such time as the amounts due to the City are paid.

### ***Proprietary Funds***

The Gas, Water, Waste Water, and Solid Waste funds are reported as major funds.

Unrestricted net assets of proprietary funds at the end of the year amounted to \$41,539,977.

### ***Gas Utility***

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The revenue budget remained unchanged throughout the fiscal year. Actual gas sales were \$1.2 million less than the final budget, due primarily to a warm winter and lower than planned gas consumption. Additionally, the City is the operator for the Rio Grande Natural Gas Association (RGNGA). During fiscal year 2008, the City was reimbursed \$2.4 million for operational and capital services provided to RGNGA. Total revenues for the year were approximately \$1.3 million less than the final budgeted amount.

The original budget increased slightly during the year with an overall increase of \$368,690 at year end. Of this increase, \$290,419 was attributable to customer service.

Actual expenses were approximately \$3.8 million less than the final amended expenses budget.

These variances can be summarized as follows:

- The budget for personnel expenses was \$469,627 higher than actual expenses because the estimate for employee insurance was high.
- The budget for cost of gas was \$2.3 million more than actual expenses as a warm winter reduced the demand for gas. The negative variance in the cost of gas is also reflected in revenues as the cost of gas is a pass-through cost.
- The budget for customer services was \$696,960 more than actual cost due to personnel vacancies and projects that were postponed.

### ***Water Utility***

The original revenue budget decreased \$76 thousand during the fiscal year due to an increase in provision for uncollectible accounts. Actual water sales were \$2.4 million less than the final budget amount, due primarily to development impact fees over-budget by approximately \$2 million and water rights revenue over-budget by \$400 thousand. The economy was sluggish during the second half of FY08, leading to lower revenues than expected.

The expenditures budget in Water reflects increases in the budget for professional services of \$512,171, repair and maintenance of \$498,000 and customer service of \$169,608. Total budget increases for expenditures from the original budget to the final budget were \$1,038,898.

Actual expenses were \$2,100,827 less than the final expenditures budget. These variances can be summarized as follows:

- Utilities were under budget by \$356,324 due to the reduction in electricity related to the retirement of water wells.
- Professional services were below budget by \$1,166,968 as fees and services related to the water funds studies were lower than expected. The downturn in the economy also fueled the variance as new connections declined.

- The budget for customer services was \$555,515 more than actual due to personnel vacancies and projects that were postponed.

### ***Wastewater Utility***

The revenues budget decreased \$64,401 during the year due to an increase in the provision for uncollectible accounts. Actual revenues for the fiscal year were \$1.2 million less than the final budget, mainly due to the downturn in the economy. The budget for development impact fees exceeded the actual fees by \$1,173,982.

The expenditures budget increased from the original budget to the final budget by \$424,947. The supplies budget increased \$138,761 professional services budget increased \$197,209 and customer service increased \$138,727.

Actual expenditures were approximately \$1.6 million less than the final expenditures budget. These variances can be summarized as follows:

- Personnel expenses were lower than the final budget by \$226,486 due to vacancies in Wastewater.
- Professional services were lower than budget by \$686,845, due largely to a lower than expected cost for wastewater studies. In addition, the sluggish economy resulted in fewer new connections. As the number new subdivisions decreased, so did engineering fees.
- The budget for customer services was \$421,270 more than actual due to personnel vacancies and projects that were postponed.

### ***Solid Waste Utility***

The revenues budget increased \$900,617 from the original budget to the final budget. The final budget for sales revenue increased by \$970,489, while the provision for uncollectible accounts increased by \$69,872. Actual revenues for the fiscal year were \$246,819 less than the final budget, mainly due to the slow down in the economy.

Budgeted expenditures in Solid Waste increased \$908,213 from the original budget to the final budget, with increased in supplies of \$129,320, professional services of \$704,308 and customer service of \$76,385.

Actual expenditures were \$1.6 million less than the final budget. The major variances were due to:

- The budget for personnel expenses was \$357,320 more than actual expenses, mainly due to vacancies in the solid waste department.
- Professional services were lower than budget by \$2.2 million. The budget includes the expense for post closure costs which were \$932,700. The remainder of the \$1.3 million variance is due to lower than expected cost for solid waste studies.

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- The budget for customer services was \$372,953 more than actual due to personnel vacancies and projects that were postponed.

**Debt Service**

**Long-term Debt**

At the end of fiscal year 2008, the City had total long-term debt outstanding of \$173,357,114 in bonds, notes and leases, a net increase of \$47,564,625 over the prior year. During the year, the City had borrowings from NMFA totaling \$57,368,807. Decreases to long-term liabilities include lease principal payments of \$226,221, bond debt service payments of \$7,285,000 and other decreases of \$2,292,961.

**Outstanding Bonds and Liabilities to Financial Institutions 2008**

	Governmental			Business-type			Total		
	2008	2007	Change	2008	2007	Change	2008	2007	Change
Revenue Bonds Outstanding	54,125,000	59,080,000	(4,955,000)	50,200,000	52,530,000	(2,330,000)	104,325,000	111,610,000	(7,285,000)
Notes Payable Outstanding	42,333,919	12,298,853	30,035,066	26,069,790	1,029,010	25,040,780	68,403,709	13,327,863	55,075,846
Capital Leases Outstanding	554,258	770,645	(216,387)	74,147	83,981	(9,834)	628,405	854,626	(226,221)
<b>Total</b>	<b>97,013,177</b>	<b>72,149,498</b>	<b>24,863,679</b>	<b>76,343,937</b>	<b>53,642,991</b>	<b>22,700,946</b>	<b>173,357,114</b>	<b>125,792,489</b>	<b>47,564,625</b>

At the end of fiscal year 2007, the City had total long-term debt outstanding \$125,792,489 in bonds, notes, and leases, a net increase of 22,795,043 over the prior year. During the year, the City had borrowings from NMFA totaling \$12,936,028. Decreases to long-term liabilities include lease principal payments of \$337,742 bond debt service payments of \$7,060,000 and other decreases of \$3,329,973.

**Outstanding Bonds and Liabilities to Financial Institutions 2007**

	Governmental			Business-type			Total		
	2007	2006	Change	2007	2006	Change	2007	2006	Change
Revenue Bonds	59,080,000	64,340,000	(5,260,000)	52,530,000	36,755,000	15,775,000	111,610,000	101,095,000	10,515,000
Direct Fin Lease	-	-	-	-	-	-	-	-	-
Notes Payable	12,298,853	-	12,298,853	1,029,010	810,044	218,966	13,327,863	810,044	12,517,819
Capital Leases	770,645	998,963	(228,318)	83,981	93,439	(9,458)	854,626	1,092,402	(237,776)
<b>Total</b>	<b>72,149,498</b>	<b>65,338,963</b>	<b>6,810,535</b>	<b>53,642,991</b>	<b>37,658,483</b>	<b>15,984,508</b>	<b>125,792,489</b>	<b>102,997,446</b>	<b>22,795,043</b>

Additional information on the City's debt can be found in Note 7.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$434,918,671 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land and building improvements, leasehold improvements, equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets

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for the current fiscal year, net of accumulated depreciation, was 12.3 percent (a 10.8 percent increase for governmental activities and a 10.4 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Completion of several of the City's road projects for expansion and new construction increased the City's infrastructure, facilities, and equipment assets by \$27,625,910 during the year.
- Capital assets contributed by subdivision developers totaled \$7,678,532.
- The retirement of capital assets was \$1,555,292. This includes equipment sold at public auction, and infrastructure assets retired from operations.
- Construction continued on several of the City's utility projects as \$25.6 million was added in utility infrastructure systems and equipment.
- Retirement of utility capital assets totaled \$437,656 this year.

Additional information on the City's capital assets can be found in Note 4.

**Economic Outlook**

The City of Las Cruces, while still experiencing an expanding economy, has not been immune from national economic conditions. Following is a table that contains a number of economic variables that underscore the mixed performance made by the City during the last two fiscal years. The trends show growth in employment and population. The construction industry has shown a sharp drop in fiscal year 2008 and lodging tax receipts are straining under the weight of high energy costs.

<b>Las Cruces Economic Indicators</b>				
Item	FY2008	FY2007	Change	
			Number	Percent
Total Employment (MSA)*	68,625	67,483	1,142	1.7%
Lodging Tax Receipts	\$1,806,211	\$1,810,831	(\$4,620)	-0.3%
Gross Receipts Tax	\$72,665,014	\$68,906,674	\$3,758,340	5.5%
Single Family Building Permits	675	1,294	-619	-47.8%
Total Permit Valuation (Millions)	\$184.8	\$316.0	(\$131.2)	-41.5%
Population Estimate**	89,722	86,160	3,562	4.1%

\* Preliminary - Data for Metropolitan Statistical Area

\*\* Census Bureau Estimates as of July 1

For fiscal year 2008/2009 the economic assumptions call for marked slowdown in growth. The City's largest revenue source is the gross receipts tax (GRT). The recent past has seen

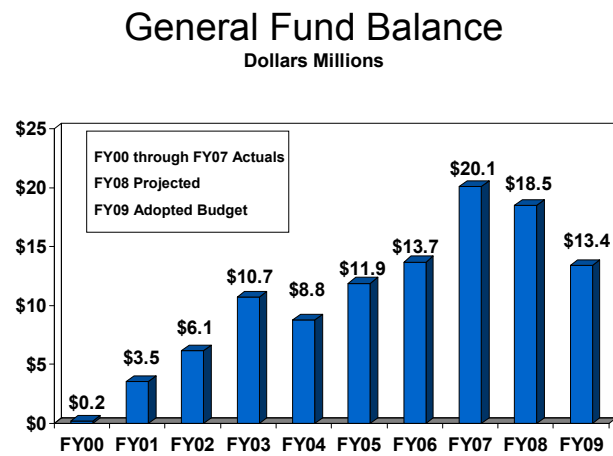


exceptional growth from this source fueled by rapid construction activity centered on residential housing. This changed in fiscal year 2008 in response to national conditions. Single family permits fell by almost half while the total valuation for all types of construction activity was off by over forty percent.

The City continues to benefit from its geographical location and environmental qualities. The outlook calls for overall construction activity to decelerate further to a level that is more in balance between population growth and construction activity. While residential construction will remain sluggish, commercial activity will show gains. Another positive factor is the on going construction of four large projects; a new City Hall, a City Aquatic Center, a Convention Center and a new Federal Court house. These projects will be built over the next four years.

The other significant tax used for funding City government is the property tax. This revenue source, while showing the effects of rapid construction adding to the base value, is more modest in its gains. The State of New Mexico controls the rate of property tax increase allowed based on a formula tied to inflation. While new construction is added to the base, revenue increases on existing properties are subjected to the formula. The formula limits tax gains that would result from increased values on existing property to a measure of inflation. The result is property tax growth that is moderated and relatively stable.

One financial indicator of the City's financial health is change in fund balance for the General Fund. Since this fund is the main source for providing city services, growth in fund balance reflects financial management practices that, while mindful of meeting increasing demands, demonstrate prudent fiscal management grounded in a long run perspective. The following graph depicts the change in General Fund balance.



While the General Fund balances are anticipated to decline over the next two fiscal, the City can continue to provide its citizens services and employees competitive wages because of a healthy fund balance. This ability is a dividend of the City's prudent fiscal management practice focused on a long run perspective.

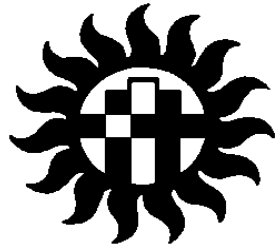
The economy should, however, continue to outpace New Mexico as a whole and Las Cruces is well positioned to benefit when the economy returns to expansionary mode over the next 18 months.

***Requests for Information***

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact

Financial Services Director  
City of Las Cruces  
P.O. Box 20000  
Las Cruces, NM 88004

## Government-Wide Financial Statements



City of Las Cruces

**City of Las Cruces**  
**Statement of Net Assets**  
**June 30, 2008**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Housing Authority	South Central Solid Waste
<b>Assets</b>					
Cash and investments	\$ 144,407,692	\$ 42,923,997	\$ 187,331,689	\$ 3,211,133	\$ 7,139,519
Receivables, net	14,070,016	6,155,689	20,225,705	302,023	238,942
Other assets	1,964,157	2,516,384	4,480,541	459,652	-
Due from other governmental units	17,693,915	709,334	18,403,249	-	-
Due from South Central Solid Waste	4,952,000	-	4,952,000	-	-
Notes receivable	-	2,450,298	2,450,298	-	-
Restricted cash and investments	6,860,131	49,376,330	56,236,461	1,247,089	1,843,107
Capital assets					
Land, improvements, and construction in progress	33,708,049	7,690,640	41,398,689	5,780,360	2,612,510
Other capital assets, net of depreciation	221,344,151	172,175,831	393,519,982	20,659,984	5,583,750
Total capital assets	255,052,200	179,866,471	434,918,671	26,440,344	8,196,260
Total assets	445,000,111	283,998,503	728,998,614	31,660,241	17,417,828
<b>Liabilities</b>					
Accounts payable and accrued liabilities	9,683,670	5,857,325	15,540,995	420,776	125,879
Customer deposits	-	1,528,921	1,528,921	143,096	-
Unearned revenue	17,572,374	435,474	18,007,848	-	-
Other liabilities	-	-	-	845,938	-
Long-term liabilities					
Due within one year	9,931,119	4,748,081	14,679,200	225,176	657,429
Due in more than one year	101,801,175	77,013,931	178,815,106	10,159,776	6,074,837
Total liabilities	138,988,338	89,583,732	228,572,070	11,794,762	6,858,145
<b>Net Assets</b>					
Invested in capital assets, net of related debt	146,327,415	103,498,464	249,825,879	13,814,887	3,244,260
Restricted for					
Housing	-	-	-	678,602	-
Community development	27,028	-	27,028	-	-
Debt service	6,865,872	47,847,409	54,713,281	-	-
Capital projects	25,872,156	-	25,872,156	-	-
Customer deposits	-	1,528,921	1,528,921	-	-
Closure/post-closure	-	-	-	-	1,843,107
Unrestricted	126,919,302	41,539,977	168,459,279	5,371,990	5,472,316
Total net assets	\$ 306,011,773	\$ 194,414,771	\$ 500,426,544	\$ 19,865,479	\$ 10,559,683

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

**City of Las Cruces**  
**Statement of Activities**  
**For the Year Ended June 30, 2008**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
General government	\$ 16,559,647	\$ 4,676,502	\$ 540,150	\$ 2,531,280
Facilities	9,856,973	-	-	-
Police	23,813,967	2,040,571	1,669,271	-
Fire	11,289,794	161,482	439,613	-
Community development	5,047,190	3,644,178	2,409,674	-
Public services	12,525,345	3,942,047	1,262,016	-
Public works	19,727,885	2,249,338	10,788	11,507,539
Interest on long-term debt	4,003,447	-	-	-
Total governmental activities	<u>102,824,248</u>	<u>16,714,118</u>	<u>6,331,512</u>	<u>14,038,819</u>
Business-type activities				
Gas	30,504,093	31,991,356	-	334,638
Water	13,560,715	13,940,894	-	1,262,860
Waste water	10,233,620	10,910,380	-	1,926,330
Solid waste	10,953,036	10,194,037	-	-
Transit	4,067,340	324,868	1,188,454	118,203
Alternative fuel	117,756	-	-	-
Total business-type activities	<u>69,436,560</u>	<u>67,361,535</u>	<u>1,188,454</u>	<u>3,642,031</u>
Total primary government	<u>\$ 172,260,808</u>	<u>\$ 84,075,653</u>	<u>\$ 7,519,966</u>	<u>\$ 17,680,850</u>
<b>Component units</b>				
Solid waste	\$ 3,416,738	\$ 5,148,834	\$ -	\$ -
Housing	8,283,504	1,819,201	5,792,147	2,641,690
Total component unit	<u>\$ 11,700,242</u>	<u>\$ 6,968,035</u>	<u>\$ 5,792,147</u>	<u>\$ 2,641,690</u>
<b>General revenues</b>				
Taxes				
Gross receipts				
Property				
Franchise				
Investment income				
Telshor Facility income				
Other				
<b>Transfers</b>				
Total general revenues and transfers				
Change in net assets				
Fund balances, beginning of year, as previously reported				
Restatement (Note 20)				
Net assets, beginning of year, restated (Note 20)				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Public Housing Authority	South Central Solid Waste Authority
\$ (8,811,715)		\$ (8,811,715)		
(9,856,973)		(9,856,973)		
(20,104,125)		(20,104,125)		
(10,688,699)		(10,688,699)		
1,006,662		1,006,662		
(7,321,282)		(7,321,282)		
(5,960,220)		(5,960,220)		
(4,003,447)		(4,003,447)		
<u>(65,739,799)</u>		<u>(65,739,799)</u>		
-	\$ 1,821,901	1,821,901		
-	1,643,039	1,643,039		
-	2,603,090	2,603,090		
-	(758,999)	(758,999)		
-	(2,435,815)	(2,435,815)		
-	(117,756)	(117,756)		
-	<u>2,755,460</u>	<u>2,755,460</u>		
<u>(65,739,799)</u>	<u>2,755,460</u>	<u>(62,984,339)</u>		
			\$ -	\$ 1,732,096
			<u>1,969,534</u>	<u>-</u>
			<u>1,969,534</u>	<u>1,732,096</u>
77,079,883	-	77,079,883	-	-
10,890,542	-	10,890,542	-	-
2,984,926	-	2,984,926	-	-
3,842,224	3,408,223	7,250,447	118,742	367,106
266,790	-	266,790	-	-
2,834,779	40,222	2,875,001	-	-
(4,083,301)	<u>4,083,301</u>	-	-	-
<u>93,815,843</u>	<u>7,531,746</u>	<u>101,347,589</u>	<u>118,742</u>	<u>367,106</u>
<u>28,076,044</u>	<u>10,287,206</u>	<u>38,363,250</u>	<u>2,088,276</u>	<u>2,099,202</u>
279,323,313	184,127,565	463,450,878	17,777,203	8,460,481
1,387,584	-	1,387,584	-	-
<u>277,935,729</u>	<u>184,127,565</u>	<u>462,063,294</u>	<u>17,777,203</u>	<u>8,460,481</u>
<u>\$ 306,011,773</u>	<u>\$ 194,414,771</u>	<u>\$ 500,426,544</u>	<u>\$ 19,865,479</u>	<u>\$ 10,559,683</u>

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

**City of Las Cruces**  
**Balance Sheet—Governmental Funds**  
**June 30, 2008**

	General Fund	Telshor Facility	Sonoma Ranch
<b>Assets</b>			
Cash and investments	\$ 27,758,817	\$ 23,978,241	\$ 48,750
Restricted cash and investments	-	-	-
Receivables, net	660,858	27,913	7,891,641
Due from other funds	714,449	-	-
Due from other governmental units	10,780,520	-	-
Inventories	972,057	-	-
Total assets	<u>\$ 40,886,701</u>	<u>\$ 24,006,154</u>	<u>\$ 7,940,391</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 1,465,007	\$ 106,194	\$ -
Due to other governments	2,861	-	-
Due to other funds	-	-	-
Accrued liabilities	2,055,629	-	-
Deferred revenue	141,027	-	7,891,641
Total liabilities	<u>3,664,524</u>	<u>106,194</u>	<u>7,891,641</u>
<b>Fund balances</b>			
Reserved for			
Inventories	972,057	-	-
Health care related programs	-	23,899,960	-
Unreserved, reported in			
General fund	36,250,120	-	-
Special revenue funds	-	-	48,750
Debt service funds	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>37,222,177</u>	<u>23,899,960</u>	<u>48,750</u>
Total liabilities and fund balance	<u>\$ 40,886,701</u>	<u>\$ 24,006,154</u>	<u>\$ 7,940,391</u>

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

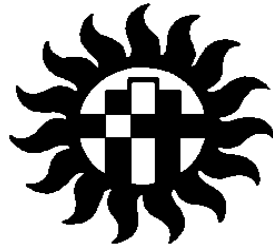


2005 GRT Bond New City Hall	Las Cruces Convention Center	Other Governmental Funds	Total Governmental Funds
\$ 23,462,763	\$ 25,730,947	\$ 35,792,164	\$ 136,771,682
-	-	6,860,131	6,860,131
81,821	-	5,382,001	14,044,234
-	-	-	714,449
-	-	6,903,048	17,683,568
-	-	-	972,057
<u>\$ 23,544,584</u>	<u>\$ 25,730,947</u>	<u>\$ 54,937,344</u>	<u>\$ 177,046,121</u>

\$ 1,433,711	\$ 250,271	\$ 3,665,136	\$ 6,920,319
-	-	-	2,861
-	-	714,449	714,449
-	-	121,680	2,177,309
-	-	7,744,224	15,776,892
<u>1,433,711</u>	<u>250,271</u>	<u>12,245,489</u>	<u>25,591,830</u>

-	-	-	972,057
-	-	-	23,899,960
-	-	-	36,250,120
-	-	9,953,827	10,002,577
-	-	6,865,872	6,865,872
<u>22,110,873</u>	<u>25,480,676</u>	<u>25,872,156</u>	<u>73,463,705</u>
<u>22,110,873</u>	<u>25,480,676</u>	<u>42,691,855</u>	<u>151,454,291</u>
<u>\$ 23,544,584</u>	<u>\$ 25,730,947</u>	<u>\$ 54,937,344</u>	<u>\$ 177,046,121</u>

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



City of Las Cruces

**City of Las Cruces**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2008**

Total fund balances for governmental funds	\$ 151,454,291
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	254,073,673
The amount due from South Central Solid Waste Authority is not available to pay for current-period expenditures and is, therefore, not reported in the funds.	4,952,000
Bond issuance costs of \$695,936 are expensed for fund financial statements versus capitalized for government-wide financial statements (less accumulated amortization of \$43,960).	651,976
A portion of the assets (including capital assets \$978,527) and liabilities (including long-term debt of \$4,844,086) of internal service funds are included in governmental activities in the statement of net assets.	3,560,662
Telshor facility lease payments received are deferred in the statement of net assets and recognized over the lease term.	(1,792,621)
Some liabilities, including long-term obligations, applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported in the funds.	<u>(106,888,208)</u>
Net assets of governmental activities	<u><u>\$ 306,011,773</u></u>

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

**City of Las Cruces**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance—*Governmental Funds***  
**For the Year Ended June 30, 2008**

	General Fund	Telshor Facility	Sonoma Ranch
<b>Revenues</b>			
Taxes	\$ 72,043,739	\$ -	\$ -
Charges for services	1,104,486	-	-
Fees and fines	1,295,959	-	-
Franchise fees	2,677,024	-	-
Investment income	1,065,656	(1,019,211)	104,668
Licenses and permits	1,941,912	-	-
Intergovernmental	1,323	-	-
Other	4,409,260	356,322	1,711,712
Total revenues	<u>84,539,359</u>	<u>(662,889)</u>	<u>1,816,380</u>
<b>Expenditures</b>			
Current			
General government	12,667,402	266,790	-
Facilities	9,028,708	-	-
Police	19,114,476	-	-
Fire	9,145,102	-	-
Community development	2,731,683	-	-
Public services	7,379,389	-	-
Public works	8,707,086	-	-
Capital outlay	1,918,748	-	-
Debt service			
Principal	216,387	-	-
Interest and other charges	46,162	-	-
Total expenditures	<u>70,955,143</u>	<u>266,790</u>	<u>-</u>
Revenues over (under) expenditures	<u>13,584,216</u>	<u>(929,679)</u>	<u>1,816,380</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	1,354,930	-	-
Transfers out	(14,307,705)	-	(1,768,010)
Total other financing sources (uses)	<u>(12,952,775)</u>	<u>-</u>	<u>(1,768,010)</u>
Net change in fund balances	<u>631,441</u>	<u>(929,679)</u>	<u>48,370</u>
Fund balances, beginning of year, as previously reported	36,590,736	24,829,639	380
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	<u>36,590,736</u>	<u>24,829,639</u>	<u>380</u>
Fund balances, end of year	<u>\$ 37,222,177</u>	<u>\$ 23,899,960</u>	<u>\$ 48,750</u>

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

2005 GRT Bond New City Hall	Las Cruces Convention Center	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 18,911,612	\$ 90,955,351
-	-	255,080	1,359,566
-	-	639,134	1,935,093
-	-	-	2,677,024
1,081,748	424,458	1,922,937	3,580,256
-	-	21,449	1,963,361
-	-	12,564,712	12,566,035
-	-	5,553,387	12,030,681
<u>1,081,748</u>	<u>424,458</u>	<u>39,868,311</u>	<u>127,067,367</u>
-	-	3,162,190	16,096,382
-	-	506	9,029,214
-	-	3,772,714	22,887,190
-	-	1,475,525	10,620,627
-	-	2,274,118	5,005,801
-	-	4,058,313	11,437,702
-	33,681	2,168,707	10,909,474
3,589,494	410,101	26,424,406	32,342,749
-	-	7,044,491	7,260,878
-	-	3,957,285	4,003,447
<u>3,589,494</u>	<u>443,782</u>	<u>54,338,255</u>	<u>129,593,464</u>
<u>(2,507,746)</u>	<u>(19,324)</u>	<u>(14,469,944)</u>	<u>(2,526,097)</u>
-	25,500,000	6,684,395	32,184,395
-	-	157,755	157,755
1,400,000	-	22,717,932	25,472,862
-	-	(13,751,867)	(29,827,582)
<u>1,400,000</u>	<u>25,500,000</u>	<u>15,808,215</u>	<u>27,987,430</u>
<u>(1,107,746)</u>	<u>25,480,676</u>	<u>1,338,271</u>	<u>25,461,333</u>
23,218,619	-	42,322,707	126,962,081
-	-	(1,387,584)	(1,387,584)
<u>23,218,619</u>	<u>-</u>	<u>40,935,123</u>	<u>125,574,497</u>
<u>\$ 22,110,873</u>	<u>\$ 25,480,676</u>	<u>\$ 42,273,394</u>	<u>\$ 151,035,830</u>

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

**City of Las Cruces**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balance of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2008**

**Net change in fund balances—governmental funds** \$ 25,461,333

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$32,342,749 exceeded depreciation expense of \$12,547,659. 19,795,090

Bond issuance costs are amortized to interest expense over the life of the bond in the statement of activities. This is the current year amortization. (15,067)

Proceeds from the issuance of long-term obligations provide current financial resources to governmental funds and increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the current year principal repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds of \$32,184,395 exceeded repayments of \$7,260,878 and the change in bond premium/discount of \$49,003. (24,874,514)

Principal payments by South Central Solid Waste to the City's debt service fund are reported as revenue in the debt service fund but reduce assets on the statement of net assets. (574,583)

The change in the liability for compensated absences affects expenses reported in the statement of activities but does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds. (57,755)

Revenues from donated capital assets are reported in the statement of activities, but do not provide current financial resources and are not reported as revenues in the governmental funds. 7,804,296

Payments received related to the Telshor facility lease are recognized over the term of the lease in the statement of net assets, but not in the funds. This is the amount recognized in the current year. 266,790

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. A portion of the change in net assets of internal service funds is reported with governmental activities. 270,454

**Change in net assets of governmental activities** \$ 28,076,044

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

**City of Las Cruces**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2008**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2007)**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 62,300,000	\$ 62,297,000	\$ 62,489,662	\$ 192,662	\$ 58,978,367
Property	6,838,311	7,155,351	7,777,195	621,844	6,683,471
Utility franchise	1,198,788	1,198,788	1,199,817	1,029	1,187,938
Total local taxes	<u>70,337,099</u>	<u>70,651,139</u>	<u>71,466,674</u>	<u>815,535</u>	<u>66,849,776</u>
State-shared taxes	460,528	496,998	577,065	80,067	555,546
Charges for services	1,067,368	1,304,015	1,104,486	(199,529)	1,282,314
Fees and fines	2,025,750	1,267,443	1,295,959	28,516	1,951,288
Franchise fees	2,602,490	2,615,678	2,677,024	61,346	2,456,015
Investment income	369,662	1,048,261	1,065,656	17,395	1,140,395
Licenses and permits	3,152,917	3,120,511	1,941,912	(1,178,599)	3,405,822
Operating grants and contributions	322,643	3,000	1,323	(1,677)	300,125
Other	3,924,403	4,089,278	4,409,260	319,982	4,466,100
	<u>13,925,761</u>	<u>13,945,184</u>	<u>13,072,685</u>	<u>(872,499)</u>	<u>15,557,605</u>
Total revenues	<u>84,262,860</u>	<u>84,596,323</u>	<u>84,539,359</u>	<u>(56,964)</u>	<u>82,407,381</u>
<b>Expenditures</b>					
Current					
General government	17,178,396	15,061,083	12,667,402	2,393,681	12,218,594
Facilities	9,479,640	9,804,911	9,028,708	776,203	8,919,653
Police	18,126,444	18,710,797	19,114,476	(403,679)	17,315,238
Fire	8,768,801	9,234,640	9,145,102	89,538	8,304,048
Community development	3,229,496	3,036,506	2,731,683	304,823	2,655,801
Public services	8,730,849	8,561,989	7,379,389	1,182,600	7,128,562
Public works	8,735,123	9,340,966	8,707,086	633,880	7,182,957
Capital outlay	1,687,310	2,137,427	1,918,748	218,679	1,879,402
Debt service					
Principal	552,000	552,000	216,387	335,613	288,156
Interest	41,666	41,666	46,162	(4,496)	51,208
Total expenditures	<u>76,529,725</u>	<u>76,481,985</u>	<u>70,955,143</u>	<u>5,526,842</u>	<u>65,943,619</u>
Revenues over expenditures	<u>7,733,135</u>	<u>8,114,338</u>	<u>13,584,216</u>	<u>5,469,878</u>	<u>16,463,762</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	998,890	1,355,045	1,354,930	(115)	799,504
Transfers out	(10,796,966)	(14,424,841)	(14,307,705)	117,136	(10,824,143)
Total other financing sources (uses)	<u>(9,798,076)</u>	<u>(13,069,796)</u>	<u>(12,952,775)</u>	<u>117,021</u>	<u>(10,024,639)</u>
Net change in fund balance	(2,064,941)	(4,955,458)	631,441	5,586,899	6,439,123
Fund balance, beginning of year	<u>36,590,736</u>	<u>36,590,736</u>	<u>36,590,736</u>	<u>-</u>	<u>30,151,613</u>
<b>Fund balance, end of year</b>	<u>\$ 34,525,795</u>	<u>\$ 31,635,278</u>	<u>\$ 37,222,177</u>	<u>\$ 5,586,899</u>	<u>\$ 36,590,736</u>

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

**City of Las Cruces**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual**  
**Telshor Facility**  
**For the Year Ended June 30, 2008**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2007)**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 750,000	\$ 750,000	\$ (1,019,211)	\$ (1,769,211)	\$ 1,302,400
Other	-	-	<u>356,322</u>	<u>356,322</u>	<u>465,643</u>
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>(662,889)</u>	<u>(1,412,889)</u>	<u>1,768,043</u>
<b>Expenditures</b>					
General government	<u>3,850,000</u>	<u>270,000</u>	<u>266,790</u>	<u>(3,210)</u>	<u>2,972,909</u>
Total expenditures	<u>3,850,000</u>	<u>270,000</u>	<u>266,790</u>	<u>(3,210)</u>	<u>2,972,909</u>
Net change in fund balance	(3,100,000)	480,000	<b>(929,679)</b>	(1,409,679)	(1,204,866)
Fund balance, beginning of year	<u>24,829,639</u>	<u>24,829,639</u>	<u>24,829,639</u>	-	<u>26,034,505</u>
<b>Fund balance, end of year</b>	<u>\$ 21,729,639</u>	<u>\$ 25,309,639</u>	<u>\$ 23,899,960</u>	<u>\$ (1,409,679)</u>	<u>\$ 24,829,639</u>

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



**City of Las Cruces**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual**  
**Sonoma Ranch**  
**For the Year Ended June 30, 2008**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2007)**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (expense)	\$ -	\$ -	\$ 104,668	\$ 104,668	\$ 380
Other	-	1,768,390	1,711,712	(56,678)	-
Total revenues	-	1,768,390	1,816,380	47,990	380
<b>Other Financing Sources (Uses)</b>					
Transfers out	-	(1,768,010)	(1,768,010)	-	-
Total other financing sources (uses)	-	(1,768,010)	(1,768,010)	-	-
Net change in fund balance	-	380	48,370	47,990	380
Fund balance, beginning of year	380	380	380	-	-
<b>Fund balance, end of year</b>	<b>\$ 380</b>	<b>\$ 760</b>	<b>\$ 48,750</b>	<b>\$ 47,990</b>	<b>\$ 380</b>

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

**City of Las Cruces**  
**Statement of Net Assets—Proprietary Funds**  
**June 30, 2008**

	Gas	Water	Waste Water
<b>Assets</b>			
Current assets			
Cash and investments	\$ 9,925,736	\$ 9,427,670	\$ 14,234,514
Accounts receivable, net of allowance for uncollectible accounts	3,034,201	1,372,335	848,939
Due from other governments	-	9,845	553,031
Inventories	750,428	556,575	152,141
Total current assets	<u>13,710,365</u>	<u>11,366,425</u>	<u>15,788,625</u>
Noncurrent assets			
Restricted cash and investments	533,017	27,945,749	19,674,537
Notes receivable	-	1,715,009	735,289
Other	-	422,447	256,635
Capital assets	53,560,706	101,011,651	100,505,225
Less accumulated depreciation	<u>(25,736,749)</u>	<u>(27,295,741)</u>	<u>(28,961,317)</u>
Net capital assets	<u>27,823,957</u>	<u>73,715,910</u>	<u>71,543,908</u>
Total noncurrent assets	<u>28,356,974</u>	<u>103,799,115</u>	<u>92,210,369</u>
Total assets	<u>42,067,339</u>	<u>115,165,540</u>	<u>107,998,994</u>

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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ 5,688,183	\$ 481,618	\$ 39,757,721	\$ 10,802,287
875,421	5,236	6,136,132	45,341
-	136,517	699,393	20,288
-	-	1,459,144	666,906
<u>6,563,604</u>	<u>623,371</u>	<u>48,052,390</u>	<u>11,534,822</u>
1,223,027	-	49,376,330	-
-	-	2,450,298	-
-	51,377	730,459	-
11,925,558	6,141,911	273,145,051	10,025,337
<u>(8,734,120)</u>	<u>(3,489,367)</u>	<u>(94,217,294)</u>	<u>(8,108,096)</u>
<u>3,191,438</u>	<u>2,652,544</u>	<u>178,927,757</u>	<u>1,917,241</u>
<u>4,414,465</u>	<u>2,703,921</u>	<u>231,484,844</u>	<u>1,917,241</u>
<u>10,978,069</u>	<u>3,327,292</u>	<u>279,537,234</u>	<u>13,452,063</u>

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

**City of Las Cruces**  
**Statement of Net Assets—Proprietary Funds**  
**June 30, 2008**

	Gas	Water	Waste Water
<b>Liabilities</b>			
Current liabilities			
Accounts and contracts payable	1,187,384	837,913	1,610,756
Accrued liabilities	198,492	660,932	456,177
Deferred revenue	-	435,474	-
Current portion of noncurrent liabilities	95,941	1,991,016	1,446,576
Total current liabilities	<u>1,481,817</u>	<u>3,925,335</u>	<u>3,513,509</u>
Noncurrent liabilities			
Customer deposits	533,017	482,052	464,359
Revenue bonds payable	-	25,833,858	21,064,918
Notes payable	-	14,962,962	10,023,054
Capital leases	-	-	-
Compensated absences	143,174	112,300	87,082
Claims	-	-	-
Accrued landfill closure cost	-	-	-
Total noncurrent liabilities	<u>676,191</u>	<u>41,391,172</u>	<u>31,639,413</u>
Total liabilities	<u>2,158,008</u>	<u>45,316,507</u>	<u>35,152,922</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	27,823,957	30,956,149	39,031,130
Restricted for customer deposits	533,017	482,052	464,359
Restricted for debt service	-	27,463,697	19,210,178
Unrestricted	11,552,357	10,947,135	14,140,405
Total net assets	<u>\$ 39,909,331</u>	<u>\$ 69,849,033</u>	<u>\$ 72,846,072</u>

Net assets of business-type activities in the statement of net assets are different because a portion of the assets (including capital assets of \$938,714) and liabilities (including long-term debt of \$1,762,666) of internal service funds are included in business-type activities on the statement of net assets

Net assets of business-type activities

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

continued

<u>Enterprise Funds</u>			
<u>Solid Waste</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
252,174	144,255	4,032,482	824,593
117,168	63,652	1,496,421	90,069
-	-	435,474	-
<u>725,882</u>	<u>20,429</u>	<u>4,279,844</u>	<u>1,769,789</u>
<u>1,095,224</u>	<u>228,336</u>	<u>10,244,221</u>	<u>2,684,451</u>
49,493	-	1,528,921	-
-	-	46,898,776	-
890,389	-	25,876,405	-
-	-	-	-
102,896	81,717	527,169	206,880
-	-	-	4,629,885
<u>2,417,152</u>	<u>-</u>	<u>2,417,152</u>	<u>-</u>
<u>3,459,930</u>	<u>81,717</u>	<u>77,248,423</u>	<u>4,836,765</u>
<u>4,555,154</u>	<u>310,053</u>	<u>87,492,644</u>	<u>7,521,216</u>
2,095,970	2,652,544	102,559,750	1,917,241
49,493	-	1,528,921	-
1,173,534	-	47,847,409	-
<u>3,103,918</u>	<u>364,695</u>	<u>40,108,510</u>	<u>4,013,606</u>
<u>\$ 6,422,915</u>	<u>\$ 3,017,239</u>	<u>192,044,590</u>	<u>\$ 5,930,847</u>
		<u>2,370,181</u>	
		<u>\$ 194,414,771</u>	

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

**City of Las Cruces**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2008**

	Gas	Water	Waste Water
<b>Operating Revenues</b>			
Sales/charges	\$ 29,462,555	\$ 13,552,263	\$ 10,668,055
Provision for uncollectible accounts	<u>(158,506)</u>	<u>(64,669)</u>	<u>(54,570)</u>
Net sales/charges	<u>29,304,049</u>	<u>13,487,594</u>	<u>10,613,485</u>
Utility extension/service fee	219,094	73,428	34,238
Rentals	-	12,495	-
Other	<u>2,468,213</u>	<u>367,377</u>	<u>262,657</u>
Total operating revenues	<u>31,991,356</u>	<u>13,940,894</u>	<u>10,910,380</u>
<b>Operating Expenses</b>			
Personnel services	3,166,201	2,131,573	2,323,794
Cost of gas purchased	19,721,611	-	-
Supplies	198,848	402,170	609,954
Utilities	25,517	1,532,026	563,156
Professional services	413,451	1,578,115	954,988
Motor pool charges	-	-	-
Motor fuel	-	-	-
Repairs and maintenance	949,683	1,290,099	550,069
Rent	2,851	19,240	14,211
Depreciation and amortization	1,787,017	1,836,529	2,085,160
Payment in lieu of taxes	665,451	328,664	305,767
Administrative charges from other funds	512,566	518,058	491,900
Customer service	2,778,889	1,830,909	772,933
Accrued post closure costs	-	-	-
Claims and judgments	-	-	-
Insurance	151,060	88,235	50,420
Other	<u>85,324</u>	<u>86,592</u>	<u>11,052</u>
Total operating expenses	<u>30,458,469</u>	<u>11,642,210</u>	<u>8,733,404</u>
Operating income (loss)	<u>1,532,887</u>	<u>2,298,684</u>	<u>2,176,976</u>

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

Enterprise Funds

Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ 10,226,565	\$ 320,741	\$ 64,230,179	\$ 10,017,940
(58,605)	-	(336,350)	-
<u>10,167,960</u>	<u>320,741</u>	<u>63,893,829</u>	<u>10,017,940</u>
-	-	326,760	-
12,935	-	25,430	860,324
13,142	4,127	3,115,516	-
<u>10,194,037</u>	<u>324,868</u>	<u>67,361,535</u>	<u>10,878,264</u>
2,430,154	2,550,999	12,602,721	3,467,780
-	-	19,721,611	-
522,450	129,701	1,863,123	2,792,120
28,058	39,040	2,187,797	267,643
2,664,685	129,978	5,741,217	306,340
-	375,951	375,951	-
-	302,234	302,234	-
1,597,101	146,954	4,533,906	712,400
65,884	-	102,186	198,174
652,973	458,877	6,820,556	497,930
206,631	-	1,506,513	-
214,583	-	1,737,107	-
1,466,914	-	6,849,645	-
932,700	-	932,700	-
-	-	-	2,836,846
103,601	27,720	421,036	142,372
6,088	323	189,379	46,719
<u>10,891,822</u>	<u>4,161,777</u>	<u>65,887,682</u>	<u>11,268,324</u>
<u>(697,785)</u>	<u>(3,836,909)</u>	<u>1,473,853</u>	<u>(390,060)</u>

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

**City of Las Cruces**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2008**

	Gas	Water	Waste Water
<b>Nonoperating Revenues (Expenses)</b>			
Gain (loss) on sale of capital assets	13,500	4,300	-
Investment income	431,004	1,279,651	1,412,462
Grants and contributions	334,638	1,262,860	1,926,330
Interest expense	(25,845)	(1,882,030)	(1,466,286)
Total nonoperating revenue (expense)	<u>753,297</u>	<u>664,781</u>	<u>1,872,506</u>
Income (loss) before transfers	<u>2,286,184</u>	<u>2,963,465</u>	<u>4,049,482</u>
Transfers in	-	1,261,506	335,024
Transfers out	<u>(54,400)</u>	<u>-</u>	<u>-</u>
Change in fund net assets	2,231,784	4,224,971	4,384,506
Fund net assets, beginning of year	<u>37,677,547</u>	<u>65,624,062</u>	<u>68,461,566</u>
<b>Fund net assets, end of year</b>	<u><u>\$ 39,909,331</u></u>	<u><u>\$ 69,849,033</u></u>	<u><u>\$ 72,846,072</u></u>

Some amounts reported for *business-type activities* in the statement of activities are different because the change in net assets of certain internal service funds is reported with business-type activities.

Change in net assets of business-type activities



continued

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
22,422	-	40,222	-
177,858	-	3,300,975	369,223
-	1,306,657	4,830,485	-
<u>(47,595)</u>	<u>-</u>	<u>(3,421,756)</u>	<u>-</u>
<u>152,685</u>	<u>1,306,657</u>	<u>4,749,926</u>	<u>369,223</u>
<u>(545,100)</u>	<u>(2,530,252)</u>	<u>6,223,779</u>	<u>(20,837)</u>
-	2,447,952	4,044,482	623,421
<u>-</u>	<u>(15,500)</u>	<u>(69,900)</u>	<u>(243,283)</u>
(545,100)	(97,800)	10,198,361	359,301
<u>6,968,015</u>	<u>3,115,039</u>	<u>181,846,229</u>	<u>5,571,546</u>
<u>\$ 6,422,915</u>	<u>\$ 3,017,239</u>	<u>192,044,590</u>	<u>\$ 5,930,847</u>
		<u>88,845</u>	
		<u>\$ 10,287,206</u>	

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

**City of Las Cruces**  
**Statement of Cash Flows—Proprietary Funds**  
**For the Year Ended June 30, 2008**

	Gas	Water	Waste Water
<b>Cash flows from operating activities</b>			
Cash received from customers (including other funds)	\$ 28,418,569	\$ 13,230,525	\$ 10,587,844
Cash paid to suppliers	(25,602,840)	(7,617,576)	(3,396,973)
Cash paid to employees	(3,160,080)	(2,209,304)	(2,396,355)
Claims paid	-	-	-
Other receipts	2,468,213	367,377	262,657
Net cash provided (used) by operating activities	<u>2,123,862</u>	<u>3,771,022</u>	<u>5,057,173</u>
<b>Cash flows from noncapital financing activities</b>			
Grants and contributions	334,638	1,262,860	1,373,299
Transfers in	-	1,261,506	335,024
Transfers out	(54,400)	-	-
Loans for development impact fees	-	136,562	346,888
Net cash provided (used) by noncapital financing activities	<u>280,238</u>	<u>2,660,928</u>	<u>2,055,211</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(1,572,201)	(9,928,975)	(14,807,705)
Proceeds from sale of assets	-	4,300	22,335
Acquisition of assets	-	-	-
Proceeds from revenue bonds and notes payable	-	14,622,323	9,450,977
Principal paid: revenue bonds/lease purchase/advances	-	(1,613,714)	(753,120)
Interest paid on revenue bonds/lease purchase/advances	(25,845)	(1,882,030)	(1,466,286)
Net cash provided (used) by capital and related financing activities	<u>(1,598,046)</u>	<u>1,201,904</u>	<u>(7,553,799)</u>
<b>Cash flows from investing activities</b>			
Interest received	431,004	1,279,651	1,412,462
Net cash provided (used) by investing activities	<u>431,004</u>	<u>1,279,651</u>	<u>1,412,462</u>
Net increase (decrease) in pooled cash and investments	1,237,058	8,913,505	971,047
Cash and investments, beginning of year	<u>9,221,695</u>	<u>28,459,914</u>	<u>32,938,004</u>
Cash and investments, end of year	<u>\$ 10,458,753</u>	<u>\$ 37,373,419</u>	<u>\$ 33,909,051</u>

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

Enterprise Funds			
Solid Waste	Other Enterprise	Totals	Internal Service Funds
\$ 10,057,760	\$ 317,505	\$ 62,612,203	\$ 13,789,466
(6,850,549)	(1,008,590)	(44,476,528)	(7,065,544)
(2,444,112)	(2,626,228)	(12,836,079)	(3,301,413)
-	-	-	(2,316,502)
13,142	4,125	3,115,514	-
<u>776,241</u>	<u>(3,313,188)</u>	<u>8,415,110</u>	<u>1,106,007</u>
-	1,289,868	4,260,665	-
-	2,447,952	4,044,482	623,421
-	(15,500)	(69,900)	(243,283)
-	-	483,450	-
<u>-</u>	<u>3,722,320</u>	<u>8,718,697</u>	<u>380,138</u>
(561,424)	-	(26,870,305)	(500,612)
22,422	-	49,057	-
-	(135,228)	(135,228)	-
1,111,112	-	25,184,412	-
(99,625)	-	(2,466,459)	-
<u>(47,595)</u>	<u>-</u>	<u>(3,421,756)</u>	<u>-</u>
<u>424,890</u>	<u>(135,228)</u>	<u>(7,660,279)</u>	<u>(500,612)</u>
177,858	-	3,300,975	369,223
<u>177,858</u>	<u>-</u>	<u>3,300,975</u>	<u>369,223</u>
1,378,989	273,904	12,774,503	1,354,756
<u>5,532,221</u>	<u>207,714</u>	<u>76,359,548</u>	<u>9,447,530</u>
<u>\$ 6,911,210</u>	<u>\$ 481,618</u>	<u>\$ 89,134,051</u>	<u>\$ 10,802,287</u>

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

**City of Las Cruces**  
**Statement of Cash Flows—Proprietary Funds**  
**For the Year Ended June 30, 2008**

	Gas	Water	Waste Water
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 1,532,887	\$ 2,298,684	\$ 2,176,976
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	1,787,017	1,836,529	2,085,160
Provision for uncollectible accounts	158,506	64,669	54,570
Increase in liability for landfill closure costs	-	-	-
Change in assets and liabilities			
Accounts receivable	(527,178)	(335,616)	(59,112)
Due from/ (to) other funds	-	-	-
Inventories	(32,209)	(79,378)	31,807
Due from other governmental agencies	-	1,486	-
Accounts and contracts payable	(65,380)	69,755	841,100
Estimated liability for insurance claims	-	-	-
Wages payable and accrued liabilities	6,121	22,391	68,466
Deferred revenue	(728,612)	(100,122)	(141,027)
Customer deposits	(7,290)	(7,376)	(767)
Total adjustments	<u>590,975</u>	<u>1,472,338</u>	<u>2,880,197</u>
Net cash provided (used) by operating activities	<u>\$ 2,123,862</u>	<u>\$ 3,771,022</u>	<u>\$ 5,057,173</u>
Cash and investments at June 30, 2008 consisted of:			
Current assets			
Cash and investments	\$ 9,925,736	\$ 9,427,670	\$ 14,234,514
Noncurrent assets			
Restricted cash and investments	<u>533,017</u>	<u>27,945,749</u>	<u>19,674,537</u>
Total cash and investments, June 30, 2008	<u>\$ 10,458,753</u>	<u>\$ 37,373,419</u>	<u>\$ 33,909,051</u>

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

continued

Enterprise Funds			Internal Service Funds
Solid Waste	Other Enterprise	Totals	
\$ (697,785)	\$ (3,836,910)	\$ 1,473,852	\$ (390,060)
652,973	458,877	6,820,556	497,929
58,605	-	336,350	-
665,231	-	665,231	-
(128,338)	(3,238)	(1,053,482)	288,859
-	-	-	-
-	-	(79,780)	(150,204)
-	-	1,486	(20,288)
234,310	143,312	1,223,097	335,685
-	-	-	520,344
(13,958)	(47,662)	35,358	23,742
-	(27,567)	(997,328)	-
5,203	-	(10,230)	-
<u>1,474,026</u>	<u>523,722</u>	<u>6,941,258</u>	<u>1,496,067</u>
<u>\$ 776,241</u>	<u>\$ (3,313,188)</u>	<u>\$ 8,415,110</u>	<u>\$ 1,106,007</u>
\$ 5,688,183	\$ 481,618	\$ 39,757,721	\$ 10,802,287
1,223,027	-	49,376,330	-
<u>\$ 6,911,210</u>	<u>\$ 481,618</u>	<u>\$ 89,134,051</u>	<u>\$ 10,802,287</u>

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

**City of Las Cruces**  
**Statement of Fiduciary Assets and Liabilities**  
*Agency Funds*  
**June 30, 2008**

**Assets**

Pooled cash and investments	\$ 6,244,449
Accounts receivable	536
Due from other governments	<u>286,950</u>
Total assets	<u><u>\$ 6,531,935</u></u>

**Liabilities**

Due to fiscal agent	\$ 58,836
Accounts and contracts payable	86,939
Accrued wages payable	123,455
Funds held for others	<u>6,262,705</u>
Total liabilities	<u><u>\$ 6,531,935</u></u>

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

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**1) Description and Reporting Entity**

The City of Las Cruces (the “City”) is a municipal corporation established under the laws of the State of New Mexico and operates under a Home Rule Charter. The City was incorporated in 1946 and operates under a Council/Manager form of government consisting of a Mayor and six Council members. The Mayor is elected at large for a four-year term. Council members are elected from six single member districts to four-year terms. Elections are held bi-annually. The City Manager, appointed by the City Council, is responsible for the management of all City employees and the administration of all City affairs.

The accompanying financial statements present the activities of the City of Las Cruces and its two component units; legally separate organizations for which the City is financially accountable. The component units are:

<b>Component Unit</b>	<b>Included in the Reporting Entity Because:</b>	<b>Separate Financial Statements</b>
City of Las Cruces Public Housing Authority (PHA)	City appoints and may remove the Board, which allows the City to impose its will.	Available at PHA offices at 926 S. San Pedro, Las Cruces, New Mexico 88001
South Central Solid Waste Authority, (SCSWA)	In accordance with the joint powers agreement (JPA), SCSWA revenues are the primary source of debt service for City bonds issued to construct a regional landfill and transfer station.	Separate financial statements are available for SCSWA at 200 N. Church St., Las Cruces, New Mexico 88001.

Both of the above are reported as discrete component units in the accompanying financial statements.

**2) Basis of Presentation, Basis of Accounting**

Basis of Presentation

*Government-Wide Statements*—The statement of net assets and the statement of activities display information about the City’s primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Basis of Presentation — continued

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Proprietary fund operating expenses include the cost of services, administrative and general expenses and depreciation on capital assets.

All proprietary funds of the City follow pronouncements of the Government Accounting Standards Board (GASB) and Statements and Interpretations of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The City has also elected to apply FASB Statements and Interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

*Fund Financial Statements*—The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following as major governmental funds:

- ◆ The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- ◆ The Telshor Facility fund accounts for the net proceeds of the facility lease with Province Healthcare Company, doing business as Memorial Medical Center, to be used for health-related programs and health-related projects. The lease was approved by Council Resolution 04-199 in 2004.



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Basis of Presentation — continued

- ◆ The Sonoma Ranch fund accounts for the reimbursements from local developers to the City for debt service on special roadway/utility projects.
- ◆ The 2005 Gross Receipts Tax Bond new City Hall fund accounts for the resources accumulated and payments made for the construction of the new city hall.
- ◆ The Las Cruces Convention Center fund accounts for the resources accumulated and payments made for the construction of the Las Cruces Convention Center.

The City reports the following major enterprise funds:

- ◆ The Gas fund accounts for the activities of the City's natural gas utility, which provides service to the residents of the City and some residents within the County.
- ◆ The Water fund accounts for the activities of the City's natural water utility, which provides service to the residents of the City and some residents within the County.
- ◆ The Waste Water fund accounts for the activities of the City's waste water utility, which provides service to the residents of the City and some residents within the County.
- ◆ The Solid Waste fund accounts for the activities of the City's solid waste utility, which provides service to the residents of the City and some residents within the County.

The City also reports the following fund types:

- ◆ *Internal Service Funds*—used to report activities that provide goods or services to other funds, departments or agencies of the City and its component units on a cost-reimbursement basis. These activities include fleet services, information technology, document services, and risk management, general liability, and workers' compensation coverage provided on a cost-reimbursement basis.
- ◆ *Agency Funds*—used to account for monies held by the City in a custodial capacity. These funds do not report operations or have a measurement focus. The funds held by the City in a fiduciary capacity include: Rio Grande Natural Gas Association (cash only); Mesilla Valley Regional Dispatch Authority; Metro Narcotics Agency; Mesilla Valley Safety Council; Lower Rio Grande Water Users Organization; Branigan Estate (proceeds of sales of assets is used to purchase books for the library); Employee Benefits Committee; Veteran's Memorial Wall; Veteran's Museum; and Gifts and Memorials.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Measurement Focus, Basis of Accounting

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements*—The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts and property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from gross receipts taxes are recognized when the underlying transaction takes place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements*—Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Fair Value of Financial Instruments

The City's financial instruments consist of investments in securities, bonds and notes payable. The City estimates that the fair value of all its financial instruments does not differ materially from their aggregate carrying values in the accompanying statement of net assets. The estimated fair value amounts have been determined by the City using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the City could realize in a current market exchange. None of the financial instruments are held for trading purposes.

Assets, Liabilities and Equity

*Cash Equivalents and Investments*

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 with an original maturity of 90 days or less are considered to be cash equivalents for the purposes of the statement of cash flows.

Investments are stated at fair value.

*Restricted Cash and Investments*

The amount of cash held representing utility deposits is classified as restricted on the *Statement of Net Assets—Propriety Funds*. Also, certain proceeds of joint utility revenue bonds, as well as resources set aside for their repayment and resources set aside to fund capital asset replacements, are classified as restricted as their use is limited.

*Receivables*

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property location in the City as of the preceding January 1. The taxable valuations for the various classes of property are determined by the County Assessor and the State of New Mexico Department of Taxation and Revenue at one-third of assessed valuation. Taxes are payable in two equal installments on November 10 and April 10 and become delinquent after 30 days. Property taxes receivable are deemed to be substantially collectible.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Assets, Liabilities and Equity — continued

*Receivables — continued*

All trade receivables are shown net of an allowance for uncollectible amounts. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. Notes receivable in the statement of net assets consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

*Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

*Capital Assets*

Capital assets are defined as assets with an initial individual cost or fair value of more than \$5,000 and an estimated useful life in excess of one year. Purchased and constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major general infrastructure assets acquired prior to July 1, 2001, are the road network and the flood control network. The City has retroactively reported all major general infrastructure in the financial statements.

The initial purchase of software meeting the City's capital asset definition is capitalized; however, periodic costs for software upgrades are not capitalized due to the rapid change in technology.

In accordance with provisions of GASB No. 34, the City regards library materials (e.g., books, tapes, etc.), museum collections, and public exhibits as individual assets versus collections and, therefore, they are not capitalized.

Construction period interest on the City's proprietary fund capital projects is not capitalized due to the nature of the projects, which may not be continuous in nature and there may be lapses in the construction period.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

Assets, Liabilities and Equity — continued

*Capital Assets — continued*

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30–50
Buildings and improvements	30
Vehicles	4–12
Office equipment	3–10
Computer equipment	3–10

*Compensated Absences*

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pollution Remediation

The City has elected to implement the provisions of Government Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation*, obligations. Accordingly, liabilities are accrued in government-wide and proprietary fund financial statements when certain obligating events occur. Accrued pollution remediation costs are expensed unless they meet the criteria for capitalization in GASB Statement No. 49.

Budgets

The City budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of the anticipated revenues and expenditures. Annual appropriated budgets are adopted for all funds. All unexpended appropriations lapse at the end of the fiscal year. The State of New Mexico Department of Finance and Administration (DFA) allows GAAP budgeting to the extent cash and investments required for operations are available. Budgets of the City's component units (PHA and SCSWA) are also prepared on a GAAP basis.

New Mexico State law prohibits a municipality from making an expenditure in excess of approved appropriations. If a fund is not overspent, it is in compliance with state law. The budget may be amended by the City Council; however, DFA approval must be obtained on budget increases and budget transfers between funds. The 2007/2008 budget has been legally amended.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

2) Basis of Presentation, Basis of Accounting — continued

New Accounting Pronouncements

The following accounting pronouncements have been recently issued, but not yet adopted by the City:

GASB 51, *Accounting and Financial Reporting for Intangible Assets*, requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance on the nature of these intangible assets. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. The provisions of this statement generally are required to be applied retroactively.

GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, requires governments measure most derivative instruments at fair value in their financial statements and provides specific criteria that governments will use to determine whether a derivative instrument will result in an effective hedge. The statement also provides guidance of disclosures to provide a summary of the derivative instrument activity and objectives for derivative instruments, their significant terms, and the associated risks. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009, with earlier application encouraged.

Management anticipates that, upon adoption by the City, none of these statements will have a significant impact on the City's financial position or results of operations.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**3) Cash and Investments**

The City follows the practice of pooling cash and investments of all funds with the City Treasurer except for restricted funds generally held by outside custodians and certain special revenue, debt service reserve, and capital projects funds. The pooled investment account is not reported as a trust and agency fund. Each fund's equity in the pooled account is included in cash and investments on its balance sheet or statement of net assets.

Cash and investments	
Governmental activities	\$ 144,407,692
Business-type activities	<u>42,923,997</u>
Total primary government	187,331,689
South Central Solid Waste Authority	<u>7,139,519</u>
	<u>194,471,208</u>
Restricted cash and investments	
Governmental activities	6,860,131
Business-type activities	<u>49,376,330</u>
Total primary government	56,236,461
South Central Solid Waste Authority	<u>1,843,107</u>
	58,079,568
Fiduciary fund (less amount due to fiscal agent)	<u>6,185,614</u>
Total cash and investments	<u><u>\$ 258,736,390</u></u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

3) Cash and Investments — continued

Total cash and investments at fair value are as follows:

	Pooled Cash & Investments	Other Cash & Investments	Total
Bank deposits	\$ (1,985,360)	\$ 250,695	\$ (1,734,665)
Investments	128,721,760	131,181,791	259,903,551
Cash with fiscal agent	-	194,649	194,649
Cash on hand	-	7,827	7,827
Accrued interest	365,028	-	365,028
Total cash and investments	<u>\$ 127,101,428</u>	<u>\$ 131,634,962</u>	<u>\$ 258,736,390</u>

Bank Balance of Deposits

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment ordinance requires collateralization of 50% of the uninsured portion of the City's deposits with financial institutions. Securities pledged by financial institutions are accepted at market value, except obligations of the state of New Mexico and its subdivisions, which are accepted at par value. As of June 30, 2008, the bank balance of the City's deposits, totaling \$435,777, was insured by FDIC or collateralized by securities held in trust by a third-party bank for the depository bank in the City's name, and thus was not exposed to custodial credit risk.

Investments

The City's investment policy allows investment in: a) U.S. Treasury obligations; b) U.S. government agency and instrumentality obligations; c) repurchase agreements whose underlying securities and/or collateral consist of allowed investments described in (a) or (b) above; d) commercial paper rated not less than A-1, P-1, F-1, or equivalent by a nationally recognized rating agency; e) pooled funds maintained by the State Treasurer; and f) mutual funds whose portfolios consist solely of allowed investments. In addition, the City may invest money identified as long-term in the pools of the New Mexico State Investment Council subject to annual review and approval by the City Council.

Also, the City may invest money identified as long-term in the pools of the New Mexico State Investment Council (SIC) subject to annual review and approval by the City Council. The SIC is a component unit of the primary government of the State of New Mexico. Fair value of the City's position in the SIC pools is the same as the value of the pool shares.



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

3) Cash and Investments — continued

Investments — continued

As of June 30, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (Yrs)</u>
<b>Pooled Investments</b>		
Money market funds	\$ 21,519,656	0.07
Commercial paper	19,451,144	0.12
U.S. agency discount notes	32,802,250	0.24
U.S. agency coupon bonds	34,340,820	1.34
Collateralized mortgage obligations	4,505,020	1.23
U.S. Treasury Notes	<u>16,102,870</u>	1.28
Total pooled investments	<u>128,721,760</u>	0.65
<b>Telshor Facility Fund</b>		
Money market funds	226,336	0.01
U.S. agency coupon bonds/notes	200,438	0.21
U.S. agency discount notes	<u>10,544,727</u>	0.09
Subtotal fixed income investments	10,971,501	0.09
New Mexico State Investment Council equity pools	<u>12,691,437</u>	N/A
Total Telshor Facility Fund	<u>23,662,938</u>	
<b>Debt Service Reserve Funds</b>		
Money market funds	3,450,303	0.01
U.S. Treasury Strips	472,578	2.87
U.S. Treasury Bonds	<u>761,775</u>	7.88
Total Debt Service Reserve Funds	<u>4,684,656</u>	1.40
<b>2005 GRT City Hall Fund</b>		
Flexible repurchase agreements	<u>20,362,028</u>	0.12
<b>Convention Center Project Funds</b>		
Money market funds	<u>25,730,947</u>	0.01
<b>Nonmajor Capital Projects Funds</b>		
Money market funds	<u>14,109,320</u>	0.04
<b>Water and Waste Water Funds</b>		
Money market funds	37,494,696	0.04
Flexible repurchase agreements	878,450	1.92
U.S. Treasury Note	308,181	0.87
U.S. agency coupon bonds	<u>2,809,632</u>	2.50
Total Water and Waste Water Funds	<u>41,490,959</u>	0.25
<b>Solid Waste Funds</b>		
Money market funds	<u>1,140,943</u>	0.01
Total investments	<u>\$ 259,903,551</u>	

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

3) Cash and Investments — continued

Investments — continued

*Interest Rate Risk.* The City's general investment policy is to apply the prudent investor rule to manage its exposure to declines in fair value. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of relatively shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

*Credit Risk.* The City's investment policy lists the criteria for selecting investments and the order of priority as follows: 1) safety; 2) liquidity; and 3) yield. As of June 30, 2008, the City's investments in the senior unsecured debt and short-term discount notes of U.S. agencies were rated AAA and A-1+, respectively, by Standard & Poor's and Aaa and P-1 by Moody's Investors Service. Mortgage-backed securities issued by U.S. agencies were rated AAA by Standard & Poor's and Aaa by Moody's. Positions in commercial paper were rated P-1 by Moody's and A-1 or A-1+ by Standard & Poor's. The City's money market fund investments were rated AAAM by Standard & Poor's and/or Aaa by Moody's, except \$788,017 in the nonmajor capital projects funds, which was not rated. The external investment pools of the NM State Investment Council are not rated.

The City requires the balance in flexible repurchase agreements to be collateralized at 104% for direct obligations of the U.S. Government or the Government National Mortgage Association and at 105% for other U.S. agency obligations. MBIA Insurance Corporation, the guarantor of the MBIA, Inc. repurchase agreement for the City Hall project funds, was rated A2 by Moody's as of June 30, 2008; the agreement was terminated on August 11, 2008.

*Custodial Credit Risk.* 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's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. All of the City's securities are held by a third-party financial institution in the City's name.

*Concentration of Credit Risk.* The City's formal investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2008, 5% of the City's investment pool was in Federal Farm Credit Bank (FFCB), 31% in Federal Home Loan Mortgage Corporation (FHLMC), and 14% in Federal National Mortgage Association (FNMA). Of the Telshor Facility Fund portfolio, 8% was in FHLMC, 15% in Federal Agriculture Mortgage Corporation (FAMC), and 22% in Federal Home Loan Bank (FHLB). Of the Water and Waste Water Funds portfolio, 7% was in FHLB. 100% of the City Hall major capital projects fund investments were in a MBIA Inc. flexible repurchase agreement.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**4) Capital Assets**

Primary Government

Capital asset activity for the City's primary government for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
<i>Capital assets not being depreciated</i>				
Land and land rights	\$ 13,386,419	\$ -	\$ -	\$ 13,386,419
Land improvements	19,137,374	-	-	19,137,374
Construction in progress	1,184,256	-	-	1,184,256
Total capital assets not being depreciated	<u>33,708,049</u>	<u>-</u>	<u>-</u>	<u>33,708,049</u>
<i>Other capital assets</i>				
Buildings and building improvements	36,389,093	9,685,757	-	46,074,850
Leasehold improvements	3,124,131	-	-	3,124,131
Airport runways	11,749,939	-	-	11,749,939
Park improvements	9,637,369	2,115,396	-	11,752,765
Machinery and equipment	32,071,004	3,679,899	(951,806)	34,799,097
Roads network	227,051,979	21,949,011	(590,761)	248,410,229
Flood control network	17,178,885	3,034,184	(12,725)	20,200,344
Total other capital assets at historic cost	<u>337,202,400</u>	<u>40,464,247</u>	<u>(1,555,292)</u>	<u>376,111,355</u>
<i>Less accumulated depreciation for</i>				
Buildings and building improvements	(12,850,370)	(1,122,353)	-	(13,972,723)
Leasehold improvements	(901,457)	(90,018)	-	(991,475)
Airport runway	(4,385,200)	(377,181)	-	(4,762,381)
Park improvements	(687,979)	(313,009)	-	(1,000,988)
Machinery and equipment	(21,822,977)	(2,826,167)	926,394	(23,722,750)
Roads network	(98,155,504)	(7,647,535)	590,761	(105,212,278)
Flood control network	(4,655,260)	(462,074)	12,725	(5,104,609)
Total accumulated depreciation	<u>(143,458,747)</u>	<u>(12,838,337)</u>	<u>1,529,880</u>	<u>(154,767,204)</u>
Total other capital assets at historic cost, net	<u>193,743,653</u>	<u>27,625,910</u>	<u>(25,412)</u>	<u>221,344,151</u>
Governmental activities capital assets, net	<u>\$ 227,451,702</u>	<u>\$ 27,625,910</u>	<u>\$ (25,412)</u>	<u>\$ 255,052,200</u>

Certain amounts in the prior year financial statements footnotes have been reclassified to conform to current year presentation.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

4) Capital Assets — continued

Primary Government — continued

	Beginning Balance	Additions	Retirements	Ending Balance
Business type activities				
<i>Capital assets not being depreciated</i>				
Land and land rights	\$ 4,964,454	\$ 534,085	\$ -	\$ 5,498,539
Construction in progress	<u>871,621</u>	<u>1,320,480</u>	<u>-</u>	<u>2,192,101</u>
Total capital assets not being depreciated	<u>5,836,075</u>	<u>1,854,565</u>	<u>-</u>	<u>7,690,640</u>
<i>Other capital assets</i>				
Buildings and building improvements	5,244,090	98,864	-	5,342,954
Land improvements	77,703	-	-	77,703
Distribution and collection system	61,921,235	2,868,383	-	64,789,618
Utilities transmission	150,499,185	21,156,474	(186,712)	171,468,947
Machinery and equipment	<u>27,327,678</u>	<u>1,485,562</u>	<u>(250,944)</u>	<u>28,562,296</u>
Total other capital assets at historic cost	<u>245,069,891</u>	<u>25,609,283</u>	<u>(437,656)</u>	<u>270,241,518</u>
<i>Less accumulated depreciation for</i>				
Buildings and building improvements	(2,219,493)	(215,487)	-	(2,434,980)
Land improvements	(31,072)	(2,591)	-	(33,663)
Distribution and collection system	(25,993,355)	(1,255,196)	-	(27,248,551)
Utilities transmission	(43,658,133)	(3,851,719)	45,880	(47,463,972)
Machinery and equipment	<u>(19,321,690)</u>	<u>(1,702,814)</u>	<u>139,983</u>	<u>(20,884,521)</u>
Total accumulated depreciation	<u>(91,223,743)</u>	<u>(7,027,807)</u>	<u>185,863</u>	<u>(98,065,687)</u>
Total other capital assets at historic cost, net	<u>153,846,148</u>	<u>18,581,476</u>	<u>(251,793)</u>	<u>172,175,831</u>
Business type activities capital assets, net	<u>\$ 159,682,223</u>	<u>\$ 20,436,041</u>	<u>\$ (251,793)</u>	<u>\$ 179,866,471</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

4) Capital Assets — continued

Primary Government — continued

Depreciation expense was charged to functions as follows:

	Governmental Activities	Business- Type Activities
General government	\$ 322,700	\$ -
Facilities	788,134	-
Police	914,384	-
Fire	636,423	-
Community development	29,110	-
Public services	1,063,085	-
Public works	8,793,823	-
Gas	-	1,787,016
Water	-	1,836,529
Waste water	-	2,085,160
Solid waste	-	652,973
Other	-	458,877
In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	290,678	207,252
Total depreciation expense	\$ 12,838,337	\$ 7,027,807

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

4) Capital Assets — continued

Component Units

Capital asset activity for the Housing Authority for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated</i>				
Land	\$ 4,586,452	\$ 141,460	\$ (184,974)	\$ 4,542,938
Construction in progress	7,300,559	114,422	(6,177,559)	1,237,422
Total capital assets not being depreciated	<u>11,887,011</u>	<u>255,882</u>	<u>(6,362,533)</u>	<u>5,780,360</u>
<i>Other capital assets</i>				
Site improvements	1,818,113	867,020	(99,324)	2,585,809
Structures and improvements	18,497,735	8,422,888	(662,045)	26,258,578
Equipment	689,987	283,607	-	973,594
Total other capital assets at historic cost	<u>21,005,835</u>	<u>9,573,515</u>	<u>(761,369)</u>	<u>29,817,981</u>
<i>Less accumulated depreciation for</i>				
Site improvements	(1,125,247)	(276,821)	6,197	(1,395,871)
Structures	(6,905,489)	(585,788)	108,244	(7,383,033)
Equipment	(279,049)	(100,044)	-	(379,093)
Total accumulated depreciation	<u>(8,309,785)</u>	<u>(962,653)</u>	<u>114,441</u>	<u>(9,157,997)</u>
Total other capital assets at historic cost, net	<u>12,696,050</u>	<u>8,610,862</u>	<u>(646,928)</u>	<u>20,659,984</u>
<b>Total capital assets, net</b>	<u><u>\$ 24,583,061</u></u>	<u><u>\$ 8,866,744</u></u>	<u><u>\$ (7,009,461)</u></u>	<u><u>\$ 26,440,344</u></u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

4) Capital Assets — continued

Component Units — continued

Capital asset activity for SCSWA for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets not being depreciated			
Land	\$ 807,276	\$ -	\$ 807,276
Landfill cell/site - construction in progress	476,654	1,328,580	1,805,234
Total capital assets not being depreciated	<u>1,283,930</u>	<u>1,328,580</u>	<u>2,612,510</u>
Other capital assets			
Buildings	4,133,223	-	4,133,223
Equipment	3,884,612	1,085,121	4,969,733
Infrastructure	1,056,988	-	1,056,988
Landfill cell/site	4,523,315	-	4,523,315
Total other capital assets at historic cost	<u>13,598,138</u>	<u>1,085,121</u>	<u>14,683,259</u>
<i>Less accumulated depreciation for</i>			
Buildings	1,394,436	148,100	1,542,536
Equipment	2,764,163	415,297	3,179,460
Landfill cell/site	3,949,952	136,707	4,086,659
Infrastructure	264,429	26,425	290,854
Total accumulated depreciation	<u>8,372,980</u>	<u>726,529</u>	<u>9,099,509</u>
Total other capital assets at historic cost, net	<u>5,225,158</u>	<u>358,592</u>	<u>5,583,750</u>
Total capital assets, net	<u>\$ 6,509,088</u>	<u>\$ 1,687,172</u>	<u>\$ 8,196,260</u>

5) **Receivables and Payables**

Governmental activities receivables are the following at June 30, 2008:

	General Fund	Telshor Facility	Sonoma Ranch	2005 Gross Receipts Tax-City Hall	Las Cruces Convention Center	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	\$ 386,462	\$ -	\$ -	\$ -	\$ -	\$ 8,687	\$ 25,782	\$ 420,931
Dockets	6,745,396	-	-	-	-	-	-	6,745,396
Interest	-	27,913	-	-	-	854,176	-	882,089
Contracts	-	-	-	-	-	4,519,138	-	4,519,138
Special assessments	-	-	7,891,641	81,821	-	-	-	7,973,462
Less: allowance for doubtful accounts	<u>(6,471,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,471,000)</u>
Total governmental receivables	<u>\$ 660,858</u>	<u>\$ 27,913</u>	<u>\$ 7,891,641</u>	<u>\$ 81,821</u>	<u>\$ -</u>	<u>\$ 5,382,001</u>	<u>\$ 25,782</u>	<u>\$ 14,070,016</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

5) Receivables and Payables — continued

Special assessments receivables represent amounts due from local developers to reimburse the City for the construction of subdivisions or other improvements for residential development. Though a majority of special assessments are not scheduled for collections within the next fiscal year, the amounts are expected to be fully collected.

Business-type activities receivables are as follows at June 30, 2008:

	Accounts Receivable	Allowance for Doubtful Accounts	Receivables, Net
Gas	\$ 3,958,256	\$ (924,055)	\$ 3,034,201
Water	1,723,531	(351,196)	1,372,335
Waste water	1,134,319	(285,380)	848,939
Solid waste	1,167,082	(291,661)	875,421
Other enterprise funds	5,236	-	5,236
Internal service funds	19,557	-	19,557
Total business-type activities	<u>\$ 8,007,981</u>	<u>\$ (1,852,292)</u>	<u>\$ 6,155,689</u>

Governmental activities accounts and contracts payable and accrued liabilities at June 30, 2008, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payables and Accrued Liabilities
<i>Governmental activities</i>			
General Fund	\$ 1,465,007	\$ 2,055,629	\$ 3,520,636
Telshor Facility	106,194	-	106,194
Sonoma Ranch	-	-	-
2005 Gross Receipts Tax-City Hall	1,433,711	-	1,433,711
Las Cruces Convention Center	250,271	-	250,271
Other governmental	3,665,136	121,680	3,786,816
Internal service funds	539,288	46,754	586,042
Total governmental activities	<u>\$ 7,459,607</u>	<u>\$ 2,224,063</u>	<u>\$ 9,683,670</u>



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

5) Receivables and Payables — continued

Business-type activities accounts and contracts payable and accrued liabilities at June 30, 2008, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Payables and Accrued Liabilities
Business-type activities					
Gas	\$ 1,187,384	\$ 115,802	\$ -	\$ 82,690	\$ 1,385,876
Water	837,913	96,011	497,473	67,448	1,498,845
Waste water	1,610,756	92,550	328,052	35,575	2,066,933
Solid waste	252,174	67,829	6,201	43,138	369,342
Other enterprise funds	144,255	60,709	-	2,943	207,907
Internal service funds	285,305	43,117	-	-	328,422
Total business-type activities	<u>\$ 4,317,787</u>	<u>\$ 476,018</u>	<u>\$ 831,726</u>	<u>\$ 231,794</u>	<u>\$ 5,857,325</u>

6) **Risk Management**

The City is exposed to various risks of loss related to torts and civil rights claims (including law enforcement and employment related exposures); theft, damage and destruction of its real and personal assets; workers' compensation losses; errors and omissions of City officers and officials; and natural disasters. The City uses the insurance fund (an internal service fund) to account for and finance its uninsured risks of loss. At various periods in past years, certain risk exposures were insured and the City continues to benefit from case coverage on claims that were incurred during those claim years.

The insurance fund tracks claims on a fund by fund basis and assesses charges to each fund based on historical claims experience and the need to establish a reserve for unanticipated catastrophic losses. The claims liabilities reported in the insurance fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The risk of loss associated with actions of employees resulting in damage to persons or property of others is subject to limitations of the New Mexico State Tort Claims Act. The self-insurance fund uses excess insurance agreements to reduce its exposure to large losses from employee on-the-job injuries. Excess insurance permits recovery of a portion of losses from the excess insurer, although it does not discharge the primary liability of the fund as direct insurer of the risks.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

6) Risk Management — continued

Self-insurance premiums and program costs (claims, fees, and transfers to other funds, less reimbursed expenses) were:

	2008	2007
Health program costs	\$ 35,976	\$ 17,191
Workers compensation premiums	(2,262,939)	(2,175,993)
Workers compensation program costs	2,156,631	1,743,560
Liability insurance premiums	(1,136,836)	(1,136,836)
Liability program costs	1,184,940	1,529,074
Unemployment insurance premiums	(60,000)	-
Unemployment program costs	50,260	59,214
Judgments insurance premiums	(400,000)	(400,000)
Judgments program costs	142,495	229,593
Total premiums	\$ (3,859,775)	\$ (3,712,829)
Total program costs	\$ 3,570,301	\$ 3,578,632

Changes in the insurance fund's claims liabilities were:

	2008	2007
Claims liabilities, beginning of year	\$ 5,828,491	\$ 5,302,127
Current year claims and changes in estimates	3,570,301	3,578,632
Payment of claims liabilities	<u>(3,049,773)</u>	<u>(3,052,268)</u>
Claims liabilities, end of year	<u>\$ 6,349,019</u>	<u>\$ 5,828,491</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**7) Long-Term Liabilities**

Primary Government

Changes in long-term liabilities are as follows:

	Primary Government				Amount Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
Governmental activities:					
Sales tax revenue bonds	\$ 59,080,000	\$ -	\$ (4,955,000)	\$ 54,125,000	\$ 5,175,000
Unamortized discount/ premiums on sales tax revenue bonds	257,928	-	(49,003)	208,925	-
Notes payable	12,298,853	32,184,395	(2,149,329)	42,333,919	2,649,190
Capital lease	710,807		(156,549)	554,258	229,349
Pollution remediation obligation see (Note 10)	6,890,106	-		6,890,106	-
Claims and judgments	3,151,727	1,460,850	-	4,612,577	1,275,917
Compensated absences	4,024,107	3,951,338	(4,967,936)	3,007,509	601,663
	<u>86,413,528</u>	<u>37,596,583</u>	<u>(12,277,817)</u>	<u>111,732,294</u>	<u>9,931,119</u>
Business-type activities					
Utility revenue bonds	52,530,000	-	(2,330,000)	50,200,000	3,205,000
Unamortized discount on utility revenue bonds	(207,671)	-	108,181	(99,490)	-
Capital leases	83,981		(9,834)	74,147	74,147
Claims and judgments	1,095,310	506,641	-	1,601,951	443,416
Notes payable	1,029,010	25,184,412	(143,632)	26,069,790	193,386
Estimated post closure costs	2,247,000	665,231	-	2,912,231	495,079
Compensated absences	1,674,195	1,259,159	(1,929,971)	1,003,383	337,053
	<u>58,451,825</u>	<u>27,615,443</u>	<u>(4,305,256)</u>	<u>81,762,012</u>	<u>4,748,081</u>
	<u>\$ 144,865,353</u>	<u>\$ 65,212,026</u>	<u>\$ (16,583,073)</u>	<u>\$ 193,494,306</u>	<u>\$ 14,679,200</u>

Compensated absences typically have been liquidated in the fund to which the employees are assigned. Claims and judgment liabilities have typically been liquidated in the general and the self-insurance fund (an internal service fund).

Description of Bonds

*Gross Receipts Tax and Gasoline Tax Revenue Bonds*—In 1999, the City issued the Gross Receipts Tax Revenue Bonds, Series A, for street projects and to refund 1991 Sales Tax Revenue Bonds (for interest savings). The City also issued Gross Receipts Tax Revenue Bonds, Series B, for flood control projects. These bonds are secured by a pledge of certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$13.1 million while principal and interest paid were \$1,285,000 and \$336,545 for Series A and \$490,000 and \$195,215 for Series B, respectively.

In 2000, Gasoline Tax Revenue Bonds, Series A, were issued to fund various street projects. The bonds are payable from gasoline tax revenues distributed monthly by the

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Description of Bonds — continued

State of New Mexico to the City and are secured by such revenues through maturity. Such revenues totaled \$1,439,465 in 2008. Principal and interest paid on the bonds for the current year were \$330,000 and \$192,568.

Gross Receipts Tax Refunding and Improvement Revenue Bonds, Series 2003, were issued to fund facilities and park improvement projects, acquire street lighting systems, and refinance the outstanding Gross Receipts Tax Refunding Revenue Bond, series 1992. These bonds are secured through maturity by state shared gross receipts tax revenues. Such revenues were \$32.6 million in 2008. For the current year, principal and interest paid on the bonds were \$1,060,000 and 306,860, respectively.

In 2004, the City issued the South Central Solid Waste Authority Environmental Gross Receipts Tax/Project Revenue Bonds with the purpose of refunding the outstanding 1995 Series. The bond is payable from and secured through maturity by a portion of the Authority net revenues which totaled \$1.6 million in 2008. The bond issue is secondarily secured by the environmental gross receipts tax of the City. For the current year, such pledged revenues totaled \$1,616,819 while principal and interest paid were \$625,000 and \$217,516.

Gross Receipts Tax Revenue Bonds, Series 2005, were issued to fund public parks and recreational facilities, improve streets, acquire public buildings, construct and furnish public buildings, and fund the environmental remediation of public property. These bonds are secured by certain gross receipts tax revenues through maturity. Such revenues were \$6,467,596 in 2008. For the current year, principal and interest paid on the bonds were \$1,165,000 and \$1,347,780, respectively.

Bonds payable are summarized as follows:

Type	Purpose	Date	Original Due	Issue	Balance Outstanding	Rates
Gross receipts tax revenue	Street projects and refunding	07/15/99	2014	\$ 10,075,000	\$ 5,435,000	4.25–5.05
Gross receipts tax revenue	Flood control	07/15/99	2014	7,040,000	3,465,000	4.25–5.0
Gasoline tax revenue	Street projects	12/04/00	2016	5,110,000	3,335,000	4.8–5.5
Component unit revenue and environmental gross receipts tax	Construction of South Central Solid Waste Facilities	09/14/04	2016	7,980,000	5,750,000	3.0–4.0
Gross receipts tax refunding and improvement revenue	Facilities and park improvements and refunding recreational facilities and improve streets	05/29/2003	2018	12,800,000	6,100,000	2.0–5.0
Gross receipts tax revenue		09/14/2005	2035	<u>33,000,000</u>	<u>30,040,000</u>	3.5–4.5
				<u>\$ 76,005,000</u>	<u>\$ 54,125,000</u>	

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Debt Service Requirements

Future debt service requirements for governmental activities revenue bonds are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,175,000	\$ 2,380,021
2010	4,805,000	2,150,279
2011	4,485,000	1,944,401
2012	4,710,000	1,753,657
2013	4,255,000	1,551,603
2014 - 2018	14,490,000	5,007,935
2019 - 2035	16,205,000	7,222,571
	<u>\$ 54,125,000</u>	<u>\$ 22,010,467</u>

Defeased Bonds

During prior fiscal years, the City entered into various advance refunding transactions related to certain of its bonded debt. A portion of the proceeds of the refunding issues was placed in trust and used to purchase securities of the U.S. government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. The assets are administered by trustees and are restricted for retirement of refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements since the City defeased its obligation for the payment of the refunded bonded debt upon completion of the refunding transactions.

Bond issues that are outstanding but have been defeased and are payable from escrow accounts are:

Joint utility revenue, series 1992	\$ 2,155,000
Sales tax, series 1991	1,575,000
Sales tax, series 1995	43,540,000
	<u>\$ 47,270,000</u>

Nonrecourse (Conduit) Debt

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. The City is not obligated for repayment of the bonds. Accordingly, the bonds are not reported as

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Nonrecourse (Conduit) Debt — continued

liabilities in the accompanying financial statements. As of June 30, 2008, there were five series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$39,963,184.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the federal government on every fifth anniversary of each bond issue. The City periodically engages an independent consultant to determine whether the City has an arbitrage liability. No arbitrage liability is reported in the financial statements as of June 30, 2008.

Governmental Activities Notes Payable

Details of governmental activities notes payable are:

Type	Purpose	Original Date	Balance Due	Issue	Outstanding	Rates
2006 NMFA Note	Street and arroyo improvements	12/15/2006	2021	\$ 9,985,448	\$ 9,200,128	3.56–4.10%
2006 NMFA Note	Public works equipment	11/10/2006	2014	1,865,251	1,549,381	3.31–3.51%
2006 NMFA Note	Fire apparatus	11/10/2006	2014	816,777	678,218	3.31–3.51%
2007 NMFA Note	Convention center	10/19/2007	2032	27,361,565	27,034,527	3.7-4.1%
2007 NMFA Note	Street improvements	11/16/2007	2017	3,590,000	2,660,000	3.69-4.02%
2007 NMFA Note	Patch and bucket truck	11/16/2007	2015	336,232	315,067	3.66%
2007 NMFA Note	Fire pumper truck	11/16/2007	2016	896,598	896,598	3.67-3.91%
				<u>\$ 44,851,871</u>	<u>\$ 42,333,919</u>	

2006 NMFA – Fire Truck and 2006 NMFA Convention Center are secured through maturity by fire protection fund revenues and convention center customer fee and lodgers tax revenues, respectively, which totaled \$3.3 million in 2008. Principal and interest paid for the current year were \$426,967 and \$766,105, respectively. The remaining notes payable in the table above are secured through maturity by a certain gross receipts tax revenues which generated \$13.1 million in 2008, \$6.5 million from 1980 Gross Receipt Tax and \$6.6 million from 1990 Gross Receipt Tax at a percentage of ¼. Principal and interest paid on the notes in the current year were \$1,722,362 and \$518,003, respectively.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,649,190	\$ 1,784,961
2010	1,932,082	1,669,204
2011	2,077,933	1,597,819
2012	2,141,732	1,520,455
2013	2,213,776	1,439,949
2014 - 2018	9,845,029	5,968,557
2019 - 2032	21,474,177	7,387,037
	<u>\$ 42,333,919</u>	<u>\$ 21,367,982</u>

Joint Utility Revenue Bonds

In 1997, the City issued \$34.8 million in joint utility refunding and improvement revenue bonds (Series 1997), with an average interest rate of 5.3%, to provide funds for new water and waste water expansion projects and to refund \$5.7 million of outstanding 1992 Series bonds. The 1997 Series bonds are secured by, and payable exclusively from, the net revenues of the utility system. Bond proceeds of \$4.2 million plus an additional \$1.1 million of 1992 sinking fund monies were used to purchase U.S. government securities to advance refund \$4.1 million of the 1992 Series bonds and to defease the remaining \$1.6 million of the 1992 Series bonds. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 Series bonds. As a result, all of the 1992 Series bonds are considered to be defeased and the liability for those bonds has been removed from the enterprise fund liabilities.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$100,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable is being charged to operations through the year 2012. The advance refunding will reduce total debt service payments over the following 15 years by approximately \$600,000 result in an economic gain (difference between the present values of the old and new debt service payments) of approximately \$200,000.

In 2000, the City issued \$3.1 million in joint utility revenue bonds (Series 2000B) to provide funds for improvements to the water, waste water, and natural gas utility systems. The Series 2000B bonds create a first lien on the net revenues of the utility system on parity with the Series 1997 bonds.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Joint Utility Revenue Bonds — continued

In 2005, the City issued \$11.05 million in joint utility revenue bonds (Series 2005) to provide funds for water expansion projects.

In 2006, the City issued \$17,575,000, in joint utility revenue bonds (Series 2006). Certain proceeds of this issuance were deposited in the Acquisition Fund and used to finance the acquisition, installation, and construction of water and waste water capital improvements. Additionally, certain proceeds were used to fund the Reserve Requirement and pay costs of issuance relating to these Bonds.

*Schedule of Bonded Indebtedness—Joint Utility Revenue Bonds*

Purpose	Date	Due	Original Issue	Outstanding	Interest Rates
Series 1997 refunding and system expansion	01/22/97	2016	\$ 34,815,000	\$ 19,995,000	4.0–5.5
Series 2000B system expansion	11/01/00	2016	3,105,000	2,020,000	4.55–4.9
Series 2005 system expansion	7/13/05	2025	11,050,000	10,610,000	3.5–4.125
Series 2006 system rehabilitation	8/29/06	2026	<u>17,575,000</u>	<u>17,575,000</u>	4.2–4.6
			<u>\$ 66,545,000</u>	<u>\$ 50,200,000</u>	

Future debt service requirements for business-type activities revenue bonds are:

Year	Principal	Interest	Total
2009	\$ 3,205,000	\$ 2,320,659	\$ 5,525,659
2010	3,175,000	2,169,944	5,344,944
2011	3,435,000	2,010,525	5,445,525
2012	3,595,000	1,841,821	5,436,821
2013	3,770,000	1,662,039	5,432,039
2014-2018	18,370,000	5,340,222	23,710,222
2019-2023	9,080,000	2,426,195	11,506,195
2024-2026	<u>5,570,000</u>	<u>465,080</u>	<u>6,035,080</u>
	<u>\$ 50,200,000</u>	<u>\$ 18,236,485</u>	<u>\$ 68,436,485</u>



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Joint Utility Revenue Bonds — continued

*Provisions of the Joint Utility Bond Ordinances*

The 1997 revenue bond ordinance provides that the net revenue of the City's utility systems shall be used to service the debt and shall be at least 133% of the maximum outstanding debt requirements for the utility system; the 2000B revenue bond ordinance requires 125% of the maximum outstanding debt requirements, including those of the 1997 bonds. These debt coverage requirements hold true for the 2005 Series and the 2006 Series Bonds as well. These bonds are not a general obligation to the City, but are payable and collectable solely out of the net revenues of the systems. Net revenue as defined in the bond ordinances means the revenue after deducting operation and maintenance expenses. Operation and maintenance expenses include all reasonable and necessary current expenses of the City, paid or accrued, for operating, maintaining, and repairing the system; and shall include, without limiting the generality of the foregoing, legal and overhead expenses of the various City departments directly related and reasonably allocable to the administration of the system, insurance premiums, the reasonable charge of depository banks and paying agents, contractual services, professional services required by this ordinance, salaries and administrative expenses, labor, the cost of materials and supplies used for current operation; but shall not include any allowance for depreciation, payments in lieu of taxes, liabilities incurred by the City as a result of its negligence in the operation of the system, improvements, extension, enlargements or betterment, or any charges for the accumulation of reserves for capital replacements. The net revenue for the fiscal year ended June 30, 2008, exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate funds with which to make principal and interest payments on outstanding revenue bonds.

The bond ordinances provide that any monies in any fund or account may be invested in any legal investment permitted by law, with stipulation that investments of amounts in the escrow account will be made only in federal securities. The obligations so purchased as an investment of monies in a fund or account will be deemed at all times to be part of such fund or account, and the interest accruing thereon and any profit realized there from will be credited to the fund or account, and any loss resulting from each investment will be charged to the fund or account. The City Treasurer will present for redemption or sale on the prevailing market any obligations so purchased as an investment of monies in the fund or account whenever it will be necessary to do so in order to provide monies to meet any payment or transfer from such fund or account.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Joint Utility Revenue Bonds — continued

Bond covenants require reporting of the number of customers utility customers served, which were the following at June 30, 2008:

	Water	Wastewater	Gas
Residential	27,236	26,201	27,585
Commercial/other	2,894	2,122	2,492
Total	30,130	28,323	30,077

Business-Type Activities Notes Payable

The notes payable of the business-type activities are paid from the net revenues of the system. City ordinance 1593, adopted by the City Council on December 18, 1996 provides authority for the City to issue additional debt with a parity lien on the pledged revenues of the utility system.

A comparison of the pledged revenues recognized during the year with the required debt service for the year is presented in the Pledged-Revenue Bond/Note Coverage Schedule located in the statistical section.

Details of business-type activities notes payable are:

Type	Purpose	Original Date	Balance Due	Issue	Outstanding	Rates
2003 NMFA Note	Well 46 project	6/13/2003	2013	\$ 222,222	\$ 121,670	.88 - 3.49%
2005 NMFA Note	Roughing filters	10/18/2004	2024	418,724	360,750	1.26-4.51%
2005 NMFA Note	Manholes	1/7/2005	2024	278,713	240,341	1.26 - 4.51%
2006 NMFA Note	Well improvements	5/25/2006	2026	268,552	252,408	3.14-3.99%
2007 NMFA Note	Water tank	7/6/2007	2027	2,139,117	2,139,117	3.37-3.75%
2007 NMFA Note	Recycling program	7/6/2007	2015	1,111,112	1,021,321	3.54-3.75%
2007 NMFA Note	Water reclamation	7/6/2007	2027	6,311,058	6,311,058	3.37-3.75%
2007 NMFA Note	Water reclamation Phase II	12/21/2007	2027	3,139,919	3,139,919	3.4 - 4.53%
2007 NMFA Note	Water system improvement	12/21/2007	2027	12,483,206	12,483,206	3.4 - 4.53%
				\$ 26,372,623	\$ 26,069,790	

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Business-Type Activities Notes Payable — continued

Future debt service requirements for business-type activities notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 193,386	\$ 1,107,669
2010	282,057	1,101,279
2011	289,054	1,091,572
2012	296,361	1,081,528
2013	304,009	1,071,117
2014 - 2018	4,325,995	5,148,193
2019 - 2032	10,439,445	3,603,135
2024 - 2027	9,939,483	1,132,271
	<u>\$ 26,069,790</u>	<u>\$ 15,336,764</u>

Capital Leases

The City is obligated under certain leases accounted for as capital leases. Significant capital lease commitments at June 30, 2008, are as follows.

<u>Description</u>	<u>Cost</u>	<u>Lease Term</u>	<u>Date</u>
Loader	\$ 112,000	60 months	Dec 2003
ALF 148 pumper	295,062	108 months	March 2002
ALF 148 pumper	295,062	108 months	March 2002
Aerial truck	606,306	108 months	August 2002
ALF 148 pump truck	295,062	108 months	September 2002
ALF 148 pump truck	295,062	108 months	September 2002
	<u>\$ 1,898,554</u>		

As of June 30, 2008, future minimum lease payments on the above capital lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 339,405
2010	262,549
2011	86,724
Total minimum payments	688,678
Less: interest	(60,273)
Present value of net minimum lease payments	<u>\$ 628,405</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

7) Long-Term Obligations — continued

Capital Leases — continued

Depreciation expense on the above leased equipment was \$155,450 for the year ended June 30, 2008, and accumulated depreciation was \$660,643 as of year-end.

The loader and fire equipment listed in the preceding table are being leased from John Deere Credit and Mercedes Benz Credit Corporation and Daimler Chrysler Services, respectively. In the event that sufficient funds are not appropriated in any fiscal year, the City may terminate the lease and return the equipment to the lessor on the last day of the year in which funds were appropriated.

Component Units

Changes in long-term liabilities for the Housing Authority during the year ended June 30, 2008, are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
LCHDC Mortgage					
Revenue Bond (Series 2005)	\$ 2,545,078	\$ -	\$ 138,724	\$ 2,406,354	\$ 158,764
Note payable - Gallup Federal Savings Bank	412,883	-	11,672	401,211	14,406
Note payable - Wells Fargo Bank	370,200	-	8,921	361,279	9,848
Note payable - First Federal Bank Credit Union	283,092	-	6,871	276,221	8,164
	-	131,718	-	131,718	2,491
Loan agreements	6,112,159	6,785,718	255,343	12,642,534	31,503
Total	<u>\$ 9,723,412</u>	<u>\$ 6,917,436</u>	<u>\$ 421,531</u>	<u>\$ 16,219,317</u>	<u>\$ 225,176</u>

Changes in long-term liabilities of SCSWA for the year ended June 30, 2008, are as follows:

	Balances June 30, 2007	Increases	Decreases	Balances June 30, 2008	Amount Due Within One Year
Long-term debt					
Capital lease obligations	\$ 12,975	\$ -	\$ 12,975	\$ -	\$ -
Due to City of Las Cruces	5,526,583	-	574,583	4,952,000	640,000
Other noncurrent liabilities					
Estimated landfill closure/postclosure liability	1,566,250	126,870	-	1,693,120	-
Compensated absences	88,525	429	1,808	87,146	17,429
Total	<u>\$ 7,194,333</u>	<u>\$ 127,299</u>	<u>\$ 589,366</u>	<u>\$ 6,732,266</u>	<u>\$ 657,429</u>

The bond is payable from and secured through maturity by a portion of solid waste customer net revenues which totaled \$1.6 million in 2008. Principal and interest paid on the bonds for the current year were \$625,000 and \$217,516, respectively.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**8) Interfund Assets, Liabilities and Transfers**

Primary Government

Governmental interfund receivables and payables as of June 30, 2008, are as follows:

Description	Interfund Receivable	Interfund Payable	Total
<i>General fund</i>			
Nonmajor governmental fund	\$ 714,449	\$ -	\$ 714,449
<i>Nonmajor governmental fund</i>			
General fund	-	(714,449)	(714,449)
Total governmental activities	<u>\$ 714,449</u>	<u>\$ (714,449)</u>	<u>\$ -</u>

Interfund Transfers

Interfund transfers for the year ended June 30, 2008, consisted of the following:

Transfers to general fund from		
Nonmajor governmental funds		\$ 1,335,452
Internal service funds		3,978
Nonmajor enterprise funds		15,500
Total transfers to the general fund		<u>\$ 1,354,930</u>
Transfers to 2005 GRT City Hall Fund from		
Nonmajor governmental funds		<u>\$ 1,400,000</u>
Total transfers to the solid waste fund		<u>\$ 1,400,000</u>
Transfers to nonmajor governmental funds from		
General fund		\$ 12,377,386
Sonoma Ranch		1,768,010
Nonmajor governmental funds		8,333,231
Internal service funds		239,305
Total transfers to the nonmajor governmental funds		<u>\$ 22,717,932</u>
Transfers to water fund from		
Nonmajor governmental funds		<u>\$ 1,261,506</u>
Total transfers to the water fund		<u>\$ 1,261,506</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

8) Interfund Assets, Liabilities and Transfers — continued

Interfund Transfers — continued

Transfers to the waste water fund from	
General fund	\$ 30,098
Nonmajor governmental funds	<u>304,926</u>
Total transfers to the waste water fund	<u><u>\$ 335,024</u></u>
Transfers to nonmajor enterprise funds from	
General fund	\$ 1,276,800
Nonmajor governmental funds	1,116,752
Gas fund	<u>54,400</u>
Total transfers to the nonmajor enterprise funds	<u><u>\$ 2,447,952</u></u>
Transfers to internal service funds from	
General fund	<u>\$ 623,421</u>
Total transfers to internal service funds	<u><u>\$ 623,421</u></u>
Transfers from the general fund to	
Nonmajor governmental funds	\$ (12,377,386)
Waste water fund	(30,098)
Nonmajor enterprise funds	(1,276,800)
Internal service funds	<u>(623,421)</u>
Total transfers from the general fund	<u><u>\$ (14,307,705)</u></u>
Transfers from nonmajor governmental funds to	
General fund	\$ (1,335,452)
2005 GRT City Hall Fund	(1,400,000)
Nonmajor governmental funds	(8,333,231)
Waste water fund	(304,926)
Water fund	(1,261,506)
Nonmajor enterprise funds	<u>(1,116,752)</u>
Total transfers from the nonmajor governmental funds	<u><u>\$ (13,751,867)</u></u>
Transfers from the Sonoma Ranch fund to	
Nonmajor governmental funds	<u>\$ (1,768,010)</u>
Total transfers from the Sonoma Ranch fund	<u><u>\$ (1,768,010)</u></u>
Transfers from the gas fund to	
Nonmajor enterprise funds	<u>\$ (54,400)</u>
Total transfers from the gas fund	<u><u>\$ (54,400)</u></u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

8) Interfund Assets, Liabilities and Transfers — continued

Interfund Transfers — continued

Transfers from nonmajor enterprise funds to	
General fund	\$ (15,500)
Total transfers from the nonmajor enterprise funds	<u>\$ (15,500)</u>
Transfers from the internal service funds to	
General fund	\$ (3,978)
Nonmajor governmental funds	<u>(239,305)</u>
Total transfers from the internal service funds	<u>\$ (243,283)</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Component Units

Interfunds between the Housing Authority and its component units are as follows:

	December 31, 2007			
	Montana Senior Village, LLC	Montana Senior Village II	Stone Mountain Place LP	Total
Due from Housing Authority	\$ 199,995	\$ -	\$ -	\$ 199,995
Payables to Housing Authority	<u>-</u>	<u>(680,226)</u>	<u>(1,633,941)</u>	<u>(2,314,167)</u>
	199,995	(680,226)	(1,633,941)	(2,114,172)
Receivable from component units, net				<u>1,268,234</u>
Total internal balances				<u>\$ (845,938)</u>

Interfunds between the Housing Authority and its component units are different because they have different fiscal year-ends.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**9) Contingent Liabilities**

The City receives financial assistance from federal and state grants and entitlements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City believes that liabilities resulting from disallowed amounts will not have a material effect on the City's financial statements.

The City is a defendant in various lawsuits. Management estimates that \$450,000 may be paid to settle such lawsuits from the self-insurance fund. Management is not aware of any other pending or threatened litigation that would adversely affect the City's financial position.

**10) Pollution Remediation Obligation**

Certain property owned by the City has been declared a Superfund Site by the Environmental Protection Agency (EPA). The EPA has determined that the City is a responsible party along with Doña Ana County, which also owns part of the contaminated property. On April 20, 2005, the City and Doña Ana County established a memorandum of understanding for a Joint Superfund Project (JSP) to work collaboratively with the EPA to complete the Remedial Investigation and Feasibility Study (RIFS) within the Superfund process. In December 2004, the JSP submitted a good-faith offer to the EPA for a Funding Agreement to achieve this objective. In April 2005, a negotiated funding agreement in the amount of \$800,000, payable to the EPA to complete the RIFS, was signed. In October 2005, the EPA and its contractor began the remaining fieldwork, which was completed in fiscal year 2007. As a result of this study, the City accrued a liability of \$6,890,106 to pay its share of the pollution remediation cost, as follows:

	Total Obligation	City's Portion
Capital assets in fiscal year 2008	\$ 5,151,978	\$ 2,575,989
Operating costs in fiscal year 2008	821,029	410,514
Operating costs in fiscal years 2009–2011	638,635	319,318
Completion costs in fiscal years 2010–2013	7,168,571	3,584,285
	\$ 13,780,213	\$ 6,890,106

The pollution remediation obligation is reported in long-term liabilities in the statement of net assets (see Note 7).



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**11) Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all City employees, permits them to defer taxation on a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the plan participants.

The City has 485 active participants in the plan as of June 30, 2008.

**12) Employee Benefit Plans**

Retirement Plan

Substantially all of the City of Las Cruces employees who work 20 or more hours a week participate in a defined benefit contributory retirement plan through the Public Employees Retirement Act of the State of New Mexico, a cost-sharing multiple employer public employee retirement system administered by the Public Employees Retirement Association (PERA). Benefit provisions are established and may only be amended by state statute. Information pertaining to the actuarially computed present value of vested accumulated plan benefits and nonvested accumulated plan benefits, the plan's net assets available for benefits and the assumed rate of return used in computing the present value, and ten-year historical trend information presenting PERA's progress in accumulating sufficient assets to pay benefits when due is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately issued audit report of PERA. The report may be obtained by writing to PERA, PO Box 2123, 1120 Paseo de Peralta, Santa Fe, NM 88504-2323.

*Retirement Eligibility*

Eligibility for receiving the monthly benefit equal to the number of years of credited service x 3.0% (3.5% for police and fire plan employees) of their final average monthly salary, the 36 consecutive months of credited service producing the largest average, is as follows:

Employees may retire at: any age with 25 or more years of credited service; or age 60 or older with 20 or more years of credited service; with the exception of police and fire plan employees who may retire at any age with 20 or more years of credited service. All employees are eligible for retirement at: age 61 or older with 17 or more years of credited service; or age 62 or older with 14 or more years of credited service; or age 63 or older with 11 or more years of credited service; or age 64 or older with eight or more years of credited service; or age 65 or older with five or more years of credited service. Benefits vest after five years of credited service.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

12) Employee Benefit Plans — continued

Retirement Plan — continued

*Disability Benefits*

Members or vested former members with five or more years of credited service will receive their normal retirement pension based on credited service and final average salary at the time of disability or retirement. The five-year service requirement is waived if the disability is incurred in the line of duty. Disability retirements are subject to reevaluation until the disability-retired member reaches normal retirement. Payment of the disability pension is suspended for the balance of any year in which a disability-retired member does not submit an annual statement of earnings from gainful employment by June 30<sup>th</sup> of each year or if the amount of earnings in the previous year is more than the amount that causes the suspension of, or a decrease in, the Social Security Old Age Benefit for a 65 year old.

*Funding Policy*

The City has chosen to enroll in a plan that requires the following contribution percentages:

	City	Employees
Police	18.50%	16.30%
Fire	21.25%	14.80%
All other contributing employees	11.65%	10.65%

For employees in the general municipal employees' plan, the City has chosen to pay a portion of the employees' 10.65% required contribution as an additional benefit. For union-represented employees, the City contributes an additional 1% of the participants' gross salary; for all other employees in this plan, the City contributes 2%.

Contribution requirements for the years ended are as follows:

	City	Employee	Total	Percentage Contributed
June 30, 2004	\$ 4,635,660	\$ 5,413,208	\$ 10,048,868	100%
June 30, 2005	4,799,796	5,580,795	10,380,591	100%
June 30, 2006	5,113,911	5,916,678	11,030,589	100%
June 30, 2007	5,490,247	6,331,551	11,821,798	100%
June 20, 2008	5,870,954	6,776,110	12,647,064	100%

If a member's employment is terminated before the member is eligible for other benefits under PERA, the member may receive a refund of the member's contribution and interest accrued based on rates established biannually by the retirement board.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

12) Employee Benefit Plans — continued

Retirement Plan — continued

*Funding Policy — continued*

The payroll for the City’s employees covered by PERA for the year ended June 30, 2008, was \$48,856,009; the total payroll of all employees of the City was \$55,523,880

Retiree Health Care Plan

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public services in New Mexico. The Retiree Health Care Authority (the “Authority”) is the administrator of the plan and determines required contributions under authority of the Act. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Eligible employers include institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act, or the Magistrate Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person’s behalf, unless that person retires before the employer’s NMRHCA effective date, in which event the time period for contributions becomes the time between the employer’s effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee’s annual salary. Each participating employee contributes to the fund an employee contribution equal to .65 percent of the employee’s annual salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars if the eligible participant retired prior to the employer’s NMRHCA effective date or is a former legislator and made no contributions to the plan. After retirement, premiums are paid to the Authority by the retiree.

The City has paid all of the employers’ required contributions, which were as follows:

2008	\$ 652,275
2007	606,377
2006	568,585

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

12) Employee Benefit Plans — continued

Retiree Health Care Plan — continued

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd, NE, Suite 104, Albuquerque, New Mexico 87109.

13) **Individual Fund Deficits and Budget Variances**

Individual funds with deficit fund balances at year-end are as follows:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Animal Services Center	\$ 33,496
Judicial Education	3,275
Senior Employment Program	4,196
State Capital Improvements	23,449

Management expects fund balance/net asset deficits will be eliminated through increased user fees, participating funds, and general fund appropriations.

The following funds over-expended budgeted amounts as follows:

<u>Fund</u>	<u>Total Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Amount Over- Expended</u>
Alternative Fuel Station	\$ -	\$ 28,981	\$ (28,981)
Clean Community Commission	65,548	88,775	(23,227)

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**14) Landfill Closure and Postclosure Care Cost**

State and federal laws and regulations require placement of a final cover on landfill sites when waste is no longer accepted and performance of certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that a landfill stops accepting waste, a portion of the closure and post closure costs are reported as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The City's landfill closure and postclosure care liability is reported as \$2,912,231 for the year ending June 30, 2008. Actual closure and postclosure care costs at 100% capacity may be higher due to inflation, changes in technology, or changes in regulations. The liability reported reflects a change in the estimate of total closure and postclosure costs of \$665,231 which is included in expenses in the financial statements.

The City enacted a 1/16th cent environmental gross receipts tax that became effective January 1, 1995, to raise funds for environmental costs such as for landfill closure and postclosure care.

**15) Development Impact Fees**

The City collects, invests and expends development impact fees in accordance with Ordinance No. 1456 (June 19, 1995) and Resolution No. 95-368 (June 30, 1995).

Ordinance 1456 §11 requires that impact fees collected be used to pay for capital improvements or facility expansions identified in a capital improvements plan.

In accordance with §6 of Ordinance 1456, the City is required to use qualified professionals to prepare a capital improvements plan that describes the specific capital improvements needed to increase the number of new service units in an area over a reasonable period of time, not to exceed ten years. Additionally, the capital improvements plan will calculate total estimated costs of improvements for which the development impact fees may be assessed. Ordinance 1456 §24 states that the capital improvements plan must be updated at least every five years. Expenditures of fees collected must improve the following facilities:

- 1) Water supply, treatment and distribution facilities and waste water collection and treatment facilities;
- 2) Parks, recreational areas, open space, trails and related areas and facilities.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

15) Development Impact Fees — continued

In addition to the construction of capital improvements or facility expansions, Ordinance 1456 §4 states that the development impact fee may also be used to pay for the preparation and updating of the capital improvements plan, the estimated costs of the plan, or up to three percent of administrative costs for City employees who are qualified professionals. Additionally, debt service costs may be paid from impact fees assessed if the proceeds of the debt issued were used in accordance with the capital improvements identified in the capital improvements plan.

The initial land use assumptions and capital improvements plan prepared by Tischler & Associates, Inc. on January 6, 1995, is a ten- to twenty-year plan with professional engineering estimates of costs well exceeding the assessed development impact fees. A significant portion of the assessed development impact fees for the water and waste water system have been used to pay debt service on bonds. The expenditures from the bond proceeds were spent on specific items listed in the initial capital improvements plan and were expended within five years of the completion of the capital improvements plan.

Development impact fee activity for the year ended June 30, 2008, is shown below. Unspent fees collected in previous years are available for expenditure in the current fiscal year.

**Parks Impact Fees**

Impact fees collected	\$ 174,094
Investment income	93,905
Expenditures	<u>(474,945)</u>
Net Parks Impact Fees	<u>\$ (206,946)</u>

**Water Impact Fees**

Impact fees collected	\$ 1,772,398
Investment income	298,489
Expenditures	<u>(7,108,472)</u>
Net Water Impact Fees	<u>\$ (5,037,585)</u>

**Wastewater Impact Fees**

Impact fees collected	\$ 1,529,691
Investment income	381,569
Expenditures	<u>(3,189,917)</u>
Net Wastewater Impact Fees	<u>\$ (1,278,657)</u>

**Total Impact Fees**

Impact fees collected	\$ 3,476,183
Investment income	773,963
Expenditures	<u>(10,773,334)</u>
Net Total Impact Fees	<u>\$ (6,523,188)</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**16) Major Construction Commitments**

The City has the following construction commitments as of June 30, 2008. These projects are evidenced by contractual arrangements with construction contractors:

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
<b>Joint Utilities</b>					
Gas Streets Rehabilitation Projects	Gas Capital Improvements	\$ 548,644	\$ 245,057	\$ 303,587	Gas Utility Rates
Gas Low Pressure Lines Rehabilitation	Gas Capital Improvements	492,342	-	492,342	Gas Utility Rates
Gas High Pressure Lines Rehabilitation	Gas Capital Improvements	312,829	47,153	265,675	Gas Utility Rates
Gas Line Extensions	Gas Capital Improvements	429,397	110,144	319,253	Gas Utility Rates
Gas High Pressure Lines	Gas Capital Improvements	651,380	-	651,380	Gas Utility Rates
Water Transmission Lines Jornada South	Water Development	3,331,692	2,967,353	364,340	Water Development Impact Fees
Water Jornada South Pump Station	Water Development	1,426,878	1,278,726	148,152	Water Development Impact Fees
Water Transmission Lines Jornada	Water Capital Improvements	1,526,504	1,150,597	375,907	Water Utility Rates
Water Street Utility Rehabilitation	Water Capital Improvements	392,112	15,674	376,439	Water Utility Rates
Water Production Projects	Water Capital Improvements	372,520	321,984	50,536	Water Utility Rates
Water Projects	Water 2006 Bond Projects	345,351	39,746	305,605	2006 Joint Utility Bond
Water Well Projects	Water NMFA Loan Projects	51,363	-	51,363	2007 NMFA Loan
Water Jornada Reservoir	Water NMFA Loan Projects	122,328	5,646	116,683	2007 NMFA Loan
Wastewater New Interceptors	Wastewater Development	353,418	154,715	198,703	Wastewater Development Impact Fees
Wastewater Treatment Plant Expansion	Wastewater Development	4,016,750	1,491,821	2,524,928	Wastewater Development Impact Fees
Wastewater Reclamation Plant Projects	Wastewater Reclamation Project	458,284	-	458,284	Wastewater Utility Rates
Wastewater Treatment Plant Rehabilitation	Wastewater Capital Improvements	224,990	-	224,990	Wastewater Utility Rates
Wastewater Water Reclamation Project	Wastewater EPA Grant Water Reclamation	1,527,725	586,320	941,405	EPA Grant
Water Jornada South Reservoir	Wastewater 2000 Bond Projects	2,169,260	32,931	2,136,329	2005 Joint Utility Bond
Wastewater Treatment Plant Expansion	Wastewater 2006 Bond Development Projects	8,436,244	7,887,819	548,425	2006 Joint Utility Bond
Wastewater Street Utility Rehabilitation	Wastewater 2006 Bond Projects	1,044,785	446,171	598,614	2006 Joint Utility Bond
Wastewater Water Reclamation Project	Wastewater 2006 Bond Projects	1,899,277	452,480	1,446,797	2006 Joint Utility Bond
Wastewater Water Reclamation Project	Wastewater NMFA Loan Projects	5,694,879	-	5,694,879	2008 NMFA Loans
	<b>Total</b>	<u>\$ 35,828,954</u>	<u>\$ 17,234,339</u>	<u>\$ 18,594,614</u>	
<b>Public Works</b>					
City Hall Complex 2005 Bond	2005 City Hall	\$ 915,892	\$ 379,198	\$ 536,694	GRT Tax
City Hall Complex 2005 Bond	2005 City Hall	26,512,063	3,207,061	23,305,002	GRT Tax
Burn Lake Complex 2003 Bond	2003 Facilities Parks	123,294	60,357	62,937	Bond Proceeds
Burn Lake 2005 Bond	2005 Public Improvements	230,110	54,838	175,272	Bond Proceeds
Fire/Police Training Facility	2005 Public Improvements	499,707	208,171	291,536	Bond Proceeds
2008 Patch & Bucket Truck	NMFA Equipment	192,251	-	192,251	NMFA Loan Fund
Valley View Heske Garden	Public Parks Projects	345,357	152,389	192,968	Heske Trust
Lohman Rehab Phase II	GRT Street Maintenance	500,396	215,867	284,530	GRT Tax
Telshor-Lohman Improvements	GRT Street Maintenance	470,589	157,637	312,952	GRT Tax
Indoors Swimming Pool	Facilities State Grants	1,407,981	419,111	988,870	State Legislative Grants
Mesquite Historic District	Facilities State Grants	271,340	59,320	212,020	State Legislative Grants
La Casa Domestic Shelter	Facilities State Grants	148,500	88,100	60,400	State Legislative Grants
La Casa Domestic Shelter	Facilities State Grants	361,350	214,376	146,974	State Legislative Grants
La Casa Domestic Shelter	Facilities State Grants	173,250	70,467	102,783	State Legislative Grants
La Casa Domestic Shelter	Facilities State Grants	466,900	265,129	201,771	State Legislative Grants
Munson Center	Facilities State Grants	110,711	-	110,711	State Legislative Grants
Las Cruces Convention Center	Convention Center Project	2,547,859	410,101	2,137,758	NMFA Loan Fund
Fire Station # 1 2005 Bond	2004 GRT Bond Public Improvements	840,971	298,826	542,145	Bond Proceeds
Street Lighting	2005 GRT Bond Public Improvements	186,990	-	186,990	Bond Proceeds
Street Lighting	2003 GRT Bond Street Lights	753,298	345,923	407,375	Bond Proceeds
Sonoma Ranch South Fork	2005 GRT Bond Public Improvements	123,318	-	123,318	GRT Tax
Sonoma Ranch South Fork Developer	2005 GRT Bond Public Improvements	202,795	141,602	61,192	GRT Tax
Stull/Sambrano Rehab	NMFA Street Improvements 2007	656,542	83,022	573,520	NMFA Loan Fund
Lohman Rehab Paving Phase II	NMFA Street Improvements 2007	136,674	-	136,674	NMFA Loan Fund
17th Street Rehab	NMFA Street Improvements 2007	1,000,000	-	1,000,000	NMFA Loan Fund
Bruins Lane Rehab	NMFA Street Improvements 2007	248,340	-	248,340	NMFA Loan Fund
Rinconada: Northrise to BLM	NMFA Street Improvements 2006	567,301	419,489	147,812	NMFA Loan Fund
Rinconada: BLM to Sonoma Blvd.	NMFA Street Improvements 2006	237,841	15,607	222,235	NMFA Loan Fund
Sonoma Ranch Blvd.	NMFA Street Improvements 2006	2,589,872	304,860	2,285,012	NMFA Loan Fund
Davis/Jefferson	Street Improvements	200,850	46,740	154,111	GRT Tax
Downtown Revitalization	Street Improvements	250,641	47,827	202,814	GRT Tax
Jack Rabbit Interchange	Street Improvements	493,529	30,308	463,221	GRT Tax
17th Street Rehab	Street Improvements	368,662	-	368,662	GRT Tax
Bowman/Mesilla	Flood Control	319,865	270,131	49,734	Property Tax
Sonoma Ranch South Fork Arroyo	Flood Control	432,179	-	432,179	Property Tax
	<b>Total</b>	<u>\$ 44,455,040</u>	<u>\$ 7,966,456</u>	<u>\$ 36,920,763</u>	

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

**17) Affiliated Organizations and Joint Powers Agreements**

The City is a participant in the following five affiliated organizations, four of which are joint ventures. Other than the City bonds secured by South Central Solid Waste Authority, the City is unaware of any circumstances that would cause a significant benefit or burden to the participating governments in the near future.

Mesilla Valley Regional Dispatch Authority

The City is a participant in a combined City–County communications/dispatch center for police, fire, and emergency medical services for the City–County area. The organization is governed by a board of twelve individuals. The City and County each appoint four members; the Town of Mesilla, the City of Sunland Park and the Village of Hatch each appoint one member; and the final member is appointed at large by the other members.

The City contributes 53% of the net annual operating cost while the County contributes 47%. The joint powers agreement provides that if the agreement is terminated, property and any funds accrued by the organization shall be distributed to the City and County in proportion to the contributions made by the two entities.

The City is the fiscal agent for the organization and accounts for its resources in an agency fund. Separate audited financial statements were prepared for the year ended June 30, 2008.

Metro Narcotics Agency

The City is a participant in a joint City–County–State–University controlled substances investigation project for the City/County area. The organization is governed by a board of nine individuals. The City and County each appoint three members; the remaining three members are the State Police Chief, the University Police Chief, and the District Attorney.

All persons (agents and support staff) assigned to Metro are paid by their respective agencies. The City and the County make contributions to cover the net operating expenses of the organization in proportion to the number of agents assigned to the organization by the two entities. The joint powers agreement provides that if the agreement is terminated by all parties, assets and monies acquired without federal involvement will be distributed in proportion equal to their investment, and assets received from the federal government pursuant to the federal asset-sharing procedures will be distributed to the parties in proportion to their contribution to operational expenses.

The City is the fiscal agent for the organization and accounts for it in an agency fund. Separate audited financial statements were prepared for the year ended June 30, 2008.



**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

17) **Affiliated Organizations and Joint Powers Agreements — continued**

Metropolitan Planning Organization

The City is a participant in a joint City-County-Town of Mesilla Metropolitan Planning Organization jurisdictional area. The organization is governed by a board of nine individuals. The City of Las Cruces, Dona Ana County and Town of Mesilla each appoint three members. The committee was constituted for the purpose of establishing, overseeing and directing transportation related policy within the Las Cruces Urban area and to accomplish overall transportation planning for the City, County and Town.

The parties agree that some of the expense of the transportation planning process will be provided for by grant funds available under Section 112 of the Federal Highway Act of 1978 and Section 8 of the Urban Mass Transportation Act of 1964. Expenses not so provided shall be assumed by participating agencies according to the listing of funding sources contained in the annual Unified Work Program approved by the governing board.

Lower Rio Grande Water Users Organization

The City is a participant in this organization to provide for acquisition of information regarding the hydrologic features of the Lower Rio Grande River System. The organization has eight participants: the City, the County, the Town of Mesilla, the Anthony Water and Sanitation District, the Village of Hatch, New Mexico State University, the Elephant Butte Irrigation District and the Dona Ana Mutual Domestic Water Consumers Association.

The objective of this organization is to complete and implement a regional water plan, to make the best use of the available water supply, to secure additional supplies of water for the water users in the region, and to facilitate New Mexico entities' participation in the New Mexico-Texas Water Commission.

Funds are received from the New Mexico Interstate Stream Commission and from other sources. The City of Las Cruces shall serve as the fiscal agent for the Organization. The City will maintain all fiscal records in accordance with generally accepted accounting principles. Upon termination of the agreement, any unexpended funds will be returned pro rata by the fiscal agent to the contributing members and third party funding sources.

South Central Solid Waste Authority

The City is a participant in South Central Solid Waste Authority (SCSWA), a City-County joint venture that establishes a mechanism for designing, constructing, financing, operating and maintaining regional solid waste landfills and related facilities. SCSWA is reported as a component unit of the City because its revenues are the primary source of debt service for City bonds issued to construct a regional landfill and transfer station. SCSWA is governed by a board comprised of six working members and two ex-officio members. Three of the members are appointed from the City Council by the Mayor and

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

17) **Affiliated Organizations and Joint Powers Agreements — continued**

South Central Solid Waste Authority — continued

three members are appointed from the County Commission by the Chairman. The two ex-officio members are the City Manager and the County Manager or their designees.

The City serves as the fiscal agent for the Authority for the term of the agreement. The fiscal agent is compensated for services rendered to the Authority in the amount of \$85,000 per year base rate of which \$15,000 pertains to audit fees. The base rate increases each year by the Consumer Price Index plus audit fees or other direct costs. The City issued revenue bonds on behalf of the Authority which are to be secured by pledges of the net revenues derived from operation of the facility and of the proceeds of the 1/16% Municipal Environmental Services Gross Receipts Tax of the City and the 1/8% County Environmental Services Gross Receipts Tax of the County.

The joint venture agreement may be terminated upon the mutual consent of both parties and shall not be terminated so long as any revenue bonds issued under the agreement by the City are outstanding.

In 2008, the City of Las Cruces and Dona Ana County paid approximately \$2.55 million and \$832,387 in charges for services, respectively. In 2007, the City of Las Cruces and Dona Ana County paid approximately \$2.76 million and \$902,486 in charges for services, respectively.

In 2008, the Authority paid approximately \$85,005 of fiscal agent fees to the City of Las Cruces. In 2007, the Authority paid approximately \$83,778 of fiscal agent fees to the City of Las Cruces.

Rio Grande Natural Gas Association

The Rio Grande Natural Gas Association (the “Association”) operates as a community gas association and services customers located in Dona Ana County, New Mexico, that are primarily located outside the City of Las Cruces, New Mexico. The Association was formed in 1969 in accordance with the provisions of Sections 3-28-1 through 3-28-22 of the New Mexico State Statutes, and organized as a nonprofit corporation owned by the City of Las Cruces (the “City”) and the Village of Hatch (the “Village”). According to its charter, the life of the Association is 100 years, and upon dissolution the assets of the Association will belong to the City and the Village. The Association is governed by a Board of Directors appointed by the governing bodies of the City and the Village. The Association is a governmental organization, as the Board of Directors consists of members appointed by governmental entities.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

17) **Affiliated Organizations and Joint Powers Agreements — continued**

Rio Grande Natural Gas Association — continued

The City acts as fiscal agent for the Association, and the City's employees handle the day-to-day operations of the Association. The Association reimburses the City for all expenditures incurred for the operation of the Association, plus an administrative fee to compensate it for acting as the fiscal agent of the Association. The Association paid the City \$2,970,266 in 2008 and \$2,874,553 in 2007. Additionally, the Association had gas sales of \$555,503 and \$640,941 to the Village of Hatch during the years ended June 30, 2008 and 2007, respectively.

The City is the fiscal agent for the organization and accounts for its resources in an agency fund. Separate audited financial statements were prepared for the year ended June 30, 2008.

18) **Telshor Facility Lease**

**Memorial Medical Center / Province Hospital (Telshor Facility)**

In 1966 the City and the County adopted a joint resolution to create a joint county-municipal hospital to provide medical services to all of the citizens of Doña Ana County. The hospital was constructed and operated by the City and County through a Board of Trustees until 1998, when it was leased to Memorial Medical Center, Inc. (MMCI), a New Mexico not-for-profit corporation.

On June 1, 2004, the City, the County, and MMCI jointly terminated the lease. On that date, the City and County executed a 40-year lease agreement for the hospital facilities and equipment with PHC-Las Cruces, Inc. (PHC), a New Mexico corporation and a wholly-owned subsidiary of Province Healthcare Corporation, a Delaware corporation. In accordance with the lease agreement PHC has deposited amounts into escrow accounts to cover contingencies of the hospital and pay hospital liabilities specified in the agreement,

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

18) Telshor Facility Lease — continued

Memorial Medical Center / Province Hospital (Telshor Facility) — continued

including outstanding bonds. The net lease proceeds, after these deposits and liabilities, are summarized as follows:

	<u>Total</u>	<u>City Portion</u>
Total lease amount	\$ 150,000,000	\$ 75,000,000
Less		
Hospital liabilities assumed by PHC	9,247,375	4,623,688
Amounts deposited into escrow to cover medical malpractice and other contingencies	14,445,892	7,222,946
Payment of outstanding hospital bonds	50,038,987	25,019,493
Payment of hospital pension liabilities	24,100,000	12,050,000
Closing costs	<u>1,000</u>	<u>500</u>
Cash paid by PHC to the City and County	<u>\$ 52,166,746</u>	<u>\$ 26,083,373</u>

As part of the PHC lease, the City and County received amounts needed to cover specific future costs. The maximum amounts of these costs are as follows:

	<u>Total</u>	<u>City Portion</u>
Employee severance agreements	\$ 987,266	\$ 493,633
Construction costs	1,278,414	639,207
Future payments to MMC for expanded care services	19,200,000	9,600,000
Hospital property taxes	<u>5,000,000</u>	<u>2,500,000</u>
	<u>\$ 26,465,680</u>	<u>\$ 13,232,840</u>

The proceeds of the PHC lease are reported in a special revenue fund (Telshor Facility fund) because the City Council adopted a resolution restricting the use of the lease proceeds to fund health-related programs and health-related capital projects. Amounts originally received by the City for expanded care services and property taxes are reported in the statement of net assets as deferred revenue. The deferred revenue is amortized each year to the extent of expenditures recorded in the Telshor fund. The revenue amortized in 2008 was \$266,833.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2008**

18) Telshor Facility Lease — continued

Memorial Medical Center / Province Hospital (Telshor Facility) — continued

The asset purchase agreement entitles PHC to compensation solely from the escrow account if PHC incurs any losses, including the discharge of malpractice liabilities, in connection with events that occurred on or prior to the closing.

MMCI began distributing its cash and investments equally between the City and the County in July 2004. MMCI retained cash to pay certain liabilities; any cash remaining at the end of the liquidation process will be distributed equally between the City and the County.

19) **Internal Service Fund Governmental and Business-Type Activities Allocations**

The City allocates its internal service funds based on the utilization of these internal service funds between governmental and business-type activities. The governmental allocation, as identified in the governmental funds balance sheet, follows:

*Internal service fund*

Net assets, beginning balance		\$ 3,290,208
Revenues less eliminations	\$ 261,968	
Expenses less eliminations	(262,933)	
Other financing sources	<u>271,419</u>	
Change in net assets		<u>270,454</u>
Net assets, ending balance		<u><u>\$ 3,560,662</u></u>

Changes in net assets of internal service funds reported in business-type activities follows:

Net assets, beginning balance		\$ 2,281,336
Revenues less eliminations	\$ 107,256	
Expenses less eliminations	(127,124)	
Other financing sources	<u>108,713</u>	
Change in net assets		<u>88,845</u>
Net assets, ending balance		<u><u>\$ 2,370,181</u></u>



Combining Balance Sheet—Nonmajor Governmental Funds

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Special		
	Community Development	Court Awarded Funds	MPO Urban Transportation
<b>Assets</b>			
Pooled cash and investments	\$ -	\$ 456,008	\$ 140,445
Restricted cash and investments	-	-	-
Receivables, net	4,492,677	-	-
Due from other governmental units	-	-	55,034
Total assets	\$ 4,492,677	\$ 456,008	\$ 195,479
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 167,683	\$ 17,712	\$ 453
Due to other funds	-	-	-
Accrued liabilities	8,511	-	5,489
Deferred revenue	4,289,455	-	-
Total liabilities	4,465,649	17,712	5,942
<b>Fund balances</b>			
Unreserved	27,028	438,296	189,537
Total fund balances	27,028	438,296	189,537
Total liabilities and fund balance	\$ 4,492,677	\$ 456,008	\$ 195,479



Revenue Fund

Fire	Police Protection	Emergency Medical Services	Traffic Safety	Court Automation	Animal Services Center
\$ 333,112	\$ 114,186	\$ 19,846	\$ 74,751	\$ 332,649	\$ 10,663
-	-	-	-	-	-
-	3,049	-	-	-	-
-	354,633	-	-	-	-
<u>\$ 333,112</u>	<u>\$ 471,868</u>	<u>\$ 19,846</u>	<u>\$ 74,751</u>	<u>\$ 332,649</u>	<u>\$ 10,663</u>
\$ 80,668	\$ 27,221	\$ -	\$ -	\$ 5,125	\$ 27,474
-	-	-	-	-	-
-	6,655	-	-	-	16,685
-	8,960	-	-	-	-
<u>80,668</u>	<u>42,836</u>	<u>-</u>	<u>-</u>	<u>5,125</u>	<u>44,159</u>
252,444	429,032	19,846	74,751	327,524	(33,496)
<u>252,444</u>	<u>429,032</u>	<u>19,846</u>	<u>74,751</u>	<u>327,524</u>	<u>(33,496)</u>
<u>\$ 333,112</u>	<u>\$ 471,868</u>	<u>\$ 19,846</u>	<u>\$ 74,751</u>	<u>\$ 332,649</u>	<u>\$ 10,663</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Special		
	Prisoner Care	Juvenile Recreation	Lodgers' Tax and LCCVB
<b>Assets</b>			
Pooled cash and investments	\$ 1,471,833	\$ 74,657	\$ 3,676,945
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	142,029
Total assets	\$ 1,471,833	\$ 74,657	\$ 3,818,974
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 457,689	\$ 16,208	\$ 145,944
Due to other funds	-	-	-
Accrued liabilities	-	-	13,064
Deferred revenue	-	-	-
Total liabilities	457,689	16,208	159,008
<b>Fund balances</b>			
Unreserved	1,014,144	58,449	3,659,966
Total fund balances	1,014,144	58,449	3,659,966
Total liabilities and fund balance	\$ 1,471,833	\$ 74,657	\$ 3,818,974

continued

Revenue Fund

DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease	Legislative Equipment Grants	Gasoline Tax Street Maintenance Fund
\$ 72,617	\$ -	\$ -	\$ 33,230	\$ 8,378	\$ 308,343
-	-	-	-	-	-
-	-	-	-	-	-
-	-	276,833	-	27,868	224,651
<u>\$ 72,617</u>	<u>\$ -</u>	<u>\$ 276,833</u>	<u>\$ 33,230</u>	<u>\$ 36,246</u>	<u>\$ 532,994</u>
\$ 63,669	\$ 3,275	\$ -	\$ 16,013	\$ 8,300	\$ 265
-	-	-	-	-	-
-	-	-	-	-	7,405
-	-	-	-	-	-
<u>63,669</u>	<u>3,275</u>	<u>-</u>	<u>16,013</u>	<u>8,300</u>	<u>7,670</u>
8,948	(3,275)	276,833	17,217	27,946	525,324
<u>8,948</u>	<u>(3,275)</u>	<u>276,833</u>	<u>17,217</u>	<u>27,946</u>	<u>525,324</u>
<u>\$ 72,617</u>	<u>\$ -</u>	<u>\$ 276,833</u>	<u>\$ 33,230</u>	<u>\$ 36,246</u>	<u>\$ 532,994</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Special		
	Public Safety Gross Receipts Tax	Keep Las Cruces Beautiful	Older Americans Act Programs
<b>Assets</b>			
Pooled cash and investments	\$ -	\$ -	\$ 177,917
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	567,732	13,177	68,367
Total assets	\$ 567,732	\$ 13,177	\$ 246,284
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ -	\$ 11,017	\$ 18,467
Due to other funds	-	-	-
Accrued liabilities	-	660	33,394
Deferred revenue	-	1,500	-
Total liabilities	-	13,177	51,861
<b>Fund balances</b>			
Unreserved	567,733	-	194,423
Total fund balances	567,733	-	194,423
Total liabilities and fund balance	\$ 567,733	\$ 13,177	\$ 246,284

continued

Revenue Fund

Cash in Lieu of Commodities	RSVP	Children, Youth, and Families	Senior Employment Program	State Library Resources Grant	Street Maintenance Operations
\$ -	\$ -	\$ 79,732	\$ -	\$ -	\$ 93,936
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,612</u>	<u>29,056</u>	<u>9,352</u>	<u>2,284</u>	<u>48,757</u>	<u>-</u>
<u>\$ 20,612</u>	<u>\$ 29,056</u>	<u>\$ 89,084</u>	<u>\$ 2,284</u>	<u>\$ 48,757</u>	<u>\$ 93,936</u>
\$ 16,741	\$ 6,474	\$ 7,418	\$ 6,212	\$ 48,509	\$ 38,333
-	-	-	-	-	-
-	3,079	652	268	-	5,673
-	-	-	-	-	-
<u>16,741</u>	<u>9,553</u>	<u>8,070</u>	<u>6,480</u>	<u>48,509</u>	<u>44,006</u>
<u>3,871</u>	<u>19,503</u>	<u>81,014</u>	<u>(4,196)</u>	<u>248</u>	<u>49,930</u>
<u>3,871</u>	<u>19,503</u>	<u>81,014</u>	<u>(4,196)</u>	<u>248</u>	<u>49,930</u>
<u>\$ 20,612</u>	<u>\$ 29,056</u>	<u>\$ 89,084</u>	<u>\$ 2,284</u>	<u>\$ 48,757</u>	<u>\$ 93,936</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Special		
	Flood Control Operations	Special Assessments/ Northrise Morningstar	Downtown Revitalization
<b>Assets</b>			
Pooled cash and investments	\$ 509,191	\$ 20,798	\$ 370,087
Restricted cash and investments	-	-	-
Receivables, net	-	845,802	-
Due from other governmental units	102,982	1,961,004	-
Total assets	\$ 612,173	\$ 2,827,604	\$ 370,087
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 4,995	\$ -	\$ -
Due to other funds	-	-	-
Accrued liabilities	4,738	-	-
Deferred revenue	-	2,806,805	-
Total liabilities	9,733	2,806,805	-
<b>Fund balances</b>			
Unreserved	602,440	20,799	370,087
Total fund balances	602,440	20,799	370,087
Total liabilities and fund balance	\$ 612,173	\$ 2,827,604	\$ 370,087

continued

Revenue Fund

Regulatory Plan	State Operating Grants	Valley View Heske Garden	Griggs Walnut Plume	Las Cruces Convention Center	Debt Service Fund
\$ 244,071	\$ 25,485	\$ 182,032	\$ 247,021	\$ 7	\$ -
-	-	-	-	-	6,860,131
-	-	-	-	-	5,741
<u>50,753</u>	<u>133,861</u>	<u>-</u>	<u>71,008</u>	<u>-</u>	<u>-</u>
<u>\$ 294,824</u>	<u>\$ 159,346</u>	<u>\$ 182,032</u>	<u>\$ 318,029</u>	<u>\$ 7</u>	<u>\$ 6,865,872</u>
\$ 29,714	\$ 115,650	\$ -	\$ 43,338	\$ -	\$ -
-	-	-	-	-	-
-	5,407	-	-	-	-
-	<u>22,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>29,714</u>	<u>143,725</u>	<u>-</u>	<u>43,338</u>	<u>-</u>	<u>-</u>
<u>265,110</u>	<u>15,621</u>	<u>182,032</u>	<u>274,691</u>	<u>7</u>	<u>6,865,872</u>
<u>265,110</u>	<u>15,621</u>	<u>182,032</u>	<u>274,691</u>	<u>7</u>	<u>6,865,872</u>
<u>\$ 294,824</u>	<u>\$ 159,346</u>	<u>\$ 182,032</u>	<u>\$ 318,029</u>	<u>\$ 7</u>	<u>\$ 6,865,872</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Capital		
	Public Parks	Street Improvement	Airport Improvement
<b>Assets</b>			
Pooled cash and investments	\$ 2,632,005	\$ 5,397,412	\$ 983,209
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	7,323	534,076	51,583
Total assets	2,639,328	\$ 5,931,488	\$ 1,034,792
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 297,963	\$ 140,405	\$ -
Due to other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	369,462
Total liabilities	297,963	140,405	369,462
<b>Fund balances</b>			
Unreserved	2,341,365	5,791,083	665,330
Total fund balances	2,341,365	5,791,083	665,330
Total liabilities and fund balance	\$ 2,639,328	\$ 5,931,488	\$ 1,034,792



continued

Projects Fund

Sales Tax- Street Maintenance	Flood Control	Capital Improvement Reserve	Legislative Capital Improvements	State Capital Improvements
\$ 1,028,591	\$ 2,860,475	\$ 5,300,356	\$ -	\$ -
-	-	-	-	-
26,358	-	-	-	-
<u>1,107,422</u>	<u>63,503</u>	<u>-</u>	<u>412</u>	<u>978,736</u>
<u>\$ 2,162,371</u>	<u>\$ 2,923,978</u>	<u>\$ 5,300,356</u>	<u>\$ 412</u>	<u>\$ 978,736</u>
\$ 736,175	\$ -	\$ 99,958	\$ 412	\$ 287,736
-	-	-	-	714,449
10,000	-	-	-	-
<u>45,894</u>	<u>-</u>	<u>199,480</u>	<u>-</u>	<u>-</u>
<u>792,069</u>	<u>-</u>	<u>299,438</u>	<u>412</u>	<u>1,002,185</u>
<u>1,370,302</u>	<u>2,923,978</u>	<u>5,000,918</u>	<u>-</u>	<u>(23,449)</u>
<u>1,370,302</u>	<u>2,923,978</u>	<u>5,000,918</u>	<u>-</u>	<u>(23,449)</u>
<u>\$ 2,162,371</u>	<u>\$ 2,923,978</u>	<u>\$ 5,300,356</u>	<u>\$ 412</u>	<u>\$ 978,736</u>

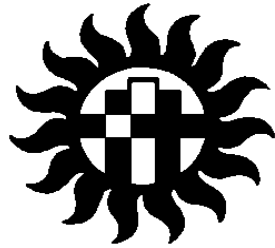
**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2008**

	Capital		
	EDA West Mesa Industrial Park Fund	1999 Sales Tax Street Projects Series A	2003 Sales Tax Facilities and Parks
<b>Assets</b>			
Pooled cash and investments	\$ 1,194,709	\$ -	\$ 168,978
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	-
Total assets	\$ 1,194,709	\$ -	\$ 168,978
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 12,416	\$ -	\$ 49,960
Due to other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	12,416	-	49,960
<b>Fund balances</b>			
Unreserved	1,182,293	-	119,018
Total fund balances	1,182,293	-	119,018
Total liabilities and fund balance	\$ 1,194,709	\$ -	\$ 168,978

continued

Projects Fund

NMFA Loans- Equipment Acquisition	2003 Sales Tax Street Lights	2005 GRT Public Improvements	NMFA Street Improvements	Total
\$ 1,009,141	\$ 891,647	\$ 2,532,757	\$ 2,714,943	\$ 35,792,164
-	-	-	-	6,860,131
-	-	8,374	-	5,382,001
-	-	-	-	6,903,048
<u>\$ 1,009,141</u>	<u>\$ 891,647</u>	<u>\$ 2,541,131</u>	<u>\$ 2,714,943</u>	<u>\$ 54,937,344</u>
\$ -	\$ 212,845	\$ 401,587	\$ 41,112	\$ 3,665,136
-	-	-	-	714,449
-	-	-	-	121,680
-	-	-	-	7,744,224
<u>-</u>	<u>212,845</u>	<u>401,587</u>	<u>41,112</u>	<u>12,245,489</u>
1,009,141	678,802	2,139,544	2,673,831	42,691,855
<u>1,009,141</u>	<u>678,802</u>	<u>2,139,544</u>	<u>2,673,831</u>	<u>42,691,855</u>
<u>\$ 1,009,141</u>	<u>\$ 891,647</u>	<u>\$ 2,541,131</u>	<u>\$ 2,714,943</u>	<u>\$ 54,937,344</u>



City of Las Cruces

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance—Nonmajor Governmental Funds

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

	Special		
	Community Development	Court Awarded Funds	MPO Urban Transportation
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	8,785	-	-
Fees and fines	-	-	-
Investment income (loss)	27,160	18,637	2,595
Licenses and permits	-	-	-
Intergovernmental	2,226,657	-	183,017
Other	60,108	-	100
Total revenues	2,322,710	18,637	185,712
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	44,810	-
Fire	-	-	-
Community development	1,758,779	-	252,424
Public services	-	-	-
Public works	-	-	-
Capital outlay	730,828	37,508	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	2,489,607	82,318	252,424
Revenues over (under) expenditures	(166,897)	(63,681)	(66,712)
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	-	125,000
Transfers out	-	-	-
Total other financing sources (uses)	-	-	125,000
Net change in fund balances	(166,897)	(63,681)	58,288
Fund balances, beginning of year, as previously reported	1,581,509	501,977	131,249
Restatement (Note 20)	1,387,584	-	-
Fund balances, beginning of year, as restated	193,925	501,977	131,249
<b>Fund balances, end of year</b>	<b>\$ 27,028</b>	<b>\$ 438,296</b>	<b>\$ 189,537</b>

Revenue Fund

Fire	Police Protection	Emergency Medical Services	Traffic Safety	Court Automation	Animal Services Center
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	246,295
-	-	-	35,159	121,847	-
25,597	2,991	963	2,976	11,587	107
-	-	-	-	-	-
419,613	1,633,046	20,000	-	-	-
-	168,928	-	-	27,601	2,329
<u>445,210</u>	<u>1,804,965</u>	<u>20,963</u>	<u>38,135</u>	<u>161,035</u>	<u>248,731</u>
-	-	-	-	126,606	-
-	-	-	-	-	-
-	818,162	-	21,636	-	394,009
395,197	-	17,057	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
62,763	1,050,609	-	14,382	-	-
-	-	-	-	-	-
<u>457,960</u>	<u>1,868,771</u>	<u>17,057</u>	<u>36,018</u>	<u>126,606</u>	<u>394,009</u>
<u>(12,750)</u>	<u>(63,806)</u>	<u>3,906</u>	<u>2,117</u>	<u>34,429</u>	<u>(145,278)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	378,552	-	-	-	111,782
(29,833)	-	-	-	-	-
<u>(29,833)</u>	<u>378,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,782</u>
<u>(42,583)</u>	<u>314,746</u>	<u>3,906</u>	<u>2,117</u>	<u>34,429</u>	<u>(33,496)</u>
295,027	114,286	15,940	72,634	293,095	-
-	-	-	-	-	-
<u>295,027</u>	<u>114,286</u>	<u>15,940</u>	<u>72,634</u>	<u>293,095</u>	<u>-</u>
<u>\$ 252,444</u>	<u>\$ 429,032</u>	<u>\$ 19,846</u>	<u>\$ 74,751</u>	<u>\$ 327,524</u>	<u>\$ (33,496)</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

	Special		
	Prisoner Care	Juvenile Recreation	Lodgers' Tax and LCCVB
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	1,785,109
State-shared	-	55,352	-
Charges for services	-	-	-
Fees and fines	248,415	-	-
Investment income (loss)	39,193	2,173	139,595
Licenses and permits	-	-	21,449
Intergovernmental	-	-	17,000
Other	-	-	15,231
Total revenues	<u>287,608</u>	<u>57,525</u>	<u>1,978,384</u>
<b>Expenditures</b>			
Current			
General government	1,276,950	-	-
Facilities	-	-	-
Police	158,553	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	22,466	1,613,637
Public works	-	-	-
Capital outlay	-	16,207	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>1,435,503</u>	<u>38,673</u>	<u>1,613,637</u>
Revenues over (under) expenditures	<u>(1,147,895)</u>	<u>18,852</u>	<u>364,747</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	1,650,000	-	1,580,520
Transfers out	-	-	(1,754,506)
Total other financing sources (uses)	<u>1,650,000</u>	<u>-</u>	<u>(173,986)</u>
Net change in fund balances	<u>502,105</u>	<u>18,852</u>	<u>190,761</u>
Fund balances, beginning of year, as previously reported	512,039	39,597	3,469,205
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	<u>512,039</u>	<u>39,597</u>	<u>3,469,205</u>
<b>Fund balances, end of year</b>	<u>\$ 1,014,144</u>	<u>\$ 58,449</u>	<u>\$ 3,659,966</u>



continued

Revenue Fund

DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease	Legislative Equipment Grants	Gasoline Tax Street Maintenance Fund
\$ -	\$ -	\$ 2,560,652	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,439,465
-	-	-	-	-	-
37,441	22,178	-	-	-	-
2,470	-	-	6,337	-	8,899
-	-	-	-	-	-
-	-	-	-	184,737	-
-	-	-	-	-	-
<u>39,911</u>	<u>22,178</u>	<u>2,560,652</u>	<u>6,337</u>	<u>184,737</u>	<u>1,448,364</u>
-	22,207	943,831	204,755	155,890	-
-	-	-	-	-	-
28,895	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	436,754
-	-	-	-	28,901	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,895</u>	<u>22,207</u>	<u>943,831</u>	<u>204,755</u>	<u>184,791</u>	<u>436,754</u>
<u>11,016</u>	<u>(29)</u>	<u>1,616,821</u>	<u>(198,418)</u>	<u>(54)</u>	<u>1,011,610</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,000	363,092
-	-	(1,601,098)	-	-	(1,267,839)
-	-	(1,601,098)	-	28,000	(904,747)
<u>11,016</u>	<u>(29)</u>	<u>15,723</u>	<u>(198,418)</u>	<u>27,946</u>	<u>106,863</u>
(2,068)	(3,246)	261,110	215,635	-	-
-	-	-	-	-	-
<u>(2,068)</u>	<u>(3,246)</u>	<u>261,110</u>	<u>215,635</u>	<u>-</u>	<u>-</u>
<u>\$ 8,948</u>	<u>\$ (3,275)</u>	<u>\$ 276,833</u>	<u>\$ 17,217</u>	<u>\$ 27,946</u>	<u>\$ 106,863</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

	Special		
	Public Safety Gross Receipts Tax	Keep Las Cruces Beautiful	Older Americans Act Programs
<b>Revenues</b>			
Taxes			
Gross receipts	\$ 3,317,503	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	36,225	765,284
Other	-	-	-
Total revenues	<u>3,317,503</u>	<u>36,225</u>	<u>765,284</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	2,223,502	83,147	-
Fire	1,063,271	-	-
Community development	-	-	-
Public services	-	-	1,851,380
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>3,286,773</u>	<u>83,147</u>	<u>1,851,380</u>
Revenues over (under) expenditures	<u>30,730</u>	<u>(46,922)</u>	<u>(1,086,096)</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	25,453	1,195,259
Transfers out	-	-	(71,752)
Total other financing sources (uses)	<u>-</u>	<u>25,453</u>	<u>1,123,507</u>
Net change in fund balances	<u>30,730</u>	<u>(21,469)</u>	<u>37,411</u>
Fund balances, beginning of year, as previously reported	537,003	21,469	157,012
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	<u>537,003</u>	<u>21,469</u>	<u>157,012</u>
<b>Fund balances, end of year</b>	<u>\$ 567,733</u>	<u>\$ -</u>	<u>\$ 194,423</u>

continued

Revenue Fund

Cash in Lieu of Commodities	RSVP	Children, Youth, and Families	Senior Employment Program	State Library Resources Grant	Street Maintenance Operations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,975
-	-	-	-	-	-
141,660	94,630	116,766	7,780	118,896	-
-	-	-	-	-	-
<u>141,660</u>	<u>94,630</u>	<u>116,766</u>	<u>7,780</u>	<u>118,896</u>	<u>3,975</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
137,901	167,493	134,550	11,976	118,910	-
-	-	-	-	-	386,856
-	-	-	-	-	-
-	-	-	-	-	-
<u>137,901</u>	<u>167,493</u>	<u>134,550</u>	<u>11,976</u>	<u>118,910</u>	<u>386,856</u>
<u>3,759</u>	<u>(72,863)</u>	<u>(17,784)</u>	<u>(4,196)</u>	<u>(14)</u>	<u>(382,881)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	75,949	19,602	-	-	317,160
-	-	-	-	-	-
<u>-</u>	<u>75,949</u>	<u>19,602</u>	<u>-</u>	<u>-</u>	<u>317,160</u>
<u>3,759</u>	<u>3,086</u>	<u>1,818</u>	<u>(4,196)</u>	<u>(14)</u>	<u>(65,721)</u>
112	16,417	79,196	-	262	115,651
-	-	-	-	-	-
<u>112</u>	<u>16,417</u>	<u>79,196</u>	<u>-</u>	<u>262</u>	<u>115,651</u>
<u>\$ 3,871</u>	<u>\$ 19,503</u>	<u>\$ 81,014</u>	<u>\$ (4,196)</u>	<u>\$ 248</u>	<u>\$ 49,930</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

	Special		
	Flood Control Operations	Special Assessments/ Northrise Morningstar	Downtown Revitalization
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	13,656	151,430	14,722
Licenses and permits	-	-	-
Intergovernmental	10,788	338,827	-
Other	-	-	950
Total revenues	<u>24,444</u>	<u>490,257</u>	<u>15,672</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	352,921	-	-
Capital outlay	-	-	74,141
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>352,921</u>	<u>-</u>	<u>74,141</u>
Revenues over (under) expenditures	<u>(328,477)</u>	<u>490,257</u>	<u>(58,469)</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	578,433	-	-
Transfers out	-	(746,292)	-
Total other financing sources (uses)	<u>578,433</u>	<u>(746,292)</u>	<u>-</u>
Net change in fund balances	<u>249,956</u>	<u>(256,035)</u>	<u>(58,469)</u>
Fund balances, beginning of year, as previously reported	352,484	276,834	428,556
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	<u>352,484</u>	<u>276,834</u>	<u>428,556</u>
<b>Fund balances, end of year</b>	<u>\$ 602,440</u>	<u>\$ 20,799</u>	<u>\$ 370,087</u>

continued

Revenue Fund

Regulatory Plan	State Operating Grants	Valley View Heske Garden	Griggs Walnut Plume	Las Cruces Convention Center	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,833	-	10,106	9,511	7,142	382,117
-	-	-	-	-	-
200,000	-	-	-	-	-
<u>25,000</u>	<u>404,837</u>	<u>280,564</u>	<u>215,976</u>	<u>1,109,363</u>	<u>842,516</u>
<u>227,833</u>	<u>404,837</u>	<u>290,670</u>	<u>225,487</u>	<u>1,116,505</u>	<u>1,224,633</u>
-	-	-	431,951	-	-
-	-	506	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
262,915	-	-	-	-	-
-	-	-	-	-	-
-	389,216	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,044,491
-	-	-	-	-	<u>3,940,429</u>
<u>262,915</u>	<u>389,216</u>	<u>506</u>	<u>431,951</u>	<u>-</u>	<u>10,984,920</u>
<u>(35,082)</u>	<u>15,621</u>	<u>290,164</u>	<u>(206,464)</u>	<u>1,116,505</u>	<u>(9,760,287)</u>
-	-	-	-	-	2,343,850
-	-	-	-	-	-
250,000	-	-	481,155	-	10,718,129
-	-	(108,132)	-	(1,116,498)	(89,210)
<u>250,000</u>	<u>-</u>	<u>(108,132)</u>	<u>481,155</u>	<u>(1,116,498)</u>	<u>12,972,769</u>
<u>214,918</u>	<u>15,621</u>	<u>182,032</u>	<u>274,691</u>	<u>7</u>	<u>3,212,482</u>
50,192	-	-	-	-	3,653,390
-	-	-	-	-	-
<u>50,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,653,390</u>
<u>\$ 265,110</u>	<u>\$ 15,621</u>	<u>\$ 182,032</u>	<u>\$ 274,691</u>	<u>\$ 7</u>	<u>\$ 6,865,872</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

	Capital		
	Public Parks	Street Improvement	Airport Improvement
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	174,094	-	-
Investment income (loss)	103,457	291,753	32,814
Licenses and permits	-	-	-
Intergovernmental	479,352	1,867,191	841,864
Other	-	-	-
Total revenues	756,903	2,158,944	874,678
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	19,999
Capital outlay	819,168	5,556,082	915,417
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	819,168	5,556,082	935,416
Revenues over (under) expenditures	(62,265)	(3,397,138)	(60,738)
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	108,132	77,180	159,103
Transfers out	-	(53,665)	-
Total other financing sources (uses)	108,132	23,515	159,103
Net change in fund balances	45,867	(3,373,623)	98,365
Fund balances, beginning of year, as previously reported	2,295,498	9,164,706	566,965
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	2,295,498	9,164,706	566,965
<b>Fund balances, end of year</b>	<b>\$ 2,341,365</b>	<b>\$ 5,791,083</b>	<b>\$ 665,330</b>

continued

Projects Fund

Sales Tax- Street Maintenance	Flood Control	Capital Improvement Reserve	Legislative Capital Improvements	State Capital Improvements
\$ 6,640,184	\$ -	\$ -	\$ -	\$ -
-	3,113,347	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,539	85,942	90,266	-	-
-	-	-	-	-
296,535	-	-	155,084	2,409,760
<u>216,622</u>	<u>46,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,183,880</u>	<u>3,245,485</u>	<u>90,266</u>	<u>155,084</u>	<u>2,409,760</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
172,588	31,133	-	-	64,174
5,419,746	1,619,056	410,937	155,084	2,364,498
-	-	-	-	-
-	-	-	-	-
<u>5,592,334</u>	<u>1,650,189</u>	<u>410,937</u>	<u>155,084</u>	<u>2,428,672</u>
<u>1,591,546</u>	<u>1,595,296</u>	<u>(320,671)</u>	<u>-</u>	<u>(18,912)</u>
-	-	-	-	-
157,755	-	-	-	-
953,719	137,329	3,367,672	-	7,711
<u>(3,756,316)</u>	<u>(1,596,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,644,842)</u>	<u>(1,458,755)</u>	<u>3,367,672</u>	<u>-</u>	<u>7,711</u>
<u>(1,053,296)</u>	<u>136,541</u>	<u>3,047,001</u>	<u>-</u>	<u>(11,201)</u>
2,423,598	2,787,437	1,953,917	-	(12,248)
-	-	-	-	-
<u>2,423,598</u>	<u>2,787,437</u>	<u>1,953,917</u>	<u>-</u>	<u>(12,248)</u>
<u>\$ 1,370,302</u>	<u>\$ 2,923,978</u>	<u>\$ 5,000,918</u>	<u>\$ -</u>	<u>\$ (23,449)</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2008**

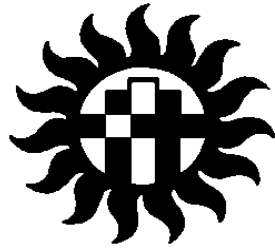
	EDA West Mesa Industrial Park Fund	1999 Sales Tax Street Projects Series A	Capital 2003 Sales Tax Facilities and Parks
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	48,717	92	15,247
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	<u>1,529,752</u>	-	-
Total revenues	<u>1,578,469</u>	<u>92</u>	<u>15,247</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	24,304	-	-
Capital outlay	709,564	-	421,062
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>733,868</u>	<u>-</u>	<u>421,062</u>
Revenues over (under) expenditures	<u>844,601</u>	<u>92</u>	<u>(405,815)</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>844,601</u>	<u>92</u>	<u>(405,815)</u>
Fund balances, beginning of year, as previously reported	337,692	(92)	524,833
Restatement (Note 20)	-	-	-
Fund balances, beginning of year, as restated	<u>337,692</u>	<u>(92)</u>	<u>524,833</u>
<b>Fund balances, end of year</b>	<u>\$ 1,182,293</u>	<u>\$ -</u>	<u>\$ 119,018</u>



continued

Projects Fund

NMFA Loans- Equipment Acquisition	2003 Sales Tax Street Lights	2005 GRT Public Improvements	NMFA Street Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ 12,518,339
-	-	-	-	3,113,347
-	-	-	-	1,785,109
-	-	-	-	1,494,817
-	-	-	-	255,080
-	-	-	-	639,134
13,956	41,233	240,406	41,743	1,922,937
-	-	-	-	21,449
-	-	-	-	12,564,712
-	-	607,314	-	5,553,387
<u>13,956</u>	<u>41,233</u>	<u>847,720</u>	<u>41,743</u>	<u>39,868,311</u>
-	-	-	-	3,162,190
-	-	-	-	506
-	-	-	-	3,772,714
-	-	-	-	1,475,525
-	-	-	-	2,274,118
-	-	-	-	4,058,313
-	-	290,762	-	2,168,707
-	439,023	4,993,164	586,266	26,424,406
-	-	-	-	7,044,491
4,211	-	-	12,645	3,957,285
<u>4,211</u>	<u>439,023</u>	<u>5,283,926</u>	<u>598,911</u>	<u>54,338,255</u>
<u>9,745</u>	<u>(397,790)</u>	<u>(4,436,206)</u>	<u>(557,168)</u>	<u>(14,469,944)</u>
1,109,546	-	-	3,230,999	6,684,395
-	-	-	-	157,755
9,000	-	-	-	22,717,932
(160,642)	-	(1,400,000)	-	(13,751,867)
<u>957,904</u>	<u>-</u>	<u>(1,400,000)</u>	<u>3,230,999</u>	<u>15,808,215</u>
<u>967,649</u>	<u>(397,790)</u>	<u>(5,836,206)</u>	<u>2,673,831</u>	<u>1,338,271</u>
41,492	1,076,592	7,975,750	-	42,322,707
-	-	-	-	1,387,584
<u>41,492</u>	<u>1,076,592</u>	<u>7,975,750</u>	<u>-</u>	<u>40,935,123</u>
<u>\$ 1,009,141</u>	<u>\$ 678,802</u>	<u>\$ 2,139,544</u>	<u>\$ 2,673,831</u>	<u>\$ 42,273,394</u>



City of Las Cruces

## Nonmajor Enterprise Funds

**City of Las Cruces**  
**Combining Statement of Net Assets—Nonmajor Enterprise Funds**  
**June 30, 2008**

	Transit & Intermodal	Alternative Fuel Station	Clean Community Commission	Totals
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 464,118	\$ -	\$ 17,500	\$ 481,618
Accounts receivable, net of allowance for uncollectible accounts	5,236	-	-	5,236
Due from other governments	136,517	-	-	136,517
Total current assets	<u>605,871</u>	<u>-</u>	<u>17,500</u>	<u>623,371</u>
Noncurrent assets				
Other assets	-	51,377	-	51,377
Capital assets	5,632,934	345,729	163,248	6,141,911
Less: accumulated depreciation	<u>(3,217,292)</u>	<u>(164,999)</u>	<u>(107,076)</u>	<u>(3,489,367)</u>
Net capital assets	2,415,642	180,730	56,172	2,652,544
Total noncurrent assets	<u>2,415,642</u>	<u>232,107</u>	<u>56,172</u>	<u>2,703,921</u>
Total assets	<u>3,021,513</u>	<u>232,107</u>	<u>73,672</u>	<u>3,327,292</u>
<b>Liabilities</b>				
Current liabilities				
Accounts and contracts payable	140,748	-	3,507	144,255
Accrued liabilities	63,652	-	-	63,652
Deferred revenue	-	-	-	-
Current portion of noncurrent liabilities	20,429	-	-	20,429
Total current liabilities	<u>224,829</u>	<u>-</u>	<u>3,507</u>	<u>228,336</u>
Noncurrent liabilities				
Compensated absences	81,717	-	-	81,717
Total noncurrent liabilities	<u>81,717</u>	<u>-</u>	<u>-</u>	<u>81,717</u>
Total liabilities	<u>306,546</u>	<u>-</u>	<u>3,507</u>	<u>310,053</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	2,415,642	180,730	56,172	2,652,544
Unrestricted	<u>299,325</u>	<u>51,377</u>	<u>13,993</u>	<u>364,695</u>
Total net assets	<u>\$ 2,714,967</u>	<u>\$ 232,107</u>	<u>\$ 70,165</u>	<u>\$ 3,017,239</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenses and Changes in**  
**Fund Net Assets—Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2008**

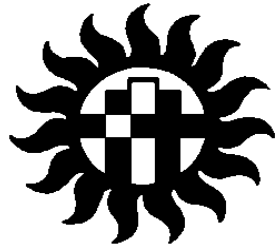
	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Operating Revenues</b>				
Sales/charges	\$ 320,741	\$ -	\$ -	\$ 320,741
Other	4,125	-	2	4,127
Total operating revenues	<u>324,866</u>	<u>-</u>	<u>2</u>	<u>324,868</u>
<b>Operating Expenses</b>				
Personnel services	2,550,999	-	-	2,550,999
Supplies	129,326	-	375	129,701
Utilities	28,632	-	10,408	39,040
Professional services	100,353	-	29,625	129,978
Motor pool charges	375,951	-	-	375,951
Motor fuel	302,234	-	-	302,234
Repairs and maintenance	146,954	-	-	146,954
Depreciation and amortization	381,529	28,981	48,367	458,877
Administrative charges	-	-	-	-
Insurance	27,720	-	-	27,720
Other	323	-	-	323
Total operating expenses	<u>4,044,021</u>	<u>28,981</u>	<u>88,775</u>	<u>4,161,777</u>
Operating income (loss)	<u>(3,719,155)</u>	<u>(28,981)</u>	<u>(88,773)</u>	<u>(3,836,909)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Grants and contributions	1,306,657	-	-	1,306,657
Total nonoperating revenue (expenses)	<u>1,306,657</u>	<u>-</u>	<u>-</u>	<u>1,306,657</u>
Income (loss) before transfers	(2,412,498)	(28,981)	(88,773)	(2,530,252)
Transfers in	2,393,552	-	54,400	2,447,952
Transfers out	(15,500)	-	-	(15,500)
Increase in fund net assets	(34,446)	(28,981)	(34,373)	(97,800)
Net assets, beginning of year	2,749,413	261,088	104,538	3,115,039
<b>Total net assets, end of year</b>	<u>\$ 2,714,967</u>	<u>\$ 232,107</u>	<u>\$ 70,165</u>	<u>\$ 3,017,239</u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2008**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 317,503	\$ -	\$ 2	\$ 317,505
Cash paid to suppliers	(971,688)	-	(36,902)	(1,008,590)
Cash paid to employees	(2,626,228)	-	-	(2,626,228)
Internal activity—payments to other funds	-	-	-	-
Other receipts	4,125	-	-	4,125
Net cash used by operating activities	<u>(3,276,288)</u>	<u>-</u>	<u>(36,900)</u>	<u>(3,313,188)</u>
<b>Cash flows from noncapital financing activities</b>				
Grants and contributions	1,289,868	-	-	1,289,868
Transfers in	2,393,552	-	54,400	2,447,952
Transfers out	(15,500)	-	-	(15,500)
Net cash provided by noncapital financing activities	<u>3,667,920</u>	<u>-</u>	<u>54,400</u>	<u>3,722,320</u>
<b>Cash flows from capital financing activities</b>				
Sale (purchase) of capital assets	(135,228)	-	-	(135,228)
Net cash used by capital financing activities	<u>(135,228)</u>	<u>-</u>	<u>-</u>	<u>(135,228)</u>
<b>Cash flows from investing activities</b>				
Net increase (decrease) in pooled cash and investments	256,404	-	17,500	273,904
Pooled cash and investments, beginning of year	207,714	-	-	207,714
<b>Pooled cash and investments, end of year</b>	<u>\$ 464,118</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 481,618</u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—Nonmajor Enterprise Funds — continued**  
**For the Year Ended June 30, 2008**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Reconciliation of operating income to net cash used by operating activities</b>				
Operating loss	\$ (3,719,155)	\$ (28,981)	\$ (88,774)	\$ (3,836,910)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	381,529	28,981	48,367	458,877
Change in assets and liabilities				
Accounts receivable	(3,238)	-	-	(3,238)
Due from/ (to) other funds	-	-	-	-
Deferred revenue	(27,567)	-	-	(27,567)
Accounts and contracts payable	139,805	-	3,507	143,312
Wages payable and accrued liabilities	(47,662)	-	-	(47,662)
Total adjustments	<u>442,867</u>	<u>28,981</u>	<u>51,874</u>	<u>523,722</u>
Net cash used by operating activities	<u>\$ (3,276,288)</u>	<u>\$ -</u>	<u>\$ (36,900)</u>	<u>\$ (3,313,188)</u>



City of Las Cruces



## Internal Service Funds

**City of Las Cruces**  
**Combining Statement of Net Assets—Internal Service Funds**  
**June 30, 2008**

	Internal Services	Self Insurance	Totals
<b>Assets</b>			
Current assets			
Pooled cash and investments	\$ 1,638,808	\$ 9,163,479	\$ 10,802,287
Accounts receivable, net of allowance for uncollectible accounts	33,874	11,467	45,341
Due from other governments	20,288	-	20,288
Inventories	666,906	-	666,906
Total current assets	<u>2,359,876</u>	<u>9,174,946</u>	<u>11,534,822</u>
Capital assets			
Less accumulated depreciation	(8,071,143)	(36,953)	(8,108,096)
Capital assets, net	<u>1,914,084</u>	<u>3,157</u>	<u>1,917,241</u>
Total assets	<u>4,273,960</u>	<u>9,178,103</u>	<u>13,452,063</u>
<b>Liabilities</b>			
Current liabilities			
Accounts and contracts payable	312,980	511,613	824,593
Accrued liabilities	85,909	4,160	90,069
Current portion of noncurrent liabilities	50,655	1,719,134	1,769,789
Total current liabilities	<u>449,544</u>	<u>2,234,907</u>	<u>2,684,451</u>
Noncurrent liabilities			
Compensated absences	202,619	4,261	206,880
Estimated liability for insurance claims	-	4,629,885	4,629,885
Total noncurrent liabilities	<u>202,619</u>	<u>4,634,146</u>	<u>4,836,765</u>
Total liabilities	<u>652,163</u>	<u>6,869,053</u>	<u>7,521,216</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	1,914,084	3,157	1,917,241
Unrestricted	1,707,713	2,305,893	4,013,606
Total net assets	<u>\$ 3,621,797</u>	<u>\$ 2,309,050</u>	<u>\$ 5,930,847</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenses and Changes in**  
**Fund Net Assets—*Internal Service Funds***  
**For the Year Ended June 30, 2008**

	Internal Services	Self Insurance	Totals
<b>Operating Revenues</b>			
Motor pool charges	\$ 10,377,344	\$ -	\$ 10,377,344
Rental charges and other	224,534	635,790	860,324
Charges for insurance	-	2,262,939	2,262,939
Total operating revenues	<u>10,601,878</u>	<u>2,898,729</u>	<u>13,500,607</u>
Cost of services	<u>2,622,343</u>	<u>-</u>	<u>2,622,343</u>
Gross margin	<u>7,979,535</u>	<u>2,898,729</u>	<u>10,878,264</u>
<b>Operating Expenses</b>			
Personnel services	3,325,155	142,625	3,467,780
Supplies	2,784,742	7,378	2,792,120
Utilities	267,643	-	267,643
Professional services	131,818	174,522	306,340
Repairs and maintenance	712,400	-	712,400
Rent	198,174	-	198,174
Depreciation	496,823	1,107	497,930
Claims and judgments	-	2,836,846	2,836,846
Insurance	142,372	-	142,372
Other	34,694	12,025	46,719
Total operating expenses	<u>8,093,821</u>	<u>3,174,503</u>	<u>11,268,324</u>
Operating income (loss)	<u>(114,286)</u>	<u>(275,774)</u>	<u>(390,060)</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenses and Changes in**  
**Fund Net Assets—*Internal Service Funds* — continued**  
**For the Year Ended June 30, 2008**

	Internal Services	Self Insurance	Totals
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	51,817	317,406	369,223
Total nonoperating revenue (expenses)	<u>51,817</u>	<u>317,406</u>	<u>369,223</u>
Income (loss) before transfers	(62,469)	41,632	(20,837)
Transfers in	50,000	573,421	623,421
Transfers out	<u>(3,978)</u>	<u>(239,305)</u>	<u>(243,283)</u>
Increase (decrease) in fund net assets	(16,447)	375,748	359,301
Net assets, beginning of year	<u>3,638,244</u>	<u>1,933,302</u>	<u>5,571,546</u>
<b>Net assets, end of year</b>	<u><u>\$ 3,621,797</u></u>	<u><u>\$ 2,309,050</u></u>	<u><u>\$ 5,930,847</u></u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—*Internal Service Funds***  
**For the Year Ended June 30, 2008**

	Internal Services	Self Insurance	Totals
<b>Cash flows from operating activities</b>			
Cash received from customers (including other funds)	\$ 10,898,414	\$ 2,891,052	\$ 13,789,466
Cash paid to suppliers	(7,000,662)	(64,882)	(7,065,544)
Cash paid to employees	(3,304,878)	3,465	(3,301,413)
Claims paid	-	(2,316,502)	(2,316,502)
Net cash provided (used) by operating activities	<u>592,874</u>	<u>513,133</u>	<u>1,106,007</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	50,000	573,421	623,421
Transfers out	<u>(3,978)</u>	<u>(239,305)</u>	<u>(243,283)</u>
Net cash provided (used) by noncapital financing activities	<u>46,022</u>	<u>334,116</u>	<u>380,138</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	<u>(500,612)</u>	<u>-</u>	<u>(500,612)</u>
Net cash used by capital and related financing activities	<u>(500,612)</u>	<u>-</u>	<u>(500,612)</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>51,817</u>	<u>317,406</u>	<u>369,223</u>
Net cash provided by investing activities	<u>51,817</u>	<u>317,406</u>	<u>369,223</u>
Net increase (decrease) in cash and cash equivalents	190,101	1,164,655	1,354,756
Cash and cash equivalents, beginning of year	<u>1,448,707</u>	<u>7,998,823</u>	<u>9,447,530</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,638,808</u></u>	<u><u>\$ 9,163,478</u></u>	<u><u>\$ 10,802,286</u></u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—*Internal Service Funds* — continued**  
**For the Year Ended June 30, 2008**

	Internal Services	Self Insurance	Totals
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (114,286)	\$ (275,774)	\$ (390,060)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	496,823	1,106	497,929
Change in assets and liabilities			
Accounts receivables	296,536	(7,677)	288,859
Inventories	(150,204)		(150,204)
Due from governmental agencies	(20,288)	-	(20,288)
Accounts and contracts payable	64,016	271,669	335,685
Estimated liability for insurance claims	-	520,344	520,344
Wages payable and accrued liabilities	20,277	3,465	23,742
Total adjustments	<u>707,160</u>	<u>788,907</u>	<u>1,496,067</u>
Net cash provided (used) by operating activities	<u>\$ 592,874</u>	<u>\$ 513,133</u>	<u>\$ 1,106,007</u>

## Agency Fund

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities**  
**Agency Fund**  
**June 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<b>Mesilla Valley Regional Dispatch Authority</b>				
Assets				
Accounts receivable	\$ 10,911	\$ 18,883	\$ 29,758	\$ 36
Receivable from other governments	<u>66,706</u>	<u>1,443,789</u>	<u>1,404,356</u>	<u>106,139</u>
Total assets	<u>\$ 77,617</u>	<u>\$ 1,462,672</u>	<u>\$ 1,434,114</u>	<u>\$ 106,175</u>
Liabilities				
Due to fiscal agent	\$ 157,983	\$ 2,800,108	\$ 2,899,255	\$ 58,836
Accounts and contracts payable	814	704,666	679,769	25,711
Accrued wages payable	105,026	744,151	732,920	116,257
Funds held for others	<u>(186,206)</u>	<u>91,821</u>	<u>244</u>	<u>(94,629)</u>
Total liabilities	<u>\$ 77,617</u>	<u>\$ 4,340,746</u>	<u>\$ 4,312,188</u>	<u>\$ 106,175</u>
<b>Metro Narcotics Fund</b>				
Assets				
Pooled cash and investments	\$ 1,002,035	\$ 1,594,303	\$ 1,582,891	\$ 1,013,447
Accounts receivable	-	212,000	212,000	-
Receivable from other governments	<u>192,544</u>	<u>944,696</u>	<u>1,020,320</u>	<u>116,920</u>
Total assets	<u>\$ 1,194,579</u>	<u>\$ 2,750,999</u>	<u>\$ 2,815,211</u>	<u>\$ 1,130,367</u>
Liabilities				
Accounts and contracts payable	\$ 19,689	\$ 989,308	\$ 981,074	\$ 27,923
Accrued wages payable	38,310	67,766	98,878	7,198
Funds held for others	<u>1,136,580</u>	<u>41,756</u>	<u>83,090</u>	<u>1,095,246</u>
Total liabilities	<u>\$ 1,194,579</u>	<u>\$ 1,098,830</u>	<u>\$ 1,163,042</u>	<u>\$ 1,130,367</u>
<b>Lower Rio Grande Water Users Organization</b>				
Assets				
Pooled cash and investments	\$ (8,723)	\$ 21,905	\$ 15,245	\$ (2,063)
Accounts receivable	-	-	-	-
Receivable from other governments	<u>15,070</u>	<u>8,905</u>	<u>21,905</u>	<u>2,070</u>
Total assets	<u>\$ 6,347</u>	<u>\$ 30,810</u>	<u>\$ 37,150</u>	<u>\$ 7</u>
Liabilities				
Due to fiscal agent	\$ 6,281	\$ -	\$ 6,281	\$ -
Accounts and contracts payable	-	6,318	6,318	-
Funds held for others	<u>66</u>	<u>-</u>	<u>59</u>	<u>7</u>
Total liabilities	<u>\$ 6,347</u>	<u>\$ 6,318</u>	<u>\$ 12,658</u>	<u>\$ 7</u>



**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities — continued**  
**Agency Fund**  
**June 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<b>Branigan Estate Fund</b>				
Assets				
Pooled cash and investments	\$ 2,727,191	\$ 128,506	\$ 68,155	\$ 2,787,542
Total assets	<u>\$ 2,727,191</u>	<u>\$ 128,506</u>	<u>\$ 68,155</u>	<u>\$ 2,787,542</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ 52,157	\$ 52,157	\$ -
Funds held for others	<u>2,727,191</u>	<u>60,351</u>	<u>-</u>	<u>2,787,542</u>
Total liabilities	<u>\$ 2,727,191</u>	<u>\$ 112,508</u>	<u>\$ 52,157</u>	<u>\$ 2,787,542</u>
<b>Gifts and Memorials Fund</b>				
Assets				
Pooled cash and investments	\$ 127,912	\$ 86,426	\$ 54,672	\$ 159,666
Accounts receivable	<u>500</u>	<u>8,430</u>	<u>8,430</u>	<u>500</u>
Total assets	<u>\$ 128,412</u>	<u>\$ 94,856</u>	<u>\$ 63,102</u>	<u>\$ 160,166</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ 40,256	\$ 40,256	\$ -
Funds held for others	<u>128,412</u>	<u>31,754</u>	<u>-</u>	<u>160,166</u>
Total liabilities	<u>\$ 128,412</u>	<u>\$ 72,010</u>	<u>\$ 40,256</u>	<u>\$ 160,166</u>
<b>Mesilla Valley Safety Council</b>				
Assets				
Pooled cash and investments	\$ 22,973	\$ 47,470	\$ 53,058	\$ 17,385
Receivable from other governments	<u>46,166</u>	<u>61,822</u>	<u>46,167</u>	<u>61,821</u>
Total assets	<u>\$ 69,139</u>	<u>\$ 109,292</u>	<u>\$ 99,225</u>	<u>\$ 79,206</u>
Liabilities				
Accounts and contracts payable	\$ 23,238	\$ 61,822	\$ 51,755	\$ 33,305
Funds held for others	<u>45,901</u>	<u>-</u>	<u>-</u>	<u>45,901</u>
Total liabilities	<u>\$ 69,139</u>	<u>\$ 61,822</u>	<u>\$ 51,755</u>	<u>\$ 79,206</u>
<b>Employee Benefits Committee</b>				
Assets				
Pooled cash and investments	\$ -	\$ 16,140	\$ 14,581	\$ 1,559
Total assets	<u>\$ -</u>	<u>\$ 16,140</u>	<u>\$ 14,581</u>	<u>\$ 1,559</u>
Liabilities				
Due to fiscal agent	\$ 200	\$ -	\$ 200	\$ -
Accounts and contracts payable	<u>-</u>	<u>11,007</u>	<u>11,007</u>	<u>-</u>
Funds held for others	<u>(200)</u>	<u>1,759</u>	<u>-</u>	<u>1,559</u>
Total liabilities	<u>\$ -</u>	<u>\$ 12,766</u>	<u>\$ 11,207</u>	<u>\$ 1,559</u>

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities — continued**  
**Agency Fund**  
**June 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<b>Veteran's Museum</b>				
Assets				
Pooled cash and investments	\$ 150	\$ -	\$ -	\$ 150
Total assets	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>
Liabilities				
Funds held for others	\$ 150	\$ -	\$ -	\$ 150
Total liabilities	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>
<b>Veteran's Memorial Wall</b>				
Assets				
Pooled cash and investments	\$ 9,858	\$ 4,578	\$ 67	\$ 14,369
Total assets	<u>\$ 9,858</u>	<u>\$ 4,578</u>	<u>\$ 67</u>	<u>\$ 14,369</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Funds held for others	9,858	4,511	-	14,369
Total liabilities	<u>\$ 9,858</u>	<u>\$ 4,511</u>	<u>\$ -</u>	<u>\$ 14,369</u>
<b>RGNGA</b>				
Assets				
Pooled cash and investments	\$ 3,199,768	\$ 14,480,600	\$ 15,427,974	\$ 2,252,394
Total assets	<u>\$ 3,199,768</u>	<u>\$ 14,480,600</u>	<u>\$ 15,427,974</u>	<u>\$ 2,252,394</u>
Liabilities				
Funds held for others	\$ 3,199,768	\$ 14,480,600	\$ 15,427,974	\$ 2,252,394
Total liabilities	<u>\$ 3,199,768</u>	<u>\$ 14,480,600</u>	<u>\$ 15,427,974</u>	<u>\$ 2,252,394</u>
<b>Total – All Fiduciary Funds</b>				
Assets				
Pooled cash and investments	\$ 7,081,164	\$ 16,379,928	\$ 17,216,643	\$ 6,244,449
Accounts receivable	11,411	239,313	250,188	536
Receivable from other governments	320,486	2,459,212	2,492,748	286,950
<b>Total assets</b>	<u>\$ 7,413,061</u>	<u>\$ 19,078,453</u>	<u>\$ 19,959,579</u>	<u>\$ 6,531,935</u>
Liabilities				
Due to fiscal agent	\$ 164,464	\$ 2,800,108	\$ 2,905,736	\$ 58,836
Accounts and contracts payable	43,741	1,865,534	1,822,336	86,939
Accrued wages payable	143,336	811,917	831,798	123,455
Funds held for others	7,061,520	14,712,552	15,511,367	6,262,705
<b>Total liabilities</b>	<u>\$ 7,413,061</u>	<u>\$ 20,190,111</u>	<u>\$ 21,071,237</u>	<u>\$ 6,531,935</u>

## Budgetary Comparison Schedules

In accordance with GASB Statement No. 34 and the New Mexico State Auditor Rule the comparisons of budget and actual for the General Fund and the Telshor Facility Fund are presented in the basic financial statements. All other fund budgetary comparisons are presented in the following pages as supplementary information.

## Schedules of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Major Governmental Funds

### ***Capital Projects Fund***

- ◆ 2005 GRT City Hall Fund
- ◆ Las Cruces Convention Center Fund

*2005 Gross Receipts Tax City Hall Fund:* To provide for the design and construction of a new City Hall facility. Funding is the 2005 Sales Tax Bond.

*Las Cruces Convention Center Fund:* To provide for the design, construction and equipping the Las Cruces convention center. The source of funding is a New Mexico Finance Authority loan.

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**Capital Projects—2005 GRT City Hall**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 350,000	\$ 1,000,000	<b>\$ 1,081,748</b>	\$ 81,748	\$ 1,056,297
Total revenues	<u>350,000</u>	<u>1,000,000</u>	<b><u>1,081,748</u></b>	<u>81,748</u>	<u>1,056,297</u>
<b>Expenditures</b>					
Capital outlay	23,000,000	25,618,619	<b>3,589,494</b>	22,029,125	756,621
Total expenditures	<u>23,000,000</u>	<u>25,618,619</u>	<b><u>3,589,494</u></b>	<u>22,029,125</u>	<u>756,621</u>
Revenues over (under) expenditures	<u>(22,650,000)</u>	<u>(24,618,619)</u>	<b><u>(2,507,746)</u></b>	<u>22,110,873</u>	<u>299,676</u>
<b>Other Financing Sources (Uses)</b>					
Transfer in	-	1,400,000	<b>1,400,000</b>	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,400,000</u>	<b><u>1,400,000</u></b>	<u>-</u>	<u>-</u>
Net change in fund balance	(22,650,000)	(23,218,619)	<b>(1,107,746)</b>	22,110,873	299,676
Fund balance, beginning of year	-	-	<b>23,218,619</b>	-	22,918,943
<b>Fund balance, end of year</b>	<b><u>\$ (22,650,000)</u></b>	<b><u>\$ (23,218,619)</u></b>	<b><u>\$ 22,110,873</u></b>	<b><u>\$ 22,110,873</u></b>	<b><u>\$ 23,218,619</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**Capital Projects — Las Cruces Convention Center**  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 424,458	\$ 424,458	\$ -
Total revenues	-	-	<u>424,458</u>	424,458	-
<b>Expenditures</b>					
Current					
Public works	-	70,000	33,681	36,319	-
Capital outlay	-	25,430,000	410,101	25,019,899	-
Total expenditures	-	25,500,000	443,782	25,056,218	-
Revenues over (under) expenditures	-	(25,500,000)	(19,324)	25,480,676	-
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	25,500,000	25,500,000	-	-
Total other financing sources (uses)	-	25,500,000	25,500,000	-	-
Net change in fund balance	-	-	25,480,676	25,480,676	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,480,676</u>	<u>\$ 25,480,676</u>	<u>\$ -</u>

## Schedules of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Nonmajor Governmental Funds

### *Special Revenue Funds*

- ◆ Debt Service Fund
- ◆ Community Development Block Grant
- ◆ Court Awarded Funds
- ◆ MPO Urban Transportation
- ◆ Fire
- ◆ Police Protection
- ◆ Animal Services
- ◆ Emergency Medical Services
- ◆ Traffic Safety
- ◆ Court Automation
- ◆ Prisoner Care
- ◆ Juvenile Recreation
- ◆ Lodgers' Tax and LCCVB
- ◆ DWI Prevention
- ◆ Judicial Education
- ◆ Environmental Gross Receipts Tax
- ◆ Health Care Services from MMC Lease
- ◆ Legislative Equipment Grants
- ◆ Gas Tax Street Maintenance
- ◆ Public Safety Gross Receipts Tax
- ◆ Keep Las Cruces Beautiful
- ◆ Older Americans Act Programs
- ◆ Cash in Lieu of Commodities
- ◆ RSVP
- ◆ Children, Youth, and Families
- ◆ Senior Employment Program
- ◆ State Library Resources Grant
- ◆ Street Maintenance Operations
- ◆ Flood Control Operations
- ◆ Special Projects—Northrise/Morningstar
- ◆ Downtown Revitalization
- ◆ Regulatory Plan
- ◆ State Operations Grant
- ◆ Heske Garden Grant
- ◆ Griggs Walnut Plume Grant
- ◆ Las Cruces Convention Center Grant

***Capital Projects Funds***

- ◆ Public Parks Development
- ◆ Street Improvement
- ◆ Airport Improvement
- ◆ Sales Tax–Street Maintenance
- ◆ Flood Control
- ◆ Capital Improvement Reserve
- ◆ Legislative Capital Improvements
- ◆ State Capital Improvements
- ◆ EDA West Mesa Industrial Park Fund
- ◆ 1999 Sales Tax Street Projects Series A
- ◆ 2003 Sales Tax Facilities and Parks
- ◆ State Equipment Acquisition
- ◆ 2003 Sales Tax Street Lights
- ◆ 2005 Gross Receipts Tax Public Improvements
- ◆ 2007 NMFA Street Improvements



## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Debt Service Fund:* Accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

*Community Development Block Grant:* To provide for the operation and installation of paving projects, sidewalks, park development, home rehabilitation, and social projects. Funding is from HUD, housing loan and interest repayment, and performance bond payments. PL 93-383 Title I, Housing and Community Development Act of 1974 requires that this grant be used for this purpose.

*Court Awarded Funds:* To provide for drug enforcement activities. Funding is from federal High Intensity Drug Traffic-seized funds and may only be used for drug enforcement activities, and must comply with federal financial and administrative requirements of OJP M7100.ID.

*MPO Urban Transportation:* To provide for the transportation needs of the community. Funding sources are from the Federal Highway Administration, the Urban Mass Transportation Administration, and the General fund. The fund was created in 1982 when the Metropolitan Planning Organization was formed through a Joint Powers Agreement. Such grants provide for the payment of current transportation operating expenses and may be used only for that purpose. City Resolution N. 94-236 requires the fund to be used only in this manner.

*Fire:* To provide for the purchase of fire equipment. Funding is provided by the State Fire Fund. State law requires these funds to be used for fire supplies and equipment to help maintain the fire department. (Section 979, Article 52, New Mexico State Insurance Code.)

*Police Protection:* To provide for the purchase of police equipment and police expenses associated with advanced law enforcement planning and training. The funding source is a state grant. State law (Section 5, Chapter 289, Laws of 1983) requires these funds to be used to operate the police department.

*Animal Services Center:* To account for operational expenditures of the animal shelter, including the funding from Dona Ana County.

*Emergency Medical Services:* To provide for emergency medical services provided through Fire Department activities. Funding is through a state grant from the New Mexico Department of Health, which requires separate fund accounting according to EMS Regulation DOH 94-11.

*Traffic Safety:* To provide for traffic safety education. Funding is provided by a penalty assessment of \$3.00 per traffic ticket. City Ordinance No. 0-1232, May 1991 requires the fund be used only in this manner.

*Court Automation:* To provide for Municipal Court Automation. Funding is provided by a penalty assessment of \$3.00 per traffic ticket. City Ordinance No. 0-1232, May 1991 requires the fund be used only in this manner.

## Special Revenue Funds

— continued —

*Prisoner Care:* To provide for operations and maintenance of a municipal jail or for paying the cost of housing municipal prisoners in the county jail. Funding is provided by a penalty assessment of \$5.00 per traffic ticket. City Resolution No. 81-69, August 1981 requires the fund to be used only in this manner.

*Juvenile Recreation:* To provide for the operation and development of community parks and operation of recreation programs. Funding source is one-third of the cigarette tax (Section 7-12-1 through 7-12-17, NMSA, 1978.) These taxes may only be used to finance the parks and recreation programs.

*Lodgers' Tax and LCCVB:* To account for the operations of the Las Cruces Convention and Visitors' Bureau to promote tourism within the area. Financing is provided from a Lodgers' Tax. State law (Section 3-38-13 through 3-38-24, NMSA, 1979) requires these taxes to be used to operate the Convention and Visitors Bureau.

*DWI Prevention:* To account for the receipt of driving while intoxicated state fines (Section 31-12-7, NMSA 1978). Receipts are remitted to the state.

*Judicial Education:* To account for the receipt of imposed fees on all "guilty" traffic offenses in accordance with NMSA 1978, 35-14-11 (B)(2) and to be used for the education, training, including production of bench books and other written materials, of municipal judges and other municipal court employees.

*Environmental Gross Receipts Tax:* To account for the receipt of environmental gross receipts taxes enacted by the City and the county as provided for in Ordinance 1484, October 12, 1995.

*Health Care Services from MMC Lease:* To account for the receipt of proceeds pursuant to the terms of the lease with Memorial Medical Center, Inc., to be used for health care services in the City. The lease was approved by Ordinance 1655 in 1998.

*Legislative Equipment Grants:* To provide funding for the acquisition of equipment for legislative purposes.

*Gas Tax Street Maintenance Fund:* To account for the receipt of gasoline tax remittances from the state. State law (7-1-6.9 NMSA 1978) requires the distributions to be received into a separate road fund.

*Public Safety Gross Receipts Tax:* To account for the receipt of municipal gross receipts tax to be used for public safety salaries, benefits, operations, and equipment as provided for in Ordinance 1886.

*Keep Las Cruces Beautiful:* To provide for beautification, litter eradication, graffiti abatement, and education. Funding is from the New Mexico Clean & Beautiful Program of the New Mexico Department of Tourism.

## Special Revenue Funds

— continued —

*Older Americans Act Programs:* To provide congregate meals to seniors at four program sites and to homebound customers who receive two delivered meals a day. Funding is from the New Mexico Aging and Long-Term Services Department.

*Cash in Lieu of Commodities:* To provide congregate and home delivered meals. Services will be provided through the four City meal sites. Funding is through the U.S. Department of Agriculture's Cash in Lieu of Commodities program.

*RSVP:* To provide a variety of opportunities for persons aged fifty-five and over to participate more fully in the life of their communities through significant volunteer service in accordance with the approved proposal. Funding is from the Corporation for National and Community Service and the New Mexico Aging and Long-Term Services Department.

*Children, Youth, and Families:* To provide home care services to person 18 years of age or older who have been referred as a result of a report of adult abuse, neglect, or exploitation. Funding is from the State of New Mexico Children, Youth and Families Department, Protective Services Division.

*Senior Employment Program:* To provide training for low-income persons age 55 years and older for placement in non-governmental agencies. The program is funded by a state grant, administered by the Non-metro Area Agency on Aging.

*State Library Resources Grant:* To provide funds for library materials and the equipment to provide access to information resources. Funding is from the State of New Mexico General Obligation Bond C.

*Street Maintenance Operations:* To account for operational expenditures for street maintenance funded by transfers from the Gas Tax Street Maintenance Fund.

*Flood Control Operations:* To account for operational expenditures for flood control operations funded by transfers from the Gas Tax Street Maintenance Fund.

*Special Projects—Northrise/Morningstar:* To account for the reimbursement from developers to the City, through certain assessments, for the construction of Northrise and Morningstar streets.

*Downtown Revitalization:* To account for the re-development of the downtown area of Las Cruces. Funding comes from sale of property in the downtown area and other activities for revitalization.

*Regional Planning Project:* To account for the receipt of state funds provided to develop a long-range regional plan (Vision 2040), in cooperation with Dona Ana County and New Mexico State University.

## Special Revenue Funds

— continued —

*State Operations Grant:* To account for the receipt of legislative appropriations provided for operational expenditures in support of local service agencies.

*Las Cruces Convention Center Fund:* To account for receipt of the convention center fees paid to support the debt service payments for the convention center.

*Griggs and Walnut Plume Fund:* To account for the operations of the Griggs and Walnut water production area, and the remediation activities associated with the site.

*Heske Garden Trust Fund:* To account for the construction and maintenance of a park. Funding comes from a portion of the Emma B. Heske Trust that was left to the City of Las Cruces for construction of a park according to Ms. Heske's wishes.

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 230,500	\$ 65,500	\$ 382,117	\$ 316,617	\$ 291,634
Other	<u>892,772</u>	<u>892,772</u>	<u>842,516</u>	<u>(50,256)</u>	<u>840,666</u>
Total revenues	<u>1,123,272</u>	<u>958,272</u>	<u>1,224,633</u>	<u>266,361</u>	<u>1,132,300</u>
<b>Expenditures</b>					
Debt service					
Principal	7,761,126	7,104,329	7,104,329	-	5,628,623
Interest	<u>3,627,102</u>	<u>3,885,877</u>	<u>3,880,591</u>	<u>5,286</u>	<u>3,021,761</u>
Total expenditures	<u>11,388,228</u>	<u>10,990,206</u>	<u>10,984,920</u>	<u>5,286</u>	<u>8,650,384</u>
Revenues over (under) expenditures	<u>(10,264,956)</u>	<u>(10,031,934)</u>	<u>(9,760,287)</u>	<u>271,647</u>	<u>(7,518,084)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	2,344,849	2,343,850	(999)	1,097,083
Transfers in	10,348,340	6,113,391	10,718,129		
Transfers out	<u>(30,941)</u>	<u>(89,210)</u>	<u>(89,210)</u>	<u>-</u>	<u>6,956,760</u>
Total other financing sources (uses)	<u>10,317,399</u>	<u>8,369,030</u>	<u>12,972,769</u>	<u>(999)</u>	<u>8,053,843</u>
Net change in fund balance	52,443	(1,662,904)	3,212,482	270,648	535,759
Fund balance, beginning of year	<u>3,653,390</u>	<u>3,653,390</u>	<u>3,653,390</u>	<u>-</u>	<u>3,117,631</u>
<b>Fund balance, end of year</b>	<u>\$ 3,705,833</u>	<u>\$ 1,990,486</u>	<u>\$ 6,865,872</u>	<u>\$ 270,648</u>	<u>\$ 3,653,390</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Community Development Block Grant Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Charges for services	\$ 10,000	\$ 10,000	\$ 8,785	\$ (1,215)	\$ 4,356
Investment income	60,000	60,000	27,160	(32,840)	23,257
Other	106,500	106,500	60,108	(46,392)	47,926
Intergovernmental	<u>3,745,079</u>	<u>3,801,329</u>	<u>2,226,657</u>	<u>(1,574,672)</u>	<u>1,705,726</u>
Total revenues	<u>3,921,579</u>	<u>3,977,829</u>	<u>2,322,710</u>	<u>(1,655,119)</u>	<u>1,781,265</u>
<b>Expenditures</b>					
Current					
Community development	2,908,823	3,080,227	1,758,779	1,321,448	1,679,868
Capital outlay	<u>963,117</u>	<u>951,878</u>	<u>730,828</u>	<u>221,050</u>	<u>276,298</u>
Total expenditures	<u>3,871,940</u>	<u>4,032,105</u>	<u>2,489,607</u>	<u>1,542,498</u>	<u>1,956,166</u>
Net change in fund balance	49,639	(54,276)	(166,897)	(112,621)	(174,901)
Fund balance, beginning of year, as restated	<u>193,925</u>	<u>193,925</u>	<u>193,925</u>	<u>-</u>	<u>1,756,735</u>
<b>Fund balance, end of year</b>	<u>\$ 243,564</u>	<u>\$ 139,649</u>	<u>\$ 27,028</u>	<u>\$ (112,621)</u>	<u>\$ 1,581,834</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Court Awarded Funds**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)	\$ 527,840
Investment income	-	-	<b>18,637</b>	18,637	14,864
Total revenues	<u>30,000</u>	<u>30,000</u>	<u><b>18,637</b></u>	<u>(11,363)</u>	<u>542,704</u>
<b>Expenditures</b>					
Current					
Police	-	11,000	<b>44,810</b>	(33,810)	54,679
Capital outlay	100,000	89,000	<b>37,508</b>	51,492	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u><b>82,318</b></u>	<u>17,682</u>	<u>54,679</u>
Net change in fund balance	(70,000)	(70,000)	<b>(63,681)</b>	6,319	488,025
Fund balance, beginning of year	<u>501,977</u>	<u>501,977</u>	<u><b>501,977</b></u>	<u>-</u>	<u>13,952</u>
<b>Fund balance, end of year</b>	<u><b>\$ 431,977</b></u>	<u><b>\$ 431,977</b></u>	<u><b>\$ 438,296</b></u>	<u><b>\$ 6,319</b></u>	<u><b>\$ 501,977</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**MPO Urban Transportation Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ -	\$ -	\$ -	\$ -	\$ 650
Investment income (loss)	-	-	<b>2,595</b>	2,595	(1,784)
Intergovernmental	198,086	198,086	<b>183,017</b>	(15,069)	190,462
Other	-	-	<b>100</b>	100	571
Total revenues	<u>198,086</u>	<u>198,086</u>	<u><b>185,712</b></u>	<u>(12,374)</u>	<u>189,899</u>
<b>Expenditures</b>					
Current					
Community development	<u>312,536</u>	<u>312,536</u>	<u><b>252,424</b></u>	<u>60,112</u>	<u>250,230</u>
Revenues over (under) expenditures	<u>(114,450)</u>	<u>(114,450)</u>	<u><b>(66,712)</b></u>	<u>47,738</u>	<u>(60,331)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>125,000</u>	<u>125,000</u>	<u><b>125,000</b></u>	<u>-</u>	<u>125,000</u>
Total other financing sources (uses)	<u>125,000</u>	<u>125,000</u>	<u><b>125,000</b></u>	<u>-</u>	<u>125,000</u>
Net change in fund balance	10,550	10,550	<b>58,288</b>	47,738	64,669
Fund balance, beginning of year	<u>131,249</u>	<u>131,249</u>	<u><b>131,249</b></u>	<u>-</u>	<u>66,580</u>
<b>Fund balance, end of year</b>	<u>\$ 141,799</u>	<u>\$ 141,799</u>	<u>\$ <b>189,537</b></u>	<u>\$ 47,738</u>	<u>\$ 131,249</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Fire Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 9,500	\$ 23,500	\$ 25,597	\$ 2,097	\$ 29,288
Other	-	-	-	-	34,253
Intergovernmental	<u>389,470</u>	<u>419,613</u>	<u>419,613</u>	<u>-</u>	<u>421,673</u>
Total revenues	<u>398,970</u>	<u>443,113</u>	<u>445,210</u>	<u>2,097</u>	<u>485,214</u>
<b>Expenditures</b>					
Current					
Fire	300,278	562,114	395,197	166,917	382,175
Capital outlay	<u>89,192</u>	<u>141,192</u>	<u>62,763</u>	<u>78,429</u>	<u>60,069</u>
Total expenditures	<u>389,470</u>	<u>703,306</u>	<u>457,960</u>	<u>245,346</u>	<u>442,244</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	<u>-</u>	<u>(29,834)</u>	<u>(29,833)</u>	<u>1</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(29,834)</u>	<u>(29,833)</u>	<u>1</u>	<u>-</u>
Net change in fund balance	9,500	(290,027)	(42,583)	247,444	42,970
Fund balance, beginning of year	<u>295,027</u>	<u>295,027</u>	<u>295,027</u>	<u>-</u>	<u>252,057</u>
<b>Fund balance, end of year</b>	<u>\$ 304,527</u>	<u>\$ 5,000</u>	<u>\$ 252,444</u>	<u>\$ 247,444</u>	<u>\$ 295,027</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Police Protection Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 1,465	\$ 1,465	\$ 2,991	\$ 1,526	\$ 4,547
Rentals and other income	-	-	-	-	-
Other	80,660	158,885	<b>168,928</b>	10,043	76,506
Intergovernmental	<u>1,807,782</u>	<u>2,920,652</u>	<b><u>1,633,046</u></b>	<u>(1,287,606)</u>	<u>663,578</u>
Total revenues	<u>1,889,907</u>	<u>3,081,002</u>	<b><u>1,804,965</u></b>	<u>(1,276,037)</u>	<u>744,631</u>
<b>Expenditures</b>					
Current					
Police	788,921	2,048,737	<b>818,162</b>	1,230,575	857,114
Capital outlay	<u>1,364,794</u>	<u>1,364,794</u>	<b><u>1,050,609</u></b>	<u>314,185</u>	<u>39,753</u>
Total expenditures	<u>2,153,715</u>	<u>3,413,531</u>	<b><u>1,868,771</u></b>	<u>1,544,760</u>	<u>896,867</u>
Revenues over (under) expenditures	<u>(263,808)</u>	<u>(332,529)</u>	<b><u>(63,806)</u></b>	<u>268,723</u>	<u>(152,236)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>73,100</u>	<u>378,552</u>	<b><u>378,552</u></b>	-	<u>12,026</u>
Total other financing sources (uses)	<u>73,100</u>	<u>378,552</u>	<b><u>378,552</u></b>	-	<u>12,026</u>
Net change in fund balance	(190,708)	46,023	<b>314,746</b>	268,723	(140,210)
Fund balance, beginning of year	<u>114,286</u>	<u>114,286</u>	<b><u>114,286</u></b>	-	<u>254,496</u>
<b>Fund balance, end of year</b>	<u>\$ (76,422)</u>	<u>\$ 160,309</u>	<b><u>\$ 429,032</u></b>	<u>\$ 268,723</u>	<u>\$ 114,286</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Animal Services Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Charges for services	\$ -	\$ 328,768	\$ 246,295	\$ (82,473)	\$ -
Investment income	-	-	107	107	-
Rentals and other income	-	-	-	-	-
Other	-	12,582	2,329	(10,253)	-
Intergovernmental	-	-	-	-	-
Total revenues	-	341,350	248,731	(92,619)	-
<b>Expenditures</b>					
Current					
Police	-	470,668	394,009	76,659	-
Capital outlay	-	-	-	-	-
Total expenditures	-	470,668	394,009	76,659	-
Revenues over (under) expenditures	-	(129,318)	(145,278)	(15,960)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	129,318	111,782	(17,536)	-
Total other financing sources (uses)	-	129,318	111,782	(17,536)	-
Net change in fund balance	-	-	(33,496)	(33,496)	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (33,496)</b>	<b>\$ (33,496)</b>	<b>\$ -</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Emergency Medical Services Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 500	\$ 500	\$ 963	\$ 463	\$ 1,875
Intergovernmental	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>20,963</u>	<u>463</u>	<u>21,875</u>
<b>Expenditures</b>					
Current					
Fire	15,000	20,000	17,057	2,943	23,530
Capital outlay	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,995</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,057</u>	<u>2,943</u>	<u>40,525</u>
Net change in fund balance	500	500	3,906	3,406	(18,650)
Fund balance, beginning of year	<u>15,940</u>	<u>15,940</u>	<u>15,940</u>	<u>-</u>	<u>34,590</u>
<b>Fund balance, end of year</b>	<u>\$ 16,440</u>	<u>\$ 16,440</u>	<u>\$ 19,846</u>	<u>\$ 3,406</u>	<u>\$ 15,940</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Traffic Safety*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Fees and fines	\$ 43,000	\$ 43,000	\$ 35,159	\$ (7,841)	\$ 44,876
Investment income	2,800	2,800	2,976	176	3,351
Other	-	-	-	-	160,980
Total revenues	<u>45,800</u>	<u>45,800</u>	<u>38,135</u>	<u>(7,665)</u>	<u>209,207</u>
<b>Expenditures</b>					
Current					
Police	18,500	32,000	21,636	10,364	13,635
Capital outlay	<u>30,700</u>	<u>17,200</u>	<u>14,382</u>	<u>2,818</u>	<u>174,180</u>
Total expenditures	<u>49,200</u>	<u>49,200</u>	<u>36,018</u>	<u>13,182</u>	<u>187,815</u>
Net change in fund balance	(3,400)	(3,400)	2,117	5,517	21,392
Fund balance, beginning of year	<u>72,634</u>	<u>72,634</u>	<u>72,634</u>	<u>-</u>	<u>51,242</u>
<b>Fund balance, end of year</b>	<u>\$ 69,234</u>	<u>\$ 69,234</u>	<u>\$ 74,751</u>	<u>\$ 5,517</u>	<u>\$ 72,634</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Court Automation Fund**  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 140,000	\$ 140,000	\$ 121,847	\$ (18,153)	\$ 151,995
Investment income	6,000	6,000	11,587	5,587	14,004
Other	2,500	2,500	27,601	25,101	2,438
Total revenues	<u>148,500</u>	<u>148,500</u>	<u>161,035</u>	<u>12,535</u>	<u>168,437</u>
<b>Expenditures</b>					
Current					
General government	294,785	294,785	126,606	168,179	142,785
Capital outlay	-	-	-	-	-
Total expenditures	<u>294,785</u>	<u>294,785</u>	<u>126,606</u>	<u>168,179</u>	<u>142,785</u>
Net change in fund balance	(146,285)	(146,285)	34,429	180,714	25,652
Fund balance, beginning of year	<u>293,095</u>	<u>293,095</u>	<u>293,095</u>	-	<u>267,443</u>
<b>Fund balance, end of year</b>	<u>\$ 146,810</u>	<u>\$ 146,810</u>	<u>\$ 327,524</u>	<u>\$ 180,714</u>	<u>\$ 293,095</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Prisoner Care Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 275,000	\$ 300,000	\$ 248,415	\$ (51,585)	\$ 309,771
Investment income	(10,000)	(11,000)	39,193	50,193	43,901
Total revenues	<u>265,000</u>	<u>289,000</u>	<u>287,608</u>	<u>(1,392)</u>	<u>353,672</u>
<b>Expenditures</b>					
Current					
General government	1,315,000	1,500,000	1,276,950	223,050	1,478,073
Police	400,000	400,000	158,553	241,447	114,103
Total expenditures	<u>1,715,000</u>	<u>1,900,000</u>	<u>1,435,503</u>	<u>464,497</u>	<u>1,592,176</u>
Revenues over (under) expenditures	<u>(1,450,000)</u>	<u>(1,611,000)</u>	<u>(1,147,895)</u>	<u>463,105</u>	<u>(1,238,504)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>1,450,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	-	<u>1,450,000</u>
Total other financing sources (uses)	<u>1,450,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	-	<u>1,450,000</u>
Net change in fund balance	-	39,000	502,105	463,105	211,496
Fund balance, beginning of year	<u>512,039</u>	<u>512,039</u>	<u>512,039</u>	-	<u>300,543</u>
<b>Fund balance, end of year</b>	<u>\$ 512,039</u>	<u>\$ 551,039</u>	<u>\$ 1,014,144</u>	<u>\$ 463,105</u>	<u>\$ 512,039</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Juvenile Recreation***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
State-shared taxes	\$ 35,000	\$ 35,000	\$ 55,352	\$ 20,352	\$ 51,021
Investment income	-	-	2,173	2,173	2,032
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>57,525</u>	<u>22,525</u>	<u>53,053</u>
<b>Expenditures</b>					
Current					
Public services	24,700	24,700	22,466	2,234	36,777
Capital outlay	19,298	19,298	16,207	3,091	-
Total expenditures	<u>43,998</u>	<u>43,998</u>	<u>38,673</u>	<u>5,325</u>	<u>36,777</u>
Net change in fund balance	(8,998)	(8,998)	18,852	27,850	16,276
Fund balance, beginning of year	<u>39,597</u>	<u>39,597</u>	<u>39,597</u>	-	<u>23,321</u>
<b>Fund balance, end of year</b>	<u>\$ 30,599</u>	<u>\$ 30,599</u>	<u>\$ 58,449</u>	<u>\$ 27,850</u>	<u>\$ 39,597</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Lodgers' Tax & LCCVB Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Lodgers' tax	\$ 1,527,189	\$ 1,810,831	\$ 1,785,109	\$ (25,722)	\$ 1,810,831
Total local taxes	<u>1,527,189</u>	<u>1,810,831</u>	<u>1,785,109</u>	<u>(25,722)</u>	<u>1,810,831</u>
Investment income	51,000	51,000	139,595	88,595	160,330
Licenses and permits	16,000	16,000	21,449	5,449	18,656
Other	5,000	5,000	15,231	10,231	107,029
Intergovernmental	<u>20,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,619,189</u>	<u>1,899,831</u>	<u>1,978,384</u>	<u>78,553</u>	<u>2,096,846</u>
<b>Expenditures</b>					
Current					
Public services	1,697,470	2,047,179	1,613,637	433,542	1,335,818
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,054</u>
Total expenditures	<u>1,697,470</u>	<u>2,047,179</u>	<u>1,613,637</u>	<u>433,542</u>	<u>1,379,872</u>
Revenues over (under) expenditures	<u>(78,281)</u>	<u>(147,348)</u>	<u>364,747</u>	<u>512,095</u>	<u>716,974</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>(54,680)</u>	<u>(267,043)</u>	<u>(173,986)</u>	<u>93,057</u>	<u>(60,727)</u>
Total other financing sources (uses)	<u>(54,680)</u>	<u>(267,043)</u>	<u>(173,986)</u>	<u>93,057</u>	<u>(60,727)</u>
Net change in fund balance	(132,961)	(414,391)	190,761	605,152	656,247
Fund balance, beginning of year	<u>3,469,205</u>	<u>3,469,205</u>	<u>3,469,205</u>	<u>-</u>	<u>2,812,958</u>
<b>Fund balance, end of year</b>	<u>\$ 3,336,244</u>	<u>\$ 3,054,814</u>	<u>\$ 3,659,966</u>	<u>\$ 605,152</u>	<u>\$ 3,469,205</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***DWI Prevention Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 51,000	\$ 51,000	\$ 37,441	\$ (13,559)	\$ 47,198
Investment income	2,000	2,000	2,470	470	3,138
Total revenues	<u>53,000</u>	<u>53,000</u>	<u>39,911</u>	<u>(13,089)</u>	<u>50,336</u>
<b>Expenditures</b>					
Current					
Police	<u>53,000</u>	<u>53,000</u>	<u>28,895</u>	<u>24,105</u>	<u>60,895</u>
Total expenditures	<u>53,000</u>	<u>53,000</u>	<u>28,895</u>	<u>24,105</u>	<u>60,895</u>
Net change in fund balance	-	-	11,016	11,016	(10,559)
Fund balance, beginning of year	<u>(2,068)</u>	<u>(2,068)</u>	<u>(2,068)</u>	-	<u>8,491</u>
<b>Fund balance, end of year</b>	<u><u>\$ (2,068)</u></u>	<u><u>\$ (2,068)</u></u>	<u><u>\$ 8,948</u></u>	<u><u>\$ 11,016</u></u>	<u><u>\$ (2,068)</u></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Judicial Education*  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 28,000	\$ 28,000	\$ 22,178	\$ (5,822)	\$ 27,952
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>22,178</u>	<u>(5,822)</u>	<u>27,952</u>
<b>Expenditures</b>					
Current					
General government	28,000	28,000	22,207	5,793	27,546
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>22,207</u>	<u>5,793</u>	<u>27,546</u>
Net change in fund balance	-	-	(29)	(29)	406
Fund balance, beginning of year	<u>(3,246)</u>	<u>(3,246)</u>	<u>(3,246)</u>	-	<u>(3,652)</u>
<b>Fund balance, end of year</b>	<u>\$ (3,246)</u>	<u>\$ (3,246)</u>	<u>\$ (3,275)</u>	<u>\$ (29)</u>	<u>\$ (3,246)</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Environmental Gross Receipts Tax Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 2,560,000	\$ 2,546,700	\$ <b>2,560,652</b>	\$ 13,952	\$ 2,400,513
Total local taxes	2,560,000	2,546,700	<b>2,560,652</b>	13,952	2,400,513
Intergovernmental	-	-	-	-	-
Total revenues	<u>2,560,000</u>	<u>2,546,700</u>	<u><b>2,560,652</b></u>	<u>13,952</u>	<u>2,400,513</u>
<b>Expenditures</b>					
Current					
General government	945,000	945,000	<b>943,831</b>	1,169	877,351
Total expenditures	<u>945,000</u>	<u>945,000</u>	<u><b>943,831</b></u>	<u>1,169</u>	<u>877,351</u>
Revenues over (under) expenditures	<u>1,615,000</u>	<u>1,601,700</u>	<u><b>1,616,821</b></u>	<u>15,121</u>	<u>1,523,162</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	(1,773,330)	(1,773,330)	<b>(1,601,098)</b>	172,232	(1,525,133)
Total other financing sources (uses)	<u>(1,773,330)</u>	<u>(1,773,330)</u>	<u><b>(1,601,098)</b></u>	<u>172,232</u>	<u>(1,525,133)</u>
Net change in fund balance	(158,330)	(171,630)	<b>15,723</b>	187,353	(1,971)
Fund balance, beginning of year	<u>261,110</u>	<u>261,110</u>	<u><b>261,110</b></u>	<u>-</u>	<u>263,081</u>
<b>Fund balance, end of year</b>	<u>\$ 102,780</u>	<u>\$ 89,480</u>	<u><b>\$ 276,833</b></u>	<u>\$ 187,353</u>	<u>\$ 261,110</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Health Care Services From MMC Lease Fund*  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 15,000	\$ 15,000	<b>\$ 6,337</b>	\$ (8,663)	\$ 17,181
Total revenues	<u>15,000</u>	<u>15,000</u>	<u><b>6,337</b></u>	<u>(8,663)</u>	<u>17,181</u>
<b>Expenditures</b>					
Current					
General government	<u>204,755</u>	<u>204,755</u>	<u><b>204,755</b></u>	<u>-</u>	<u>179,612</u>
Total expenditures	<u>204,755</u>	<u>204,755</u>	<u><b>204,755</b></u>	<u>-</u>	<u>179,612</u>
Net change in fund balance	(189,755)	(189,755)	<b>(198,418)</b>	(8,663)	(162,431)
Fund balance, beginning of year	<u>215,635</u>	<u>215,635</u>	<u><b>215,635</b></u>	<u>-</u>	<u>378,066</u>
<b>Fund balance, end of year</b>	<u><u>\$ 25,880</u></u>	<u><u>\$ 25,880</u></u>	<u><u><b>\$ 17,217</b></u></u>	<u><u>\$ (8,663)</u></u>	<u><u>\$ 215,635</u></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Legislative Equipment Grants*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Capital grants and contributions	\$ 187,953	\$ 978,988	<b>\$ 184,737</b>	\$ (794,251)	\$ 633
Total revenues	<u>187,953</u>	<u>978,988</u>	<u><b>184,737</b></u>	<u>(794,251)</u>	<u>633</u>
<b>Expenditures</b>					
Current					
General government	-	260,000	<b>155,890</b>	104,110	633
Capital outlay	<u>187,953</u>	<u>746,988</u>	<u><b>28,901</b></u>	<u>718,087</u>	<u>-</u>
Total expenditures	<u>187,953</u>	<u>1,006,988</u>	<u><b>184,791</b></u>	<u>822,197</u>	<u>633</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>-</u>	<u>28,000</u>	<u><b>28,000</b></u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>28,000</u>	<u><b>28,000</b></u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	<b>27,946</b>	27,946	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u><b>\$ 27,946</b></u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Gas Tax Street Maintenance Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
State-shared taxes	\$ 1,440,000	\$ 1,398,617	\$ 1,439,465	\$ 40,848	\$ 1,506,014
Investment income (loss)	-	-	8,899	8,899	(1,017)
Total revenues	<u>1,440,000</u>	<u>1,398,617</u>	<u>1,448,364</u>	<u>49,747</u>	<u>1,504,997</u>
<b>Expenditures</b>					
Current					
Public works	<u>633,652</u>	<u>504,255</u>	<u>436,754</u>	<u>67,501</u>	<u>516,976</u>
Total expenditures	<u>633,652</u>	<u>504,255</u>	<u>436,754</u>	<u>67,501</u>	<u>516,976</u>
Revenues over (under) expenditures	<u>806,348</u>	<u>894,362</u>	<u>1,011,610</u>	<u>117,248</u>	<u>988,021</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	<u>(847,500)</u>	<u>(904,747)</u>	<u>(904,747)</u>	-	<u>(803,417)</u>
Total other financing sources (uses)	<u>(847,500)</u>	<u>(904,747)</u>	<u>(904,747)</u>	-	<u>(803,417)</u>
Net change in fund balance	(41,152)	(10,385)	106,863	117,248	184,604
Fund balance, beginning of year	<u>418,461</u>	<u>418,461</u>	<u>418,461</u>	-	<u>233,857</u>
<b>Fund balance, end of year</b>	<u>\$ 377,309</u>	<u>\$ 408,076</u>	<u>\$ 525,324</u>	<u>\$ 117,248</u>	<u>\$ 418,461</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Public Safety Gross Receipts Tax***  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Gross receipts tax	\$ 3,300,000	\$ 3,273,500	<b>\$ 3,317,503</b>	\$ 44,003	\$ 3,128,422
Total revenues	<u>3,300,000</u>	<u>3,273,500</u>	<b><u>3,317,503</u></b>	<u>44,003</u>	<u>3,128,422</u>
<b>Expenditures</b>					
Current					
Police	2,013,000	2,013,000	<b>2,223,502</b>	(210,502)	2,106,779
Fire	<u>1,287,000</u>	<u>1,287,000</u>	<b><u>1,063,271</u></b>	<u>223,729</u>	<u>1,007,455</u>
Total expenditures	<u>3,300,000</u>	<u>3,300,000</u>	<b><u>3,286,773</u></b>	<u>13,227</u>	<u>3,114,234</u>
Net change in fund balance	-	(26,500)	<b>30,730</b>	57,230	14,188
Fund balances, beginning of year	<u>537,003</u>	<u>537,003</u>	<b><u>537,003</u></b>	-	<u>522,815</u>
<b>Fund balances, end of year</b>	<b><u>\$ 537,003</u></b>	<b><u>\$ 510,503</u></b>	<b><u>\$ 567,733</u></b>	<b><u>\$ 57,230</u></b>	<b><u>\$ 537,003</u></b>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Keep Las Cruces Beautiful*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 28,336	\$ 39,128	\$ 36,225	\$ (2,903)	\$ 24,482
Total revenues	<u>28,336</u>	<u>39,128</u>	<u>36,225</u>	<u>(2,903)</u>	<u>24,482</u>
<b>Expenditures</b>					
Current					
Police	79,643	85,051	83,147	1,904	54,736
Total expenditures	<u>79,643</u>	<u>85,051</u>	<u>83,147</u>	<u>1,904</u>	<u>54,736</u>
<b>Revenues over (under) expenditures</b>	<u>(51,307)</u>	<u>(45,923)</u>	<u>(46,922)</u>	<u>(999)</u>	<u>(30,254)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	25,453	25,453	25,453	-	14,384
Total other financing sources (uses)	<u>25,453</u>	<u>25,453</u>	<u>25,453</u>	<u>-</u>	<u>14,384</u>
Net change in fund balance	(25,854)	(20,470)	(21,469)	(999)	(15,870)
Fund balance, beginning of year	<u>21,469</u>	<u>21,469</u>	<u>21,469</u>	<u>-</u>	<u>37,339</u>
<b>Fund balance, end of year</b>	<u>\$ (4,385)</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ (999)</u>	<u>\$ 21,469</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Older Americans Act Programs**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 730,375	\$ 878,140	<b>\$ 765,284</b>	\$ (112,856)	\$ 743,193
Total revenues	<u>730,375</u>	<u>878,140</u>	<u><b>765,284</b></u>	<u>(112,856)</u>	<u>743,193</u>
<b>Expenditures</b>					
Current					
Public services	1,920,045	2,073,010	<b>1,851,380</b>	221,630	1,699,368
Capital outlay	-	-	-	-	10,321
Total expenditures	<u>1,920,045</u>	<u>2,073,010</u>	<u><b>1,851,380</b></u>	<u>221,630</u>	<u>1,709,689</u>
Revenues over (under) expenditures	<u>(1,189,670)</u>	<u>(1,194,870)</u>	<u><b>(1,086,096)</b></u>	<u>108,774</u>	<u>(966,496)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>1,123,507</u>	<u>1,123,507</u>	<u><b>1,123,507</b></u>	-	<u>1,123,507</u>
Total other financing sources (uses)	<u>1,123,507</u>	<u>1,123,507</u>	<u><b>1,123,507</b></u>	-	<u>1,123,507</u>
Net change in fund balance	(66,163)	(71,363)	<b>37,411</b>	108,774	157,011
Fund balance, beginning of year	<u>157,012</u>	<u>157,012</u>	<u><b>157,012</b></u>	-	<u>1</u>
<b>Fund balance, end of year</b>	<u>\$ 90,849</u>	<u>\$ 85,649</u>	<u><b>\$ 194,423</b></u>	<u>\$ 108,774</u>	<u>\$ 157,012</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Cash in Lieu of Commodities***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 114,811	\$ 150,774	<b>\$ 141,660</b>	\$ (9,114)	\$ 141,660
Total revenues	<u>114,811</u>	<u>150,774</u>	<b><u>141,660</u></b>	<u>(9,114)</u>	<u>141,660</u>
<b>Expenditures</b>					
Current					
Public services	119,501	155,464	<b>137,901</b>	17,563	141,548
Total expenditures	<u>119,501</u>	<u>155,464</u>	<b><u>137,901</u></b>	<u>17,563</u>	<u>141,548</u>
Net change in fund balance	(4,690)	(4,690)	<b>3,759</b>	8,449	112
Fund balance, beginning of year	<u>112</u>	<u>112</u>	<b><u>112</u></b>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<b><u><u>\$ (4,578)</u></u></b>	<b><u><u>\$ (4,578)</u></u></b>	<b><u><u>\$ 3,871</u></u></b>	<b><u><u>\$ 8,449</u></u></b>	<b><u><u>\$ 112</u></u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**RSVP**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 74,916	\$ 93,508	<b>\$ 94,630</b>	\$ 1,122	\$ 78,157
Total revenues	<u>74,916</u>	<u>93,508</u>	<b><u>94,630</u></b>	<u>1,122</u>	<u>78,157</u>
<b>Expenditures</b>					
Current					
Public services	<u>164,211</u>	<u>182,803</u>	<b><u>167,493</u></b>	<u>15,310</u>	<u>156,772</u>
Total expenditures	<u>164,211</u>	<u>182,803</u>	<b><u>167,493</u></b>	<u>15,310</u>	<u>156,772</u>
Revenues over (under) expenditures	<u>(89,295)</u>	<u>(89,295)</u>	<b><u>(72,863)</u></b>	<u>16,432</u>	<u>(78,615)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>75,949</u>	<u>75,949</u>	<b><u>75,949</u></b>	<u>-</u>	<u>71,149</u>
Total other financing sources (uses)	<u>75,949</u>	<u>75,949</u>	<b><u>75,949</u></b>	<u>-</u>	<u>71,149</u>
Net change in fund balance	(13,346)	(13,346)	<b>3,086</b>	16,432	(7,466)
Fund balance, beginning of year	<u>16,417</u>	<u>16,417</u>	<b><u>16,417</u></b>	<u>-</u>	<u>23,883</u>
<b>Fund balance, end of year</b>	<b><u>\$ 3,071</u></b>	<b><u>\$ 3,071</u></b>	<b><u>\$ 19,503</u></b>	<b><u>\$ 16,432</u></b>	<b><u>\$ 16,417</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Children, Youth, and Families**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 101,939	\$ 116,770	<b>\$ 116,766</b>	\$ (4)	\$ 101,939
Total revenues	<u>101,939</u>	<u>116,770</u>	<b><u>116,766</u></b>	<u>(4)</u>	<u>101,939</u>
<b>Expenditures</b>					
Current					
Public services	130,846	145,677	<b>134,550</b>	11,127	127,606
Total expenditures	<u>130,846</u>	<u>145,677</u>	<b><u>134,550</u></b>	<u>11,127</u>	<u>127,606</u>
Revenues over (under) expenditures	<u>(28,907)</u>	<u>(28,907)</u>	<b><u>(17,784)</u></b>	<u>11,123</u>	<u>(25,667)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	19,602	19,602	<b>19,602</b>	-	19,602
Total other financing sources (uses)	<u>19,602</u>	<u>19,602</u>	<b><u>19,602</u></b>	<u>-</u>	<u>19,602</u>
Net change in fund balance	(9,305)	(9,305)	<b>1,818</b>	11,123	(6,065)
Fund balance, beginning of year	<u>79,196</u>	<u>79,196</u>	<b><u>79,196</u></b>	<u>-</u>	<u>85,261</u>
<b>Fund balance, end of year</b>	<b><u>\$ 69,891</u></b>	<b><u>\$ 69,891</u></b>	<b><u>\$ 81,014</u></b>	<b><u>\$ 11,123</u></b>	<b><u>\$ 79,196</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Senior Employment Program**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 13,062	\$ 13,062	<b>\$ 7,780</b>	\$ (5,282)	\$ 6,446
Total revenues	<u>13,062</u>	<u>13,062</u>	<u><b>7,780</b></u>	<u>(5,282)</u>	<u>6,446</u>
<b>Expenditures</b>					
Current					
Public services	14,770	14,770	<b>11,976</b>	2,794	6,446
Total expenditures	<u>14,770</u>	<u>14,770</u>	<u><b>11,976</b></u>	<u>2,794</u>	<u>6,446</u>
Net change in fund balance	(1,708)	(1,708)	<b>(4,196)</b>	(2,488)	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<u><b>\$ (1,708)</b></u>	<u><b>\$ (1,708)</b></u>	<u><b>\$ (4,196)</b></u>	<u><b>\$ (2,488)</b></u>	<u><b>\$ -</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*State Library Resources Grant*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 214,807	\$ 254,048	<b>\$ 118,896</b>	\$ (135,152)	\$ 76,473
Total revenues	<u>214,807</u>	<u>254,048</u>	<b><u>118,896</u></b>	<u>(135,152)</u>	<u>76,473</u>
<b>Expenditures</b>					
Current					
Public services	64,332	132,788	<b>118,910</b>	13,878	53,554
Capital outlay	<u>51,260</u>	<u>121,260</u>	<u>-</u>	<u>121,260</u>	<u>22,657</u>
Total expenditures	<u>115,592</u>	<u>254,048</u>	<b><u>118,910</u></b>	<u>135,138</u>	<u>76,211</u>
Net change in fund balance	99,215	-	<b>(14)</b>	(14)	262
Fund balance, beginning of year	<u>262</u>	<u>262</u>	<b><u>262</u></b>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<b><u>\$ 99,477</u></b>	<b><u>\$ 262</u></b>	<b><u>\$ 248</u></b>	<b><u>\$ (14)</u></b>	<b><u>\$ 262</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Street Maintenance Operations***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ 4,082	\$ 3,975	\$ (107)	\$ 6,896
<b>Expenditures</b>					
Current					
Public works	518,188	436,892	386,856	50,036	292,459
Revenues over (under) expenditures	(518,188)	(432,810)	(382,881)	49,929	(285,563)
<b>Other Financing Sources (Uses)</b>					
Transfers in	352,974	317,160	317,160	-	318,100
Total other financing sources (uses)	352,974	317,160	317,160	-	318,100
Net change in fund balance	(165,214)	(115,650)	(65,721)	49,929	32,537
Fund balance, beginning of year	115,651	115,651	115,651	-	83,114
<b>Fund balance, end of year</b>	<b>\$ (49,563)</b>	<b>\$ 1</b>	<b>\$ 49,930</b>	<b>\$ 49,929</b>	<b>\$ 115,651</b>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Flood Control Operations***  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ <b>13,656</b>	\$ 13,656	\$ 3,009
Other revenue	-	-	<b>10,788</b>	10,788	554,066
Total revenues	-	-	<b>24,444</b>	24,444	557,075
<b>Expenditures</b>					
Current					
Public works	457,162	457,162	<b>352,921</b>	104,241	602,123
Revenues over (under) expenditures	(457,162)	(457,162)	<b>(328,477)</b>	128,685	(45,048)
<b>Other Financing Sources (Uses)</b>					
Transfers in	578,433	578,433	<b>578,433</b>	-	194,500
Net change in fund balance	121,271	121,271	<b>249,956</b>	128,685	149,452
Fund balance, beginning of year	352,484	352,484	<b>352,484</b>	-	203,032
<b>Fund balance, end of year</b>	<b>\$ 473,755</b>	<b>\$ 473,755</b>	<b>\$ 602,440</b>	<b>\$ 128,685</b>	<b>\$ 352,484</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Special Projects—Northrise/Morningstar***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ 130,631	\$ <b>151,430</b>	\$ 20,799	\$ 80,961
Intergovernmental	-	721,804	<b>338,827</b>	(382,977)	190,186
Total revenues	-	852,435	<b>490,257</b>	(362,178)	271,147
<b>Other Financing Sources (Uses)</b>					
Transfers out	-	(746,292)	<b>(746,292)</b>	-	-
Total other financing sources (uses)	-	(746,292)	<b>(746,292)</b>	-	-
Net change in fund balance	-	106,143	<b>(256,035)</b>	(362,178)	271,147
Fund balance, beginning of year	276,834	276,834	<b>276,834</b>	-	5,687
<b>Fund balance, end of year</b>	<b>\$ 276,834</b>	<b>\$ 382,977</b>	<b>\$ 20,799</b>	<b>\$ (362,178)</b>	<b>\$ 276,834</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Downtown Revitalization***  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 14,722	\$ 14,722	\$ 22,724
Other	-	-	950	950	400
Total revenues	-	-	15,672	15,672	23,124
<b>Expenditures</b>					
Capital outlay	56,241	116,207	74,141	42,066	21,276
Total expenditures	56,241	116,207	74,141	42,066	21,276
Net change in fund balance	(56,241)	(116,207)	(58,469)	(26,394)	1,848
Fund balance, beginning of year	428,556	428,556	428,556	-	426,708
<b>Fund balance, end of year</b>	\$ 372,315	\$ 312,349	\$ 370,087	\$ (26,394)	\$ 428,556

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Regulatory Plan**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 2,833	\$ 2,833	\$ 192
Intergovernmental	-	200,000	200,000	-	-
Other	-	16,472	25,000	8,528	50,000
Total revenues	-	216,472	227,833	11,361	50,192
<b>Expenditures</b>					
Current					
Community development	-	516,472	262,915	253,557	-
Revenues over (under) expenditures	-	(300,000)	(35,082)	(264,918)	-
Transfers in	-	250,000	250,000	-	-
Total other financing sources (uses)	-	250,000	250,000	-	-
Net change in fund balance	-	(50,000)	214,918	(264,918)	-
Fund balance, beginning of year	50,192	50,192	50,192	-	-
<b>Fund balance, end of year</b>	<b>\$ 50,192</b>	<b>\$ 192</b>	<b>\$ 265,110</b>	<b>\$ (264,918)</b>	<b>\$ 50,192</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*State Operations Grant*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Other	\$ 15,000	\$ 514,603	<b>\$ 404,837</b>	\$ (109,766)	\$ 65,000
Total revenues	<u>15,000</u>	<u>514,603</u>	<b><u>404,837</u></b>	<u>(109,766)</u>	<u>65,000</u>
<b>Expenditures</b>					
Current					
Public works	-	484,812	<b>389,216</b>	95,596	65,000
Total expenditures	-	<u>484,812</u>	<b><u>389,216</u></b>	<u>95,596</u>	<u>65,000</u>
Net change in fund balance	15,000	29,791	<b>15,621</b>	(205,362)	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b><u>\$ 15,000</u></b>	<b><u>\$ 29,791</u></b>	<b><u>\$ 15,621</u></b>	<b><u>\$ (205,362)</u></b>	<b><u>\$ -</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Heske Garden Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ <b>10,106</b>	\$ 10,106	\$ -
Other	-	275,000	<b>280,564</b>	5,564	-
Total revenues	-	275,000	<b>290,670</b>	15,670	-
<b>Expenditures</b>					
Facilities	27,500	27,500	<b>506</b>	26,994	-
Total expenditures	27,500	27,500	<b>506</b>	26,994	-
Transfers in	-	(108,132)	<b>(108,132)</b>	-	-
Total other financing sources (uses)	-	(108,132)	<b>(108,132)</b>	-	-
Net change in fund balance	27,500	139,368	<b>182,032</b>	42,664	-
Fund balances, beginning of year	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 27,500</b>	<b>\$ 139,368</b>	<b>\$ 182,032</b>	<b>\$ 42,664</b>	<b>\$ -</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Griggs Walnut Plume Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ -	\$ -	\$ 9,511	\$ 9,511	\$ -
Other	-	557,547	215,976	(341,571)	-
Total revenues	-	557,547	225,487	(332,060)	-
<b>Expenditures</b>					
Current					
General government	628,396	960,162	431,951	528,211	-
Revenues over (under) expenditures	(628,396)	(402,615)	(206,464)	196,151	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	245,579	447,589	481,155	33,566	-
Total other financing sources (uses)	245,579	447,589	481,155	33,566	-
Net change in fund balance	(382,817)	44,974	274,691	229,717	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ (382,817)</b>	<b>\$ 44,974</b>	<b>\$ 274,691</b>	<b>\$ 229,717</b>	<b>\$ -</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Las Cruces Convention Center Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ -	\$ -	\$ 7,142	\$ 7,142	\$ -
Other	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,109,363</u>	<u>(390,637)</u>	<u>-</u>
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,116,505</u>	<u>(383,495)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)	<u>(1,500,000)</u>	<u>(1,319,216)</u>	<u>(1,116,498)</u>	<u>202,718</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>(1,319,216)</u>	<u>(1,116,498)</u>	<u>202,718</u>	<u>-</u>
Net change in fund balance	-	180,784	7	(180,777)	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ 180,784</u>	<u>\$ 7</u>	<u>\$ (180,777)</u>	<u>\$ -</u>



Schedules of Revenues, Expenditures and Changes in  
Fund Balance—Budget and Actual  
*Capital Projects Funds*

## Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

*Public Parks Development:* To provide for the establishment of parks and miniparks within subdivisions. The source of funding is from state grants, interest earnings, and charges to subdividers. If the parks using subdivision funds have not been started within a three-year period, the charges revert to the subdividers.

*Street Improvement:* To provide for the paving or improvements to streets. The source of funding is from a state grant and interest earned on investments.

*Airport Improvement:* To provide for the financing and construction of projects at the airport. The funding is from federal grants, state grants, and local matching funds.

*Sales Tax–Street Maintenance:* To provide for street repaving projects. The source of funding is one-quarter percent municipal gross receipts tax.

*Flood Control:* To provide for extending or improving the storm sewer system. The financing source is a two-mill levy on property tax.

*Capital Improvement Reserve:* To provide for the purchase of land and additions or improvements to city facilities. The source of funding is net profit on sale of securities.

*Legislative Capital Improvements:* To provide for the purchase of capital improvements approved by legislation.

*State Capital Improvements:* To provide for the purchase of capital improvements from state funding.

*EDA West Mesa Industrial Park Fund:* To provide for the financing and construction of improvements, including installation of access roads and utilities for the airport and industrial complex. The source of funding is federal grants, local matching funds, rental income, and proceeds from the sale of land.

*1999 Sales Tax Street Projects Series A:* To provide for the construction of various street projects.

*2003 Sales Tax Facilities and Parks:* To provide for facilities/park improvements. Funding is the 2005 Gross Receipts Tax Refunding Revenue Bonds.

*NMFA Loans–Equipment Acquisition:* To provide for well improvements.

*2003 Sales Tax Street Lights:* To provide for the acquisition of street lighting systems. Funding is the 2005 Gross Receipts Tax Refunding Revenue Bonds.

*2005 Gross Receipts Tax Public Improvements:* To account for various public improvements. Funding is the 2005 Sales Tax Bond.

*2007 NMFA Street Improvements:* To provide for the paving or improvements to streets. The source of funding is from New Mexico Finance Authority loans.

**City of Las Cruces**  
**Budgetary Comparison for Multiple-Year Capital Projects**  
**For the Year Ended June 30, 2008**

Capital Project Fund	Project Appropriations	2008 Expenditures	Expenditures Project to Date	Variance with Project Appropriations- Positive (Negative)
Capital Improvement Reserve	\$ 4,517,152	\$ 410,937	\$ 700,273	\$ 3,816,879
Legislative Capital Improvements	196,912	155,084	189,749	7,163
State Capital Improvements	17,345,148	2,428,672	3,987,163	13,357,985
EDA West Mesa Industrial Park Fund	1,853,498	733,868	946,130	907,368
1999 Sales Tax Street Projects Series A	270,354	-	270,354	-
2003 Sales Tax Facilities and Parks	1,075,502	421,062	964,615	110,887
NMFA Loans-Equipment Acquisition	1,899,301	4,211	899,905	999,396
2003 Sales Tax Street Lights	2,453,958	439,023	1,852,797	601,161
2005 GRT Public Improvements	10,098,554	5,283,926	9,001,666	1,096,888
Public Parks	8,069,357	819,168	4,035,515	4,033,842
Street Improvement	18,973,589	6,154,993	7,942,594	11,030,995
Airport Improvement	5,382,079	935,416	4,030,354	1,351,725
Sales Tax-Street Maintenance	8,953,129	5,592,334	8,546,186	406,943
Flood Control	4,653,654	1,650,189	2,766,426	1,887,228
<b>Total</b>	<b><u>\$ 85,742,187</u></b>	<b><u>\$ 25,028,883</u></b>	<b><u>\$ 46,133,727</u></b>	<b><u>\$ 39,608,460</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**Public Parks Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ 735,000	\$ 735,000	\$ 103,457	\$ (631,543)	\$ 113,491
Licenses and permits	460,938	460,938	174,094	(286,844)	368,298
Intergovernmental	<u>1,057,876</u>	<u>2,401,403</u>	<u>479,352</u>	<u>(1,922,051)</u>	<u>1,361,198</u>
Total revenues	<u>2,253,814</u>	<u>3,597,341</u>	<u>756,903</u>	<u>(2,840,438)</u>	<u>1,842,987</u>
<b>Expenditures</b>					
General government	-	-	-	-	13,000
Capital outlay	<u>3,711,158</u>	<u>4,853,010</u>	<u>819,168</u>	<u>4,033,842</u>	<u>1,461,379</u>
Total expenditures	<u>3,711,158</u>	<u>4,853,010</u>	<u>819,168</u>	<u>4,033,842</u>	<u>1,474,379</u>
Revenues over (under) expenditures	<u>(1,457,344)</u>	<u>(1,255,669)</u>	<u>(62,265)</u>	<u>1,193,404</u>	<u>368,608</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	108,132	108,132	-	-
Total other financing sources (uses)	-	<u>108,132</u>	<u>108,132</u>	-	-
Net change in fund balance	(1,457,344)	(1,147,537)	45,867	1,193,404	368,608
Fund balance, beginning of year	<u>2,295,498</u>	<u>2,295,498</u>	<u>2,295,498</u>	-	<u>1,926,890</u>
<b>Fund balance, end of year</b>	<u>\$ 838,154</u>	<u>\$ 1,147,961</u>	<u>\$ 2,341,365</u>	<u>\$ 1,193,404</u>	<u>\$ 2,295,498</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**Street Improvement Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ 10,000	\$ 10,000	\$ 291,753	\$ 281,753	\$ 207,913
Intergovernmental	4,020,945	5,297,510	1,867,191	(3,430,319)	1,974,712
Total revenues	<u>4,030,945</u>	<u>5,307,510</u>	<u>2,158,944</u>	<u>(3,148,566)</u>	<u>2,182,625</u>
<b>Expenditures</b>					
Capital outlay	15,480,737	13,973,342	5,556,082	8,417,260	2,095,399
Debt service					
Interest and other charges	-	-	-	-	74,891
Total expenditures	<u>15,480,737</u>	<u>13,973,342</u>	<u>5,556,082</u>	<u>8,417,260</u>	<u>2,170,290</u>
Revenues over (under) expenditures	<u>(11,449,792)</u>	<u>(8,665,832)</u>	<u>(3,397,138)</u>	<u>5,268,694</u>	<u>12,335</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	3,200,000	-	-	-	9,074,891
Transfers in	-	77,180	77,180	-	23,812
Transfers out	-	(53,665)	(53,665)	-	
Total other financing sources (uses)	<u>3,200,000</u>	<u>23,515</u>	<u>23,515</u>	<u>-</u>	<u>9,098,703</u>
Net change in fund balance	(8,249,792)	(8,642,317)	(3,373,623)	5,268,694	9,111,038
Fund balance, beginning of year	<u>9,164,706</u>	<u>9,164,706</u>	<u>9,164,706</u>	<u>-</u>	<u>53,668</u>
<b>Fund balance, end of year</b>	<u>\$ 914,914</u>	<u>\$ 522,389</u>	<u>\$ 5,791,083</u>	<u>\$ 5,268,694</u>	<u>\$ 9,164,706</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
***Airport Improvement Fund***  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ 20,000	\$ 20,000	\$ <b>32,814</b>	\$ 12,814	\$ 92,874
Intergovernmental	<u>1,922,772</u>	<u>1,866,924</u>	<u><b>841,864</b></u>	<u>(1,025,060)</u>	<u>37,892</u>
Total revenues	<u>1,942,772</u>	<u>1,886,924</u>	<u><b>874,678</b></u>	<u>(1,012,246)</u>	<u>130,766</u>
<b>Expenditures</b>					
Current					
Public works	42,500	20,002	<b>19,999</b>	3	29,998
Capital outlay	<u>3,003,279</u>	<u>2,267,139</u>	<u><b>915,417</b></u>	<u>1,351,722</u>	<u>1,547,469</u>
Total expenditures	<u>3,045,779</u>	<u>2,287,141</u>	<u><b>935,416</b></u>	<u>1,351,725</u>	<u>1,577,467</u>
Revenues over (under) expenditures	<u>(1,103,007)</u>	<u>(400,217)</u>	<u><b>(60,738)</b></u>	<u>339,479</u>	<u>(1,446,701)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>159,103</u>	<u>159,103</u>	<u><b>159,103</b></u>	<u>-</u>	<u>887,880</u>
Total other financing sources (uses)	<u>159,103</u>	<u>159,103</u>	<u><b>159,103</b></u>	<u>-</u>	<u>887,880</u>
Net change in fund balance	(943,904)	(241,114)	<b>98,365</b>	339,479	(558,821)
Fund balance, beginning of year	<u>566,965</u>	<u>566,965</u>	<u><b>566,965</b></u>	<u>-</u>	<u>1,125,786</u>
<b>Fund balance, end of year</b>	<u><b>\$ (376,939)</b></u>	<u><b>\$ 325,851</b></u>	<u><b>\$ 665,330</b></u>	<u><b>\$ 339,479</b></u>	<u><b>\$ 566,965</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**Sales Tax—Street Maintenance Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 6,600,000	\$ 6,677,900	\$ 6,640,184	\$ (37,716)	\$ 6,266,621
Property	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>	<u>4,277</u>
Total local taxes	<u>6,603,500</u>	<u>6,681,400</u>	<u>6,640,184</u>	<u>(41,216)</u>	<u>6,270,898</u>
Intergovernmental	757,000	296,536	296,535	(1)	
Investment income	45,900	76,900	30,539	(46,361)	133,704
Other	<u>2,225,500</u>	<u>219,367</u>	<u>216,622</u>	<u>(2,745)</u>	<u>352,153</u>
Total revenues	<u>9,631,900</u>	<u>7,274,203</u>	<u>7,183,880</u>	<u>(90,323)</u>	<u>6,756,755</u>
<b>Expenditures</b>					
Current					
Public works	130,000	175,758	172,588	3,170	173,562
Capital outlay	<u>6,578,000</u>	<u>5,823,519</u>	<u>5,419,746</u>	<u>403,773</u>	<u>4,480,316</u>
Total expenditures	<u>6,708,000</u>	<u>5,999,277</u>	<u>5,592,334</u>	<u>406,943</u>	<u>4,653,878</u>
Revenues over (under) expenditures	<u>2,923,900</u>	<u>1,274,926</u>	<u>1,591,546</u>	<u>316,620</u>	<u>2,102,877</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	157,755	157,755	-	-
Transfers in	20,000	953,719	953,719	-	20,000
Transfers out	<u>(4,350,771)</u>	<u>3,756,316</u>	<u>(3,756,316)</u>	<u>7,512,632</u>	<u>(2,495,508)</u>
Total other financing sources (uses)	<u>(4,330,771)</u>	<u>4,867,790</u>	<u>(2,644,842)</u>	<u>7,512,632</u>	<u>(2,475,508)</u>
Net change in fund balance	(1,406,871)	6,142,716	(1,053,296)	(7,196,012)	(372,631)
Fund balance, beginning of year	<u>2,423,598</u>	<u>2,423,598</u>	<u>2,423,598</u>	<u>-</u>	<u>2,796,229</u>
<b>Fund balance, end of year</b>	<u>\$ 1,016,727</u>	<u>\$ 8,566,314</u>	<u>\$ 1,370,302</u>	<u>\$ (7,196,012)</u>	<u>\$ 2,423,598</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
***Flood Control Fund***  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Property	\$ 2,706,217	\$ 2,827,683	\$ 3,113,347	\$ 285,664	\$ 2,667,626
Total local taxes	<u>2,706,217</u>	<u>2,827,683</u>	<u>3,113,347</u>	<u>285,664</u>	<u>2,667,626</u>
Investment income	-	100,000	85,942	(14,058)	121,878
Other	<u>250,000</u>	<u>285,000</u>	<u>46,196</u>	<u>(238,804)</u>	<u>1,064,922</u>
Total revenues	<u>2,956,217</u>	<u>3,212,683</u>	<u>3,245,485</u>	<u>32,802</u>	<u>3,854,426</u>
<b>Expenditures</b>					
Current					
Public works	-	-	31,133	(31,133)	26,676
Capital outlay	<u>2,932,000</u>	<u>3,537,417</u>	<u>1,619,056</u>	<u>1,918,361</u>	<u>1,852,220</u>
Total expenditures	<u>2,932,000</u>	<u>3,537,417</u>	<u>1,650,189</u>	<u>1,887,228</u>	<u>1,878,896</u>
Revenues over (under) expenditures	<u>24,217</u>	<u>(324,734)</u>	<u>1,595,296</u>	<u>1,920,030</u>	<u>1,975,530</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	137,329	137,329	-	-
Transfers out	<u>(1,774,172)</u>	<u>(1,596,084)</u>	<u>(1,596,084)</u>	<u>-</u>	<u>(1,224,838)</u>
Total other financing sources (uses)	<u>(1,774,172)</u>	<u>(1,458,755)</u>	<u>(1,458,755)</u>	<u>-</u>	<u>(1,224,838)</u>
Net change in fund balance	(1,749,955)	(1,783,489)	136,541	1,920,030	750,692
Fund balance, beginning of year	<u>2,787,437</u>	<u>2,787,437</u>	<u>2,787,437</u>	<u>-</u>	<u>2,036,745</u>
<b>Fund balance, end of year</b>	<u>\$ 1,037,482</u>	<u>\$ 1,003,948</u>	<u>\$ 2,923,978</u>	<u>\$ 1,920,030</u>	<u>\$ 2,787,437</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**Capital Improvement Reserve Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ 25,000	\$ 25,000	\$ 90,266	\$ 65,266	\$ 94,050
Other	-	199,480	-	(199,480)	-
Total revenues	<u>25,000</u>	<u>224,480</u>	<u>90,266</u>	<u>(134,214)</u>	<u>94,050</u>
<b>Expenditures</b>					
Capital outlay	<u>1,000,000</u>	<u>4,517,152</u>	<u>410,937</u>	<u>4,106,215</u>	<u>289,336</u>
Total expenditures	<u>1,000,000</u>	<u>4,517,152</u>	<u>410,937</u>	<u>4,106,215</u>	<u>289,336</u>
Revenues over (under) expenditures	<u>(975,000)</u>	<u>(4,292,672)</u>	<u>(320,671)</u>	<u>(3,972,001)</u>	<u>(195,286)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>650,000</u>	<u>3,367,672</u>	<u>3,367,672</u>	<u>-</u>	<u>600,000</u>
Total other financing sources (uses)	<u>650,000</u>	<u>3,367,672</u>	<u>3,367,672</u>	<u>-</u>	<u>600,000</u>
Net change in fund balance	(325,000)	(925,000)	3,047,001	(3,972,001)	404,714
Fund balance, beginning of year	<u>1,953,917</u>	<u>1,953,917</u>	<u>1,953,917</u>	<u>-</u>	<u>1,549,203</u>
<b>Fund balance, end of year</b>	<u>\$ 1,628,917</u>	<u>\$ 1,028,917</u>	<u>\$ 5,000,918</u>	<u>\$ (3,972,001)</u>	<u>\$ 1,953,917</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
*Legislative Capital Improvements*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 162,247	\$ 162,247	<b>\$ 155,084</b>	\$ (7,163)	\$ 63,287
Total revenues	<u>162,247</u>	<u>162,247</u>	<b><u>155,084</u></b>	<u>(7,163)</u>	<u>63,287</u>
<b>Expenditures</b>					
Capital outlay	162,247	162,247	<b>155,084</b>	7,163	63,287
Total expenditures	<u>162,247</u>	<u>162,247</u>	<b><u>155,084</u></b>	<u>7,163</u>	<u>63,287</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**State Capital Improvements**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 25,161,839	\$ 22,189,918	<b>\$ 2,409,760</b>	\$ (19,780,158)	\$ 443,506
Total revenues	<u>25,161,839</u>	<u>22,189,918</u>	<b><u>2,409,760</u></b>	<u>(19,780,158)</u>	<u>443,506</u>
<b>Expenditures</b>					
Current					
Public works	-	-	<b>64,174</b>	(64,174)	12,247
Capital outlay	<u>25,207,303</u>	<u>22,185,381</u>	<b><u>2,364,498</u></b>	19,820,883	<u>431,259</u>
Total expenditures	<u>25,207,303</u>	<u>22,185,381</u>	<b><u>2,428,672</u></b>	19,756,709	<u>443,506</u>
Revenues over (under) expenditures	<u>(45,464)</u>	<u>4,537</u>	<b><u>(18,912)</u></b>	<u>(23,449)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	7,711	<b>7,711</b>	-	(23,812)
Total other financing sources (uses)	<u>-</u>	<u>7,711</u>	<b><u>7,711</u></b>	<u>-</u>	<u>(23,812)</u>
Net change in fund balance	(45,464)	12,248	<b>(11,201)</b>	(23,449)	(23,812)
Fund balance, beginning of year	<u>(12,248)</u>	<u>(12,248)</u>	<b><u>(12,248)</u></b>	<u>-</u>	<u>11,564</u>
<b>Fund balance, end of year</b>	<b><u>\$ (57,712)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (23,449)</u></b>	<b><u>\$ (23,449)</u></b>	<b><u>\$ (12,248)</u></b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**EDA West Mesa Industrial Park Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	6,000	6,000	48,717	42,717	6,074
Other	35,500	1,515,500	1,529,752	14,252	1,426,572
Total revenues	41,500	1,521,500	1,578,469	56,969	1,432,646
<b>Expenditures</b>					
Current					
Public works	60,000	60,000	24,304	35,696	41,463
Capital outlay	93,869	1,793,498	709,564	1,083,934	106,131
Total expenditures	153,869	1,853,498	733,868	1,119,630	147,594
Revenues over (under) expenditures	(112,369)	(331,998)	844,601	(1,062,661)	1,285,052
<b>Other Financing Sources (Uses)</b>					
Transfers out	-	-	-	-	(1,038,027)
Total other financing sources (uses)	-	-	-	-	(1,038,027)
Net change in fund balance	(112,369)	(331,998)	844,601	(1,062,661)	247,025
Fund balance, beginning of year	337,692	337,692	337,692	-	90,667
<b>Fund balance, end of year</b>	<b>\$ 225,323</b>	<b>\$ 5,694</b>	<b>\$ 1,182,293</b>	<b>\$ (1,062,661)</b>	<b>\$ 337,692</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**1999 Sales Tax Street Projects Series A Fund**  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 250	\$ -	\$ 92	\$ 92	\$ 13,014
Other	-	94	-	(94)	-
Total revenues	250	94	92	(2)	13,014
<b>Expenditures</b>					
Current					
Public works	-	-	-	-	7,000
Capital outlay	25,480	-	-	-	300,838
Total expenditures	25,480	-	-	-	307,838
Net change in fund balance	(25,230)	94	92	(2)	(294,824)
Fund balance, beginning of year	(92)	-	(92)	(92)	294,732
<b>Fund balance, end of year</b>	\$ (25,322)	\$ 94	\$ -	\$ (94)	\$ (92)

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**2003 Sales Tax Facilities and Parks**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 114,662
Investment income	<u>7,117</u>	<u>7,117</u>	<u>15,247</u>	<u>8,130</u>	<u>43,689</u>
Total revenues	<u>7,117</u>	<u>7,117</u>	<u>15,247</u>	<u>8,130</u>	<u>158,351</u>
<b>Expenditures</b>					
Current					
Facilities	-	-	-	-	-
Capital outlay	<u>835,030</u>	<u>531,950</u>	<u>421,062</u>	<u>110,888</u>	<u>817,422</u>
Total expenditures	<u>835,030</u>	<u>531,950</u>	<u>421,062</u>	<u>110,888</u>	<u>817,422</u>
Revenues over (under) expenditures	<u>(827,913)</u>	<u>(524,833)</u>	<u>(405,815)</u>	<u>119,018</u>	<u>(659,071)</u>
Net change in fund balance	(827,913)	(524,833)	(405,815)	119,018	(659,071)
Fund balance, beginning of year	<u>524,833</u>	<u>524,833</u>	<u>524,833</u>	-	<u>1,183,904</u>
<b>Fund balance, end of year</b>	<u>\$ (303,080)</u>	<u>\$ -</u>	<u>\$ 119,018</u>	<u>\$ 119,018</u>	<u>\$ 524,833</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**State Equipment Acquisition**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 134,453
Investment income	-	13,000	<b>13,956</b>	956	38,502
Total revenues	-	13,000	<b>13,956</b>	956	172,955
<b>Expenditures</b>					
Current					
Public works	-	-	-	-	9,746
Capital outlay	-	999,396	-	999,396	2,617,219
Debt service					
Interest and other charges	-	4,211	<b>4,211</b>	-	-
Total expenditures	-	1,003,607	<b>4,211</b>	999,396	2,626,965
Revenues over (under) expenditures	-	(990,607)	<b>9,745</b>	(998,440)	(2,454,010)
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	1,109,546	<b>1,109,546</b>	-	2,495,502
Transfers in	-	9,000	<b>9,000</b>	-	-
Transfers out	-	(160,642)	<b>(160,642)</b>	-	-
Total other financing sources (uses)	-	957,904	<b>957,904</b>	-	2,495,502
Net change in fund balance	-	(32,703)	<b>967,649</b>	(998,440)	41,492
Fund balance, beginning of year	-	41,492	<b>41,492</b>	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 8,789</b>	<b>\$ 1,009,141</b>	<b>\$ (998,440)</b>	<b>\$ 41,492</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**2003 Sales Tax Street Lights**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 30,000	\$ 30,000	<b>\$ 41,233</b>	\$ 11,233	\$ 63,408
Total revenues	<u>30,000</u>	<u>30,000</u>	<b><u>41,233</u></b>	<u>11,233</u>	<u>63,408</u>
<b>Expenditures</b>					
Capital outlay	850,000	1,070,184	<b>439,023</b>	631,161	343,590
Total expenditures	<u>850,000</u>	<u>1,070,184</u>	<b><u>439,023</u></b>	<u>631,161</u>	<u>343,590</u>
Net change in fund balance	<u>(820,000)</u>	<u>(1,040,184)</u>	<b><u>(397,790)</u></b>	<u>642,394</u>	<u>(280,182)</u>
Fund balance, beginning of year	<u>1,076,592</u>	<u>1,076,592</u>	<b><u>1,076,592</u></b>	-	<u>1,356,774</u>
<b>Fund balance, end of year</b>	<b><u>\$ 256,592</u></b>	<b><u>\$ 36,408</u></b>	<b><u>\$ 678,802</u></b>	<b><u>\$ 642,394</u></b>	<b><u>\$ 1,076,592</u></b>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**2005 Gross Receipts Tax Public Improvements**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 170,000	\$ 170,000	\$ 240,406	\$ 70,406	\$ 444,918
Other	-	247,053	607,314	360,261	911,131
Total revenues	<u>170,000</u>	<u>417,053</u>	<u>847,720</u>	<u>430,667</u>	<u>1,356,049</u>
<b>Expenditures</b>					
Current					
Public works	114,275	314,785	290,762	24,023	-
Capital outlay	7,158,979	6,066,329	4,993,164	1,073,165	3,736,330
Total expenditures	<u>7,273,254</u>	<u>6,381,114</u>	<u>5,283,926</u>	<u>1,097,188</u>	<u>3,736,330</u>
Revenues over (under) expenditures	<u>(7,103,254)</u>	<u>(5,964,061)</u>	<u>(4,436,206)</u>	<u>1,527,855</u>	<u>(2,380,281)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	-	-
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	-	-
Net change in fund balance	(8,503,254)	(7,364,061)	(5,836,206)	1,527,855	(2,380,281)
Fund balance, beginning of year	<u>7,975,750</u>	<u>7,975,750</u>	<u>7,975,750</u>	-	<u>10,356,031</u>
<b>Fund balance, end of year</b>	<u>\$ (527,504)</u>	<u>\$ 611,689</u>	<u>\$ 2,139,544</u>	<u>\$ 1,527,855</u>	<u>\$ 7,975,750</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
**2007 NMFA Street Improvements**  
**For the Year Ended June 30, 2008**

	2008			Variance with Final Budget - Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 41,743	\$ 41,743	\$ -
Total revenues	-	-	41,743	41,743	-
<b>Expenditures</b>					
Capital outlay	-	3,200,000	586,266	2,613,734	-
Debt service					
Bond issuance costs	-	12,646	12,645	1	-
Total expenditures	-	3,212,646	598,911	2,613,735	-
Revenues over (under) expenditures	-	(3,212,646)	(557,168)	2,655,478	-
<b>Other Financing Sources (Uses)</b>					
Proceeds of bonds issued	-	3,230,999	3,230,999	-	-
Total other financing sources (uses)	-	3,230,999	3,230,999	-	-
Net change in fund balance	-	18,353	2,673,831	2,655,478	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 18,353</b>	<b>\$ 2,673,831</b>	<b>\$ 2,655,478</b>	<b>\$ -</b>

## Schedule of Revenues, Expenses and Changes in Net Assets—Budget and Actual

### *Enterprise Funds*

- ◆ Gas
- ◆ Water
- ◆ Waste Water
- ◆ Solid Waste
- ◆ Bus Transit
- ◆ Alternative Fuel Station
- ◆ Clean Community Commission

### *Internal Service Funds*

- ◆ Support Services
- ◆ Self-Insurance

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Gas Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 30,622,230	\$ 30,622,230	\$ 29,462,555	\$ (1,159,675)	\$ 28,854,453
Provision for uncollectible accounts	(206,801)	(206,801)	(158,506)	48,295	(42,579)
Net sales/charges	<u>30,415,429</u>	<u>\$ 30,415,429</u>	<u>29,304,049</u>	<u>(1,111,380)</u>	<u>28,811,874</u>
Utility extension/service fee	550,000	550,000	219,094	(330,906)	465,774
Other	<u>2,375,217</u>	<u>2,375,217</u>	<u>2,468,213</u>	<u>92,996</u>	<u>2,293,519</u>
Net operating revenues	<u>33,340,646</u>	<u>33,340,646</u>	<u>31,991,356</u>	<u>(1,349,290)</u>	<u>31,571,167</u>
<b>Operating Expenses</b>					
Personnel services	3,635,828	3,635,828	3,166,201	469,627	2,861,262
Cost of gas purchased	22,039,050	22,039,050	19,721,611	2,317,439	20,214,257
Supplies	227,300	230,360	198,848	31,512	201,844
Utilities	36,400	36,400	25,517	10,883	18,121
Professional services	552,100	567,952	413,451	154,501	433,135
Repairs and maintenance	1,041,136	1,035,436	949,683	85,753	1,041,636
Rent	15,000	15,000	2,851	12,149	6,602
Depreciation and amortization	1,733,297	1,801,298	1,787,017	14,281	1,701,513
Payment in lieu of taxes	677,200	677,200	665,451	11,749	667,834
Administrative charges from other funds	541,783	512,566	512,566	-	503,279
Customer service	3,185,433	3,475,849	2,778,889	696,960	1,981,792
Insurance	151,060	151,060	151,060	-	151,060
Other	<u>92,600</u>	<u>108,878</u>	<u>85,324</u>	<u>23,554</u>	<u>32,922</u>
Total operating expenses	<u>33,928,187</u>	<u>34,286,877</u>	<u>30,458,469</u>	<u>3,828,408</u>	<u>29,815,257</u>
Operating income (loss)	<u>(587,541)</u>	<u>(946,231)</u>	<u>1,532,887</u>	<u>2,479,118</u>	<u>1,755,910</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain (loss) on sale of capital assets	-	-	13,500	13,500	160,950
Investment income	90,708	90,708	431,004	340,296	449,338
Grants and contributions	120,000	120,000	334,638	214,638	342,392
Interest expenses	<u>(32,000)</u>	<u>(32,000)</u>	<u>(25,845)</u>	<u>6,155</u>	<u>(26,115)</u>
Total nonoperating revenue (expense)	<u>178,708</u>	<u>178,708</u>	<u>753,297</u>	<u>574,589</u>	<u>926,565</u>
Income (loss) before transfers	<u>(408,833)</u>	<u>(767,523)</u>	<u>2,286,184</u>	<u>3,053,707</u>	<u>2,682,475</u>
Transfers out	<u>(53,650)</u>	<u>(68,050)</u>	<u>(54,400)</u>	<u>13,650</u>	<u>(146,730)</u>
Change in fund net assets	<u>(462,483)</u>	<u>(835,573)</u>	<u>2,231,784</u>	<u>3,067,357</u>	<u>2,535,745</u>
Fund net assets, beginning of year	<u>37,677,547</u>	<u>37,677,547</u>	<u>37,677,547</u>	<u>-</u>	<u>35,141,802</u>
<b>Fund net assets, end of year</b>	<u>\$ 37,215,064</u>	<u>\$ 36,841,974</u>	<u>\$ 39,909,331</u>	<u>\$ 3,067,357</u>	<u>\$ 37,677,547</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Water Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 15,999,031	\$ 15,999,031	\$ 13,552,263	\$ (2,446,768)	\$ 14,727,872
Provision for uncollectible accounts	(6,150)	(82,259)	(64,669)	17,590	(44,028)
Net sales/charges	15,992,881	15,916,772	13,487,594	(2,429,178)	14,683,844
Utility extension/service fee	156,000	156,000	73,428	(82,572)	121,084
Rentals	11,900	11,900	12,495	595	12,495
Other	169,812	169,812	367,377	197,565	278,351
Net operating revenues	<u>16,330,593</u>	<u>16,254,484</u>	<u>13,940,894</u>	<u>(2,313,590)</u>	<u>15,095,774</u>
<b>Operating Expenses</b>					
Personnel services	2,334,230	2,184,230	2,131,573	52,657	2,089,466
Supplies	515,000	543,184	402,170	141,014	395,140
Utilities	2,073,350	1,888,350	1,532,026	356,324	1,848,324
Professional services	2,232,912	2,745,083	1,578,115	1,166,968	2,382,169
Repairs and maintenance	673,581	1,171,581	1,290,099	(118,518)	1,314,134
Rent	25,000	25,000	19,240	5,760	19,851
Depreciation and amortization	1,683,557	1,747,492	1,836,529	(89,037)	1,669,193
Payment in lieu of taxes	326,200	326,200	328,664	(2,464)	315,462
Administrative charges from other funds	518,058	518,058	518,058	-	508,672
Customer service	2,216,816	2,386,424	1,830,909	555,515	1,269,720
Insurance	88,235	88,235	88,235	-	88,235
Other	17,200	119,200	86,592	32,608	49,924
Total operating expenses	<u>12,704,139</u>	<u>13,743,037</u>	<u>11,642,210</u>	<u>2,100,827</u>	<u>11,950,290</u>
Operating income	<u>3,626,454</u>	<u>2,511,447</u>	<u>2,298,684</u>	<u>(212,763)</u>	<u>3,145,484</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain (loss) on sale of capital assets	-	-	4,300	4,300	(49,796)
Investment income	535,517	535,517	1,279,651	744,134	1,543,103
Grants and contributions	2,234,650	2,241,214	1,262,860	(978,354)	1,397,840
Interest expense	(1,495,995)	(1,516,858)	(1,882,030)	(365,172)	(1,448,356)
Total nonoperating revenue (expense)	<u>1,274,172</u>	<u>1,259,873</u>	<u>664,781</u>	<u>(595,092)</u>	<u>1,442,791</u>
Income (loss) before transfers	4,900,626	3,771,320	2,963,465	(807,855)	4,588,275
Transfers in	1,424,508	1,424,508	1,261,506	(163,002)	-
Change in fund net assets	6,325,134	5,195,828	4,224,971	(970,857)	4,588,275
Fund net assets, beginning of year	<u>65,624,062</u>	<u>65,624,062</u>	<u>65,624,062</u>	<u>-</u>	<u>61,035,787</u>
<b>Fund net assets, end of year</b>	<u>\$ 71,949,196</u>	<u>\$ 70,819,890</u>	<u>\$ 69,849,033</u>	<u>\$ (970,857)</u>	<u>\$ 65,624,062</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Waste Water Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 12,100,002	\$ 12,100,002	\$ 10,668,055	\$ (1,431,947)	\$ 11,951,455
Provision for uncollectible accounts	(5,400)	(69,801)	(54,570)	15,231	(40,541)
Net sales/charges	12,094,602	12,030,201	10,613,485	(1,416,716)	11,910,914
Line extension/service fee	30,000	30,000	34,238	4,238	16,908
Other	89,039	89,039	262,657	173,618	101,940
Total operating revenues	<u>12,213,641</u>	<u>12,149,240</u>	<u>10,910,380</u>	<u>(1,238,860)</u>	<u>12,029,762</u>
<b>Operating Expenses</b>					
Personnel services	2,550,280	2,550,280	2,323,794	226,486	2,031,809
Supplies	668,000	806,761	609,954	196,807	543,909
Utilities	841,200	680,766	563,156	117,610	761,937
Professional services	1,444,624	1,641,833	954,988	686,845	1,097,951
Repairs and maintenance	632,851	657,856	550,069	107,787	556,859
Rent	44,120	44,120	14,211	29,909	141,700
Depreciation and amortization	1,767,160	1,852,605	2,085,160	(232,555)	1,733,507
Payment in lieu of taxes	301,800	301,800	305,767	(3,967)	308,884
Administrative charges from other funds	491,900	491,900	491,900	-	482,988
Customer service	1,055,476	1,194,203	772,933	421,270	558,490
Insurance	50,420	50,420	50,420	-	50,420
Other	17,100	17,334	11,052	6,282	11,788
Total operating expenses	<u>9,864,931</u>	<u>10,289,878</u>	<u>8,733,404</u>	<u>1,556,474</u>	<u>8,280,242</u>
Operating income	<u>2,348,710</u>	<u>1,859,362</u>	<u>2,176,976</u>	<u>317,614</u>	<u>3,749,520</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain on sale of capital assets	-	-	-	-	18,910
Investment income (loss)	369,978	369,978	1,412,462	1,042,484	1,560,707
Grants and contributions	2,194,437	2,334,437	1,926,330	(408,107)	2,141,410
Interest expense	(1,363,993)	(1,369,114)	(1,466,286)	(97,172)	(1,142,593)
Total nonoperating revenue (expense)	<u>1,200,422</u>	<u>1,335,301</u>	<u>1,872,506</u>	<u>537,205</u>	<u>2,578,434</u>
Income (loss) before transfers	3,549,132	3,194,663	4,049,482	854,819	6,327,954
Transfers in	337,727	367,825	335,024	(32,801)	1,484,371
Transfers out	(13,650)	(13,650)	-	13,650	-
Transfers, net	<u>324,077</u>	<u>354,175</u>	<u>335,024</u>	<u>(19,151)</u>	<u>1,484,371</u>
Change in fund net assets	3,873,209	3,548,838	4,384,506	835,668	7,812,325
Fund net assets, beginning of year	<u>68,461,566</u>	<u>68,461,566</u>	<u>68,461,566</u>	<u>-</u>	<u>60,649,241</u>
<b>Fund net assets, end of year</b>	<u>\$ 72,334,775</u>	<u>\$ 72,010,404</u>	<u>\$ 72,846,072</u>	<u>\$ 835,668</u>	<u>\$ 68,461,566</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Solid Waste Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 9,518,362	\$ 10,488,851	\$ 10,226,565	\$ (262,286)	\$ 10,122,772
Provision for uncollectible accounts	(4,200)	(74,072)	(58,605)	15,467	(37,822)
Net sales/charges	<u>9,514,162</u>	<u>10,414,779</u>	<u>10,167,960</u>	<u>(246,819)</u>	<u>10,084,950</u>
Rentals	-	-	12,935	12,935	12,935
Other	-	-	13,142	13,142	19,731
Net operating revenues	<u>9,514,162</u>	<u>10,414,779</u>	<u>10,194,037</u>	<u>(220,742)</u>	<u>10,117,616</u>
<b>Operating Expenses</b>					
Personnel services	2,794,974	2,787,474	2,430,154	357,320	2,196,797
Supplies	487,300	616,620	522,450	94,170	384,779
Utilities	43,950	49,650	28,058	21,592	23,988
Professional services	4,198,400	4,902,708	2,664,685	2,238,023	2,819,693
Repairs and maintenance	1,038,651	1,038,651	1,597,101	(558,450)	1,218,101
Rent	137,900	137,900	65,884	72,016	65,845
Depreciation and amortization	546,506	546,506	652,973	(106,467)	525,131
Payment in lieu of taxes	198,900	198,900	206,631	(7,731)	204,466
Administrative charges from other funds	214,583	214,583	214,583	-	210,695
Customer service	1,763,482	1,839,867	1,466,914	372,953	1,169,706
Accrued post closure costs	-	-	932,700	(932,700)	168,904
Insurance	103,605	103,605	103,601	4	103,605
Other	11,000	11,000	6,088	4,912	8,021
Total operating expenses	<u>11,539,251</u>	<u>12,447,464</u>	<u>10,891,822</u>	<u>1,555,642</u>	<u>9,099,731</u>
Operating income	<u>(2,025,089)</u>	<u>(2,032,685)</u>	<u>(697,785)</u>	<u>1,334,900</u>	<u>1,017,885</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain (loss) on sale of capital assets	-		22,422	22,422	108,650
Investment income	91,382	91,382	177,858	86,476	167,352
Interest expense	(48,102)	(48,102)	(47,595)	507	(8,857)
Total nonoperating revenue (expense)	<u>43,280</u>	<u>43,280</u>	<u>152,685</u>	<u>109,405</u>	<u>267,145</u>
Income before transfers	<u>(1,981,809)</u>	<u>(1,989,405)</u>	<u>(545,100)</u>	<u>1,444,305</u>	<u>1,285,030</u>
Transfers in	-	-	-	-	240,012
Transfers, net	-	-	-	-	240,012
Change in fund net assets	(1,981,809)	(1,989,405)	(545,100)	1,444,305	1,525,042
Fund net assets, beginning of year	6,968,015	6,968,015	6,968,015	-	5,442,973
<b>Fund net assets, end of year</b>	<u>\$ 4,986,206</u>	<u>\$ 4,978,610</u>	<u>\$ 6,422,915</u>	<u>\$ 1,444,305</u>	<u>\$ 6,968,015</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Bus Transit Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 222,605	\$ 279,545	\$ 320,741	\$ 41,196	\$ 247,043
Other	1,000	1,000	4,125	3,125	16,131
Total operating revenues	<u>223,605</u>	<u>280,545</u>	<u>324,866</u>	<u>44,321</u>	<u>263,174</u>
<b>Operating Expenses</b>					
Personnel services	2,526,782	2,601,952	2,550,999	50,953	2,399,972
Supplies	159,500	222,562	129,326	93,236	80,823
Utilities	27,050	31,450	28,632	2,818	20,675
Professional services	121,579	139,269	100,353	38,916	53,870
Motor pool charges	260,750	386,750	375,951	10,799	321,220
Motor fuel	155,617	213,776	302,234	(88,458)	218,664
Repairs and maintenance	159,138	155,515	146,954	8,561	130,065
Depreciation and amortization	371,000	371,000	381,529	(10,529)	425,777
Insurance	27,720	27,720	27,720	-	27,720
Other	1,100	350	323	27	81
Total operating expenses	<u>3,810,236</u>	<u>4,150,344</u>	<u>4,044,021</u>	<u>106,323</u>	<u>3,678,867</u>
Operating income	<u>(3,586,631)</u>	<u>(3,869,799)</u>	<u>(3,719,155)</u>	<u>150,644</u>	<u>(3,415,693)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Operating grants and contributions	4,429,107	4,688,048	1,306,657	(3,381,391)	1,111,204
Total nonoperating revenue (expense)	<u>4,429,107</u>	<u>4,688,048</u>	<u>1,306,657</u>	<u>(3,381,391)</u>	<u>1,111,204</u>
Income (loss) before transfers	842,476	818,249	(2,412,498)	(3,230,747)	(2,304,489)
Transfers in	2,393,552	2,393,552	2,393,552	-	2,165,077
Transfers out	(43,220)	(15,500)	(15,500)	-	(15,500)
Transfers, net	<u>2,350,332</u>	<u>2,378,052</u>	<u>2,378,052</u>	<u>-</u>	<u>2,149,577</u>
Change in fund net assets	3,192,808	3,196,301	(34,446)	(3,230,747)	(154,912)
Fund net assets, beginning of year	<u>2,749,413</u>	<u>2,749,413</u>	<u>2,749,413</u>	<u>-</u>	<u>2,904,325</u>
<b>Fund net assets, end of year</b>	<u>\$ 5,942,221</u>	<u>\$ 5,945,714</u>	<u>\$ 2,714,967</u>	<u>\$ (3,230,747)</u>	<u>\$ 2,749,413</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
*Alternative Fuel Station Fund*  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Expenses</b>					
Depreciation and amortization	\$ -	\$ -	\$ <b>28,981</b>	\$ (28,981)	\$ 6,290
Total operating expenses	-	-	<b>28,981</b>	(28,981)	6,290
Loss before transfers	-	-	<b>(28,981)</b>	28,981	(6,290)
Transfers in	-	-	-	-	145,730
Change in fund net assets	-	-	<b>(28,981)</b>	(28,981)	139,440
Fund net assets, beginning of year	261,088	261,088	<b>261,088</b>	-	121,648
<b>Fund net assets, end of year</b>	<b>\$ 261,088</b>	<b>\$ 261,088</b>	<b>\$ 232,107</b>	<b>\$ (28,981)</b>	<b>\$ 261,088</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Clean Community Commission Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Other	\$ -	\$ -	\$ 2	\$ 2	\$ -
Total operating revenues	-	-	2	2	-
<b>Operating Expenses</b>					
Supplies	1,000	1,000	375	625	-
Utilities	-	14,400	10,408	3,992	-
Special professional services	39,000	39,000	29,625	9,375	24,400
Depreciation and amortization	11,148	11,148	48,367	(37,219)	47,374
Total operating expenses	51,148	65,548	88,775	(23,227)	71,774
Operating income (loss)	(51,148)	(65,548)	(88,773)	(23,225)	(71,774)
<b>Nonoperating Revenues</b>					
Operating grants and contributions	-	-	-	-	23,400
Total nonoperating revenue	-	-	-	-	23,400
Income (loss) before transfers	(51,148)	(65,548)	(88,773)	(23,225)	(48,374)
Transfers in	40,000	54,000	54,400	400	1,000
Change in fund net assets	(11,148)	(11,548)	(34,373)	(22,825)	(47,374)
Fund net assets, beginning of year	104,538	104,538	104,538	-	151,912
<b>Fund net assets, end of year</b>	<b>\$ 93,390</b>	<b>\$ 92,990</b>	<b>\$ 70,165</b>	<b>\$ (22,825)</b>	<b>\$ 104,538</b>

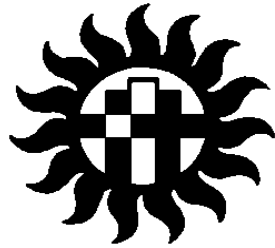
Proprietary Funds  
*Internal Service Funds*

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Internal Services Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Motor pool charges	\$ 7,419,900	\$ 8,877,847	\$ 10,377,344	\$ 1,499,497	\$ 8,571,447
Management information service fees	2,040,969	2,040,969	-	(2,040,969)	336,254
Rental charges and other	105,067	105,067	224,534	119,467	137,089
Total operating revenues	<u>9,565,936</u>	<u>11,023,883</u>	<u>10,601,878</u>	<u>(422,005)</u>	<u>9,044,790</u>
<b>Operating Expenses</b>					
Personnel services	3,786,296	3,857,532	3,325,155	532,377	3,161,215
Cost of goods sold	2,160,000	3,273,080	2,622,343	650,737	1,980,624
Supplies	2,038,165	2,108,447	2,784,742	(676,295)	2,930,208
Utilities	345,750	389,755	267,643	122,112	303,569
Professional services	336,214	363,684	131,818	231,866	130,093
Repairs and maintenance	782,389	833,124	712,400	120,724	557,461
Rent	262,051	261,051	198,174	62,877	188,180
Insurance	142,375	142,375	142,372	3	142,375
Depreciation	412,900	412,900	496,823	(83,923)	611,602
Other	126,724	118,424	34,694	83,730	45,245
Total operating expenses	<u>10,392,864</u>	<u>11,760,372</u>	<u>10,716,164</u>	<u>1,044,208</u>	<u>10,050,572</u>
Operating income (loss)	<u>(826,928)</u>	<u>(736,489)</u>	<u>(114,286)</u>	<u>622,203</u>	<u>(1,005,782)</u>
<b>Nonoperating Revenue (Expense)</b>					
Investment income (loss)	36,500	36,500	51,817	15,317	85,048
Operating grants and contributions	-	-	-	-	13,905
Total nonoperating revenue (expense)	<u>36,500</u>	<u>36,500</u>	<u>51,817</u>	<u>15,317</u>	<u>98,953</u>
Income before transfers	<u>(790,428)</u>	<u>(699,989)</u>	<u>(62,469)</u>	<u>637,520</u>	<u>(906,829)</u>
Transfers in	-	-	50,000	50,000	742,000
Transfers out	(212,875)	41,848	(3,978)	(45,826)	-
Transfers, net	<u>(212,875)</u>	<u>41,848</u>	<u>46,022</u>	<u>4,174</u>	<u>742,000</u>
Change in fund net assets	(1,003,303)	(658,141)	(16,447)	641,694	(164,829)
Fund net assets, beginning of year	<u>3,638,244</u>	<u>3,638,244</u>	<u>3,638,244</u>	-	<u>3,803,073</u>
<b>Fund net assets, end of year</b>	<u>\$ 2,634,941</u>	<u>\$ 2,980,103</u>	<u>\$ 3,621,797</u>	<u>\$ 641,694</u>	<u>\$ 3,638,244</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Self-Insurance Fund**  
**For the Year Ended June 30, 2008**

	2008			2007	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Operating Revenues</b>					
Rental charges and other	\$ 563,415	\$ 563,415	\$ 635,790	\$ 72,375	\$ 577,154
Charges for insurance	2,175,994	2,175,994	2,262,939	86,945	2,175,993
Total operating revenues	<u>2,739,409</u>	<u>2,739,409</u>	<u>2,898,729</u>	<u>159,320</u>	<u>2,753,147</u>
<b>Operating Expenses</b>					
Personnel services	147,895	147,895	142,625	5,270	60,420
Supplies	4,900	9,100	7,378	1,722	4,140
Utilities	-	-	-	-	766
Professional services	409,200	423,927	174,522	249,405	282,456
Depreciation	-	-	1,107	(1,107)	1,107
Other	6,000	14,000	12,025	1,975	255
Claims and judgments	<u>3,041,248</u>	<u>3,041,248</u>	<u>2,836,846</u>	<u>204,402</u>	<u>2,875,096</u>
Total operating expenses	<u>3,609,243</u>	<u>3,636,170</u>	<u>3,174,503</u>	<u>461,667</u>	<u>3,224,240</u>
Operating income (loss)	<u>(869,834)</u>	<u>(896,761)</u>	<u>(275,774)</u>	<u>(302,347)</u>	<u>(471,093)</u>
<b>Nonoperating Revenue (Expense)</b>					
Investment income	<u>106,500</u>	<u>106,500</u>	<u>317,406</u>	<u>210,906</u>	<u>357,964</u>
Total nonoperating revenue (expense)	<u>106,500</u>	<u>106,500</u>	<u>317,406</u>	<u>210,906</u>	<u>357,964</u>
Income before transfers	<u>(763,334)</u>	<u>(790,261)</u>	<u>41,632</u>	<u>831,893</u>	<u>(113,129)</u>
Transfers in	973,421	973,421	573,421	(400,000)	763,421
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(239,305)</u>	<u>160,695</u>	<u>-</u>
Change in fund net assets	(189,913)	(216,840)	375,748	(592,588)	650,292
Fund net assets, beginning of year	<u>1,933,302</u>	<u>1,933,302</u>	<u>1,933,302</u>	<u>-</u>	<u>1,283,010</u>
<b>Fund net assets, end of year</b>	<u>\$ 1,743,389</u>	<u>\$ 1,716,462</u>	<u>\$ 2,309,050</u>	<u>\$ (592,588)</u>	<u>\$ 1,933,302</u>



City of Las Cruces

**City of Las Cruces**  
**Schedule of Insurance in Force**  
**June 30, 2008**

<b>Insurer</b>	<b>Cost</b>	<b>Amount of Policy</b>	<b>Risks Covered</b>
ACE	\$ 2,108	\$1,000,000 max any one loss	Fine Arts Policy, museum collections and temporary loans
St Paul Travelers	145,525	\$105,106,113 trucks \$100,000 crime \$50,000 Heavy Equip (repl cost)	this cost includes total of property, crime, and fire truck policies.
CNA	10,305	\$25,000,000 per occurrence	Boiler and machinery
Great American	21,713	\$3,050,000	Replacement cost of 17 fire trucks
ZURICH	2,912	\$1,000,000	Pollution liability, environmental impairment, underground storage tank
ACE USA	6,829	\$10,000,000	Airport liability
Safety National	62,093	\$450,001-\$1,000,000 Statutory liability in excess-per occurrence	Excess workers' compensation liability
City of Las Cruces		Actual expense up to maximum allowable under State Tort Claims Act	Comprehensive automobile liability, general liability, defense of civil rights litigation, foreign jurisdiction coverage, law enforcement liability
National Union	25,169	\$3,000,000	Employee dishonesty, forgery, theft, robbery
Quanta	Included in amount in commercial	\$2,000,000 umbrella	Excess crime

The insurance in force covers all City of Las Cruces employees, boards, council members and mayor.

Ordinance No. 479 Section 24, requires inclusion of this schedule in the financial statements.

**City of Las Cruces**  
**Schedule of Pledged Collateral**  
**June 30, 2008**

<b>Institution/Security</b>	<b>Safe Keeping Location</b>	<b>Market Value</b>
<b>Wells Fargo Bank, NA</b> WFBS 01, 5.50%, 06/01/2037, 3128MS7G9	Wells Fargo Bank Northwest	
		\$ 1,916,077
		<u>\$ 1,916,077</u>
<b>Summary of Collateralization</b>		
<b>Wells Fargo Bank</b>		
Ending bank balance		\$ 435,777
Less: FDIC insurance		<u>(100,000)</u>
Total uninsured public funds		<u>\$ 335,777</u>
Pledged collateral held by the pledging bank's trust department in the City's name		\$ 1,916,077
50% collateral requirement		<u>167,889</u>
Pledged collateral in excess of requirement		<u>\$ 1,748,188</u>
Uninsured and uncollateralized		<u>\$ -</u>



**City of Las Cruces**  
**Schedule of Pledged Collateral — continued**  
**June 30, 2008**

**Repurchase Agreements**

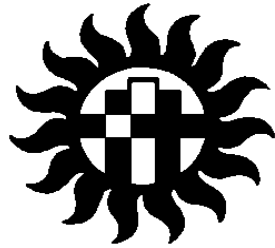
Institution/Security	Safe Keeping Location	Market Value	Margin	Margin Amount
<b>J.P. Morgan Chase Bank, N.A.</b>				
	Wells Fargo Bank, N.A.			
FHLB TRANCHE TR#00117 5.375% 08/15/2024 3133X8EW8		\$ 51,250	105%	\$ 48,810
FHLMC 6.065% 07/27/2017 3128X6JQ0		928,926	105%	<u>884,691</u>
				933,501
Investment balance of repurchase agreement and related accrued interest				<u>881,986</u>
Pledged collateral in excess of requirement				<u>\$ 51,515</u>
 <b>MBIA, Inc.</b>				
	Wells Fargo Bank, N.A.			
FHLB TRANCHE TR#00117 5.37% 08/15/2024 3133X8EW8		\$ 686,750	105%	\$ 654,048
FHLMC 4.00% 05/15/2015 31394KQX5		700,014	105%	666,680
FHLMC 4.12% 11/30/2009 3137EABB4		2,499,975	105%	2,380,929
FHLMC 4.50% 01/15/2018 31395KNR0		1,218,147	105%	1,160,140
FHLMC 4.50% 03/15/2028 31397BND9		2,185,041	105%	2,080,991
FHLMC 5.00% 04/15/2027 31394LQT2		1,012,720	105%	964,495
FHLMC 5.50% 08/01/2034 31397C6Y1 POOL #A25387		291,494	105%	277,613
FHLMC 6.00% 02/01/2014 31294JVS4 POOL #E00625		219,281	105%	208,839
FHLMC 6.50% 06/01/2017 31294KJC0 POOL #E01159		82,480	105%	78,552
FHLMC 7.00% 08/01/2024 31292GMTO POOL #C00370		218,851	105%	208,430
FHLMC MULTIFAMILY 4.87% 05/19/2017 31397JNCN2		559,047	105%	532,426
FNMA 5.00% 01/25/2025 31394BUN2		8,755,585	105%	8,338,652
FNMA 5.00% 02/01/2018 31371KY47 POOL #254631		148,481	105%	141,410
FNMA 5.50% 11/01/08 31371BQB0 POOL#247150		20,773	105%	19,784
FNMA 6.00% 02/01/2017 31371KLQ2		818,770	105%	779,781
FNMA 6.25% 02/01/2011 31359MGT4		167,750	105%	159,762
FNMA 6.50% 07/01/2014 31383CS63 POOL #499241		81,983	105%	78,079
FNMA 7.25% 05/15/2030 31359MFP3		951,563	105%	906,250
FNMA MED TERM NOTE 6.70% 11/15/2024 31364KDJ6		245,410	105%	233,724
FNMA REMIC 4.00% 04/25/2013 31393EMY2		102,025	105%	97,167
FNMA REMIC 5.50% 05/25/2007 31394EPS1		203,048	105%	193,379
TENN VALLEY AUTH 4.70% 07/15/2033 880591DV1		<u>2,404,376</u>	105%	<u>2,289,882</u>
		<u>\$ 23,573,564</u>		22,451,013
Investment balance of repurchase agreement and related accrued interest				<u>20,443,850</u>
Pledged collateral in excess of requirement				<u>\$ 2,007,163</u>

**City of Las Cruces**  
**Schedule of Deposit Accounts and Investments**  
**June 30, 2008**

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit 6/30/2008
<b>Deposit accounts</b>					
<i>Wells Fargo Bank</i>					
Treasury Fund - Operating	Checking	\$ (1,353,172)	\$ -	\$ (1,353,172)	\$ 89,503
Payroll Direct Deposit Account	Checking	(206,575)	-	(206,575)	-
On Demand	Checking	31,346	-	31,346	50,035
Rio Grande Natural Gas Assoc Revenue	Checking	(456,959)	-	(456,959)	-
Community Development	Checking	-	127,990	127,990	173,533
Community Development Home Rehab	Savings	-	25,987	25,987	25,987
Community Development Home Program	Savings	-	1,557	1,557	1,557
Metro Narcotics Agency	Savings	-	95,162	95,162	95,162
Total deposit accounts		<u>(1,985,360)</u>	<u>250,696</u>	<u>(1,734,664)</u>	<u>\$ 435,777</u>
<b>Investments</b>					
<i>Wells Fargo Bank</i>					
WF Treas Plus MM Fund - Sweep Acct	Sweep	7,439,326	-	7,439,326	
Investment Custody Account	Investment	4,248,320	4,352,166	8,600,486	
<i>Wells Capital Management</i>					
CLC Liquidity Management Agency	Investment	103,692,733	-	103,692,733	
CLC Health Liquidity Management	Investment	-	10,971,501	10,971,501	
CLC Water Reclamation Projects	Investment	-	1,844,447	1,844,447	
CLC WW 2006 Bond Rehab	Investment	-	1,124,866	1,124,866	
CLC WW Bond Development	Investment	-	1,767,575	1,767,575	
CLC WWR 2006 Bond Projects	Investment	-	2,661,710	2,661,710	
CLC JU Bonds Debt Svc Reserve	Investment	-	324,777	324,777	
CLC WW 2006 Bond DS Reserve	Investment	-	1,239,048	1,239,048	
<i>Wells Fargo Brokerage Services, LLC</i>					
City of Las Cruces	Brokerage	7,315,599	-	7,315,599	
<i>Bank of Albuquerque</i>					
NMFA 68th 2007E C/LC PRG	Trust	-	25,730,947	25,730,947	
NMFA SUB LIEN 07C/LC TNK P	Trust	-	1,983,927	1,983,927	
NMFA 69TH 2008A C/LC WTR PRG	Trust	-	11,262,555	11,262,555	
NMFA 65th Supp 2005A LC Prg	Trust	-	230,797	230,797	
NMFA SUB LIEN 07C C/LC REC P	Trust	-	1,029,529	1,029,529	
NMFA 69TH 2008A C/LC FIRE PR	Trust	-	817,759	817,759	
NMFA Sub PPRF 2007A LC Prg	Trust	-	5,929,225	5,929,225	
NMFA 69TH 2008A C/LC ST PROG	Trust	-	2,929,550	2,929,550	
NMFA 69th 2008A C/LC Eqp Prg	Trust	-	186,593	186,593	
NMFA SUB LIEN 07C LC PLNT PG	Trust	-	5,871,673	5,871,673	
NMFA 69TH 2008A C/LC WTR#2 P	Trust	-	2,844,184	2,844,184	
NMFA 68TH 2007E C/LC RESV	Trust	-	1,866,628	1,866,628	
NMFA 69TH 2008A C/LC ST RESV	Trust	-	359,976	359,976	
NMFA 69TH 2008A C/LC FR RESV	Trust	-	89,904	89,904	
NMFA 69th 2008A LC Eqp Res	Trust	-	33,715	33,715	
NMFA 58th Supp 2004A LC Resv	Trust	-	22,283	22,283	
NMFA 60th 2008A C/Las Cruces Wt Resv	Trust	-	1,251,712	1,251,712	
NMFA 64th Supp 04C LC DSR	Trust	-	30,306	30,306	
NMFA 65th Supp 2005A LC Res	Trust	-	19,766	19,766	
NMFA Sub Lien 07C Las Cruces Plnt Rs	Trust	-	612,723	612,723	
NMFA 69th Supp '08A Las Cruces Wtr R	Trust	-	314,845	314,845	
NMFA Sub Lien 07C C/Las Cruces Resr	Trust	-	111,414	111,414	
NMFA Sub PPRF 07A LC St Res	Trust	-	187,035	187,035	
NMFA Sub PPRF 2007A LC Res	Trust	-	913,045	913,045	
NMFA Sub Lien 07C Las Cruces Tnk Rs	Trust	-	207,681	207,681	
NMFA DDCR Dtd 7/28/06 CLC R	Trust	-	18,603	18,603	
<i>Dreyfus Government Cash Management</i>					
City of Las Cruces Street Light Account	Investment	-	788,017	788,017	

**City of Las Cruces**  
**Schedule of Deposit Accounts and Investments — continued**  
**June 30, 2008**

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance
<i>MBIA Inc.</i>				
GRT Rev Bonds 2005 New City Hall	Repo Agrmt	-	20,362,028	20,362,028
<i>JP Morgan Chase</i>				
City of Las Cruces Debt Svc Reserve	Repo Agrmt	-	878,450	878,450
<i>State Treasurer New Mexigrow LGIP</i>				
Pooled Investments	Investment	6,025,782	-	6,025,782
Utility Bond Projects 2005	Investment	-	3,861,218	3,861,218
GRT Bonds 2005 Public Improvements	Investment	-	3,458,176	3,458,176
<i>NM State Investment Council</i>				
Large Cap Active Equity Pool	Investment	-	4,361,027	4,361,027
Large Cap Index Equity Pool	Investment	-	2,137,027	2,137,027
Non-U.S. Developed Equity Pool	Investment	-	2,045,358	2,045,358
Mid/Small Cap Equity Pool	Investment	-	4,148,026	4,148,026
Total investments		<u>128,721,760</u>	<u>131,181,791</u>	<u>259,903,551</u>
Total deposits and investment		<u>126,736,400</u>	<u>131,432,487</u>	<u>258,168,887</u>
<i>Other cash</i>				
Petty cash and change funds	Cash	-	7,384	7,384
<i>New Mexico Finance Authority</i>				
2004A PPRF - Las Cruces	Debt Service	-	8,655	8,655
2004C PPRF - Las Cruces	Debt Service	-	10,168	10,168
2005A PPRF - Las Cruces	Debt Service	-	5,277	5,277
2007 C PPRF-CLC	Debt Service	-	3,113	3,113
2007 C PPRF-CLC	Debt Service	-	5,727	5,727
2007 C PPRF-CLC	Debt Service	-	16,894	16,894
2007 E PPRF-CLC	Debt Service	-	26,612	26,612
2008 A PPRF-CLC	Debt Service	-	377	377
2008 A PPRF- CLC	Debt Service	-	960	960
2008 A PPRF- CLC	Debt Service	-	4,430	4,430
2008 A PPRF- CLC	Debt Service	-	6,785	6,785
2008 A PPRF- CLC	Debt Service	-	1,707	1,707
2007A PPRF - CLC	Debt Service	-	116	116
2007A PPRF - CLC	Debt Service	-	43,136	43,136
2007A PPRF - CLC	Debt Service	-	56,951	56,951
DL - City of Las Cruces	Debt Service	-	3,741	3,741
<i>Accrued interest receivable</i>				
Other pooled investments	Accrued int	64,744	-	64,744
Wells Capital Management - Pool	Accrued int	300,284	-	300,284
Total cash and investments		<u>\$ 127,101,428</u>	<u>\$ 131,634,520</u>	<u>\$ 258,735,948</u>



City of Las Cruces

**City of Las Cruces**  
**Statistical Section Table of Contents**  
**June 30, 2008**

This part of the City of Las Cruces' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Effective January 1, 2006, the City adopted the Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section, An Amendment of NCGA Statement 1*. GASB 44 provides the requirements for the schedules contained in this section of the City's CAFR.

**Content**

**Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**City of Las Cruces**  
**Net Assets by Category (in 000's)**  
**Last Seven Years**  
**(Unaudited)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 128,924	\$ 133,022	\$ 139,710	\$ 149,395	\$ 131,645	\$ 140,890	\$ 146,327
Restricted	21,629	22,263	20,820	19,752	17,301	34,371	32,766
Unrestricted	<u>26,910</u>	<u>31,278</u>	<u>50,714</u>	<u>63,166</u>	<u>103,080</u>	<u>103,926</u>	<u>126,919</u>
Subtotal governmental activities net assets	177,463	186,563	211,244	232,313	252,026	279,187	306,012
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	104,070	99,468	99,149	104,896	106,615	105,556	103,498
Restricted	5,333	4,814	-	13,879	20,976	34,894	49,377
Unrestricted	<u>22,201</u>	<u>31,764</u>	<u>42,854</u>	<u>35,901</u>	<u>40,051</u>	<u>43,678</u>	<u>41,540</u>
Subtotal business-type activities net assets	131,604	136,046	142,003	154,676	167,642	184,128	194,415
<b>Primary government</b>							
Invested in capital assets, net of related debt	232,994	232,490	238,859	254,291	238,260	246,446	249,825
Restricted	26,962	27,077	20,820	33,631	38,277	69,265	82,143
Unrestricted	<u>49,111</u>	<u>63,042</u>	<u>93,568</u>	<u>99,067</u>	<u>143,131</u>	<u>147,604</u>	<u>168,459</u>
Total primary government net assets	<u>\$ 309,067</u>	<u>\$ 322,609</u>	<u>\$ 353,247</u>	<u>\$ 386,989</u>	<u>\$ 419,668</u>	<u>\$ 463,315</u>	<u>\$ 500,427</u>

Note:

\*The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2008 is shown. Data for other years is not available at this time.

**City of Las Cruces**  
**Changes in Net Assets (in 000's)**  
**Last Seven Years**  
**(Unaudited)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
<b>Governmental activities</b>							
General government	\$ 12,242	\$ 12,948	\$ 14,953	\$ 17,433	\$ 16,800	\$ 25,894	\$ 16,560
Facilities	6,418	6,953	7,107	7,948	9,018	9,648	9,857
Police	16,093	16,745	17,666	19,474	21,822	21,426	23,814
Fire	7,646	7,810	7,653	8,464	9,288	10,346	11,290
Community development	1,744	3,903	4,728	4,653	5,123	4,641	5,047
Public services	8,597	8,862	9,201	9,741	10,889	11,774	12,525
Public works	12,900	13,017	13,888	14,334	15,604	16,756	19,728
Interest on long-term debt	1,755	2,015	2,166	1,919	2,726	3,148	4,003
Subtotal governmental activities expenses	<u>67,395</u>	<u>72,253</u>	<u>77,362</u>	<u>83,966</u>	<u>91,271</u>	<u>103,633</u>	<u>102,824</u>
<b>Business-type activities</b>							
Gas	12,782	17,986	22,414	22,934	30,367	29,976	30,478
Water	8,522	6,398	9,549	8,621	10,655	12,219	11,679
Waste water	6,706	6,260	7,506	7,697	8,362	8,514	8,767
Solid waste	6,887	9,124	8,403	8,163	9,335	9,172	10,905
Other	2,361	2,435	2,492	3,059	3,419	3,801	4,185
Interest on long-term debt	1,853	1,920	1,665	1,709	1,965	2,626	3,422
Subtotal business-type activities expenses	<u>39,111</u>	<u>44,123</u>	<u>52,029</u>	<u>52,183</u>	<u>64,103</u>	<u>66,308</u>	<u>69,437</u>
Total primary government expenses	<u>106,506</u>	<u>116,375</u>	<u>129,391</u>	<u>136,149</u>	<u>155,374</u>	<u>169,941</u>	<u>172,261</u>
<b>Program Revenues</b>							
<b>Governmental activities</b>							
<b>Charges for services</b>							
General government	105	95	99	108	5,291	5,038	4,676
Facilities	361	172	173	44	114	396	-
Police	115	104	63	169	2,234	2,833	2,041
Fire	-	-	-	-	-	61	161
Community development	3	5	8	-	3,662	1,607	3,644
Public services	452	531	351	313	1,404	4,879	3,942
Public works	91	134	235	287	698	2,910	2,249
<b>Operating grants and contributions</b>							
General government	17	1,010	733	926	1,420	490	540
Facilities	58	-	-	-	-	-	-
Police	68	1,517	1,061	996	1,019	688	1,669
Fire	114	251	328	357	349	442	440
Community development	1,468	2,311	2,977	1,797	2,727	1,896	2,410
Public services	2,062	942	1,425	1,497	1,082	1,148	1,262
Public works	-	27	21	73	-	554	11
<b>Capital grants and contributions</b>							
General government	6	-	-	-	1,236	3,344	2,531
Facilities	1,210	-	-	-	-	-	-
Police	68	-	-	-	-	-	-
Fire	17	-	-	-	-	-	-
Community development	503	-	-	1,718	-	134	-
Public services	131	-	-	-	-	-	-
Public works	2,079	4,074	1,650	3,868	4,673	11,832	11,508
Subtotal governmental activities revenues	<u>8,928</u>	<u>11,174</u>	<u>9,124</u>	<u>12,153</u>	<u>25,909</u>	<u>38,252</u>	<u>37,084</u>

**City of Las Cruces**  
**Changes in Net Assets (in 000's) — continued**  
**Last Seven Years**  
**(Unaudited)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Program Revenues - continued							
Business-type activities							
Charges for services							
Gas	12,565	17,342	22,580	24,019	30,498	31,614	31,991
Water	10,354	11,302	13,721	13,289	16,235	15,140	13,941
Waste water	6,849	7,518	8,661	9,862	11,829	12,070	10,910
Solid waste	5,501	6,066	7,649	8,532	9,854	10,155	10,194
Other	226	221	286	225	233	263	325
Operating grants and contributions							
Gas	128	114	175	200	-	-	-
Water	396	547	608	891	-	-	-
Waste water	464	557	408	938	-	-	-
Solid waste	-	-	-	-	-	-	-
Other	911	735	1,297	2,984	1,048	-	1,188
Capital grants and contributions							
Gas	-	-	-	-	46	342	335
Water	-	-	-	-	1,569	1,398	1,263
Waste water	-	-	-	-	307	2,141	1,926
Solid waste	-	-	-	-	-	-	-
Other	-	-	-	-	427	1,141	118
Subtotal business-type activities revenues	<u>37,394</u>	<u>44,402</u>	<u>55,385</u>	<u>60,940</u>	<u>72,046</u>	<u>74,264</u>	<u>72,191</u>
Total primary government revenues	<u>46,322</u>	<u>55,576</u>	<u>64,509</u>	<u>73,093</u>	<u>97,955</u>	<u>112,516</u>	<u>109,275</u>
<b>Net (Expense)/Revenue</b>							
Governmental activities	(58,467)	(61,078)	(68,237)	(71,814)	(65,362)	(65,381)	(65,740)
Business-type activities	(1,717)	279	3,357	8,758	7,943	7,957	2,755
Total primary government net expense	<u>(60,184)</u>	<u>(60,799)</u>	<u>(64,880)</u>	<u>(63,056)</u>	<u>(57,419)</u>	<u>(57,424)</u>	<u>(62,984)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities							
Taxes							
Gross receipts	44,941	48,087	54,312	58,946	66,618	72,887	77,080
Property	5,783	6,786	7,234	7,535	8,483	9,355	10,891
Franchise	2,230	2,459	2,114	2,339	2,609	2,999	2,985
Investment income	1,264	1,448	794	1,857	3,881	5,902	3,842
Hospital net assets received	-	-	18,025	3,760	3,308	-	-
Telshor Facility income	-	-	-	-	-	2,973	267
Other							
Donated capital assets	-	-	-	8,253	-	-	-
Licenses and permits	-	-	-	3,194	-	-	-
Fees, fines, franchise fees	-	-	-	4,363	-	-	-
Other	9,971	13,784	12,946	5,403	3,335	2,456	2,835
Gain (loss) on disposal of fixed assets/sale of investments	(2)	5	-	66	-	-	-
Transfers	3,201	(2,389)	(2,507)	(2,834)	(3,158)	(4,434)	(4,083)
Total governmental activities	<u>67,388</u>	<u>70,179</u>	<u>92,918</u>	<u>92,882</u>	<u>85,075</u>	<u>92,138</u>	<u>93,816</u>
Business-type activities							
Investment income	1,415	1,295	35	1,095	1,857	3,855	3,408
Other	-	371	-	-	8	239	40
Gain (loss) on disposal of fixed assets/sale of investments	67	109	58	(13)	-	-	-
Transfers	(3,201)	2,389	2,507	2,834	3,158	4,434	4,083
Total business-type activities	<u>(1,719)</u>	<u>4,163</u>	<u>2,599</u>	<u>3,916</u>	<u>5,023</u>	<u>8,528</u>	<u>7,532</u>
Total primary government	<u>65,669</u>	<u>74,342</u>	<u>95,517</u>	<u>96,798</u>	<u>90,098</u>	<u>100,665</u>	<u>101,348</u>
<b>Change in Net Assets</b>							
Governmental activities	8,920	9,101	24,681	21,069	19,713	26,756	28,076
Business-type activities	(3,435)	4,442	5,956	12,674	12,966	16,486	10,287
Total primary government	<u>\$ 5,485</u>	<u>\$ 13,543</u>	<u>\$ 30,637</u>	<u>\$ 33,743</u>	<u>\$ 32,679</u>	<u>\$ 43,242</u>	<u>\$ 38,363</u>

Note:

\*The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2008 is shown. Data for other years is not available at this time.



**City of Las Cruces**  
**Fund Balances – Governmental Funds**  
**Last Ten Years**  
**(Unaudited)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ -	\$ -	\$ 451,875	\$ 809,105	\$ 733,540	\$ 657,464	\$ 629,171	\$ 717,666	\$ 732,996	\$ 972,057
Unreserved	<u>152,900</u>	<u>240,886</u>	<u>4,320,309</u>	<u>12,919,940</u>	<u>17,719,578</u>	<u>17,836,642</u>	<u>22,035,220</u>	<u>29,433,947</u>	<u>35,645,774</u>	<u>36,250,120</u>
General fund subtotal	<u>152,900</u>	<u>240,886</u>	<u>4,772,184</u>	<u>13,729,045</u>	<u>18,453,118</u>	<u>18,494,106</u>	<u>22,664,391</u>	<u>30,151,613</u>	<u>36,378,770</u>	<u>37,222,177</u>
All Other Governmental Funds										
Reserved	-	-	3,771,793	-	-	12,100,000	7,903,853	25,493,110	24,829,639	23,899,960
Unreserved, reported in										
Special revenue funds	2,714,068	3,469,384	4,496,396	5,012,957	5,083,027	24,136,265	26,338,605	8,101,600	9,952,018	10,002,577
Capital projects fund	60,734,838	12,427,687	10,406,393	9,242,485	16,783,526	15,512,939	14,289,268	45,701,136	52,354,759	73,463,705
Debt service funds	<u>16,189,785</u>	<u>7,269,220</u>	<u>7,353,325</u>	<u>6,896,116</u>	<u>3,025,527</u>	<u>3,275,033</u>	<u>3,450,270</u>	<u>3,117,631</u>	<u>3,653,390</u>	<u>6,865,872</u>
Other governmental funds subtotal	<u>79,638,691</u>	<u>23,166,291</u>	<u>26,027,907</u>	<u>21,151,558</u>	<u>24,892,080</u>	<u>55,024,237</u>	<u>51,981,996</u>	<u>82,413,477</u>	<u>90,789,806</u>	<u>114,232,114</u>
	<u>\$ 79,791,591</u>	<u>\$ 23,407,177</u>	<u>\$ 30,800,091</u>	<u>\$ 34,880,603</u>	<u>\$ 43,345,198</u>	<u>\$ 73,518,343</u>	<u>\$ 74,646,387</u>	<u>\$ 112,565,090</u>	<u>\$ 127,168,576</u>	<u>\$ 151,454,291</u>

Notes:

\* The substantial increase in governmental fund balances from FY03 to FY04 was primarily due to the 40 year lease of the Telshor Facility. The net hospital assets recognized by the City in FY04 was \$30,124,793.

\* The substantial increase from FY05 to FY06 was primarily due to the issue of \$33,000,000 in sales tax bonds for a new City Hall and other public improvements.

**City of Las Cruces**  
**Changes in Fund Balances – Governmental Funds**  
**Last Ten Years**  
**(Unaudited)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 45,851,922	\$ 48,167,407	\$ 49,371,659	\$ 52,953,900	\$ 57,331,966	\$ 63,660,076	\$ 68,819,813	\$ 77,710,596	\$ 85,240,647	\$ 90,955,351
Charges for services	2,393,810	2,171,328	2,400,632	1,127,933	1,042,261	930,507	919,973	1,224,934	1,401,332	1,359,566
Fees and fines	827,337	743,296	976,889	1,635,321	1,773,983	1,814,857	2,198,654	2,498,111	2,849,604	1,935,093
Franchise fees	1,440,059	1,590,117	1,735,414	1,964,238	2,045,459	2,176,607	2,164,259	2,389,962	2,456,015	2,677,024
Investment income	3,209,983	4,252,745	1,703,752	1,263,509	1,241,166	739,313	1,571,350	3,438,111	5,593,370	3,580,256
Licenses and permits	799,487	730,262	944,921	1,026,617	1,633,918	2,007,529	3,194,133	4,307,748	3,792,776	1,963,361
Operating grants and contributions	9,428,323	-	-	-	-	-	11,232,583	12,481,851	9,233,847	-
Grants and contracts	-	5,626,188	7,215,335	-	-	-	-	-	10,072,290	-
Intergovernmental	-	-	-	7,799,610	10,131,917	8,105,548	-	-	-	12,566,035
Other	4,489,257	5,562,426	3,429,786	7,033,198	4,580,702	5,111,599	5,998,934	7,011,904	-	12,030,681
Contributions from other government agencies	1,002,446	943,113	928,924	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>69,442,624</b>	<b>69,786,882</b>	<b>68,707,312</b>	<b>74,804,326</b>	<b>79,781,372</b>	<b>84,546,036</b>	<b>96,099,699</b>	<b>111,063,217</b>	<b>120,639,881</b>	<b>127,067,367</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	10,240,964	10,548,286	10,790,771	10,854,550	12,036,419	13,775,498	16,753,705	16,378,155	18,249,867	16,096,382
Facilities	-	-	-	5,709,543	6,519,077	6,842,730	7,227,918	8,089,108	8,919,653	9,029,214
Development services	7,403,354	7,288,858	7,604,563	-	-	-	-	-	-	-
Police	-	-	-	14,044,075	16,099,748	17,439,027	18,626,802	20,994,073	20,577,179	22,887,190
Fire	-	-	-	6,601,426	7,426,258	7,398,016	7,909,612	8,663,400	9,717,207	10,620,627
Public safety	17,810,750	18,995,932	18,868,056	-	-	-	-	-	-	-
Community development	-	-	-	2,217,087	3,901,257	4,766,996	4,545,151	5,028,537	4,586,224	5,005,801
Community facilities	14,354,477	11,463,773	11,374,566	-	-	-	-	-	-	-
Public services	-	-	-	7,415,761	8,357,357	8,835,194	9,108,361	10,164,743	10,696,197	11,437,702
Public works	-	-	-	6,194,174	6,576,259	7,276,334	7,213,101	8,003,143	8,950,461	10,909,474
Capital outlay	13,831,636	13,739,535	17,088,512	11,763,159	9,555,113	7,763,925	13,723,810	18,572,968	23,443,820	32,342,749

**City of Las Cruces**  
**Changes in Fund Balances – Governmental Funds — continued**  
**Last Ten Years**  
**(Unaudited)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenditures - continued										
Debt service										
Principal	2,915,000	75,745,000	3,520,000	3,028,443	6,350,612	3,894,959	11,920,744	6,421,767	5,628,623	7,260,878
Interest and other charges	5,975,617	5,587,596	2,142,754	1,754,671	1,917,452	2,046,928	1,811,112	2,724,004	3,021,761	4,003,447
Bond issuance costs	-	-	-	-	-	-	185,926	498,780	-	-
Total expenditures	<u>72,531,798</u>	<u>143,368,980</u>	<u>71,389,222</u>	<u>69,582,889</u>	<u>78,739,552</u>	<u>80,039,607</u>	<u>99,026,242</u>	<u>105,538,678</u>	<u>113,790,992</u>	<u>129,593,464</u>
Excess of revenues over (under) expenditures	<u>(3,089,174)</u>	<u>(73,582,098)</u>	<u>(2,681,910)</u>	<u>5,221,437</u>	<u>1,041,820</u>	<u>4,506,429</u>	<u>(2,926,543)</u>	<u>5,524,539</u>	<u>6,848,889</u>	<u>(2,526,097)</u>
<b>Other Financing Sources (Uses)</b>										
Bond proceeds	-	13,371,552	5,020,317		10,023,555		7,980,000	33,000,000	12,667,476	32,184,395
Bond premium (discount)	-							276,275	(74,891)	-
Hospital net assets received	-					30,124,793		-	-	-
Capital leases	-					112,000		-	-	-
Proceeds of notes payable	-			564,220				-	-	-
Gain on sales of investments	-						40,213	-	-	157,755
Transfers in	24,541,268	89,532,975	25,087,720	5,271,700	6,283,603	9,020,123	9,870,984	12,951,247	12,616,224	25,472,862
Transfers out	<u>(26,076,961)</u>	<u>(85,712,263)</u>	<u>(26,652,865)</u>	<u>(7,410,125)</u>	<u>(8,884,383)</u>	<u>(13,590,200)</u>	<u>(13,836,610)</u>	<u>(17,038,483)</u>	<u>(17,995,605)</u>	<u>(29,827,582)</u>
Total other financing sources (uses)	<u>(1,535,693)</u>	<u>17,192,264</u>	<u>3,455,172</u>	<u>(1,574,205)</u>	<u>7,422,775</u>	<u>25,666,716</u>	<u>4,054,587</u>	<u>29,189,039</u>	<u>7,213,204</u>	<u>27,987,430</u>
Net change in fund balances	<u>\$ (4,624,867)</u>	<u>\$(56,389,834)</u>	<u>\$ 773,262</u>	<u>\$ 3,647,232</u>	<u>\$ 8,464,595</u>	<u>\$ 30,173,145</u>	<u>\$ 1,128,044</u>	<u>\$ 34,713,578</u>	<u>\$ 14,062,093</u>	<u>\$ 25,461,333</u>
Debt service as a percentage of noncapital expenditures	<u>15.15%</u>	<u>62.74%</u>	<u>10.43%</u>	<u>8.27%</u>	<u>11.95%</u>	<u>8.22%</u>	<u>16.32%</u>	<u>11.09%</u>	<u>9.57%</u>	<u>11.58%</u>

Notes:

- \* The substantial increase in governmental fund balances from FY03 to FY04 was primarily due to the 40 year lease of the Telshor Facility. The net hospital assets recognized by the City in FY04 was \$30,124,793.
- \* The substantial increase from FY05 to FY06 was primarily due to the issue of \$33,000,000 in sales tax bonds for a new City Hall and other public improvements.

**City of Las Cruces**  
**Taxable and Assessed Value of Property**  
**Last Ten Years**  
**(Unaudited)**

Fiscal Year	Real Property		Personal Property		Exemptions	Total		Ratio of Total Taxable Value To Total Assessed Value
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Real/Personal Property	Taxable Value	Assessed Value	
1999	\$ 837,419,199	\$2,512,257,597	\$ 50,934,191	\$ 152,802,573	\$ 98,350,159	\$ 790,003,231	\$2,370,009,693	33%
2000	914,501,016	2,743,503,048	56,104,663	168,313,989	100,624,433	869,981,246	2,609,943,738	33%
2001	957,148,748	2,871,446,244	61,926,754	185,780,262	105,334,645	913,740,857	2,741,222,571	33%
2002	1,022,737,173	3,068,211,519	65,787,419	197,362,257	110,673,980	977,850,612	2,933,551,836	33%
2003	1,069,314,271	3,207,942,813	64,125,478	192,376,434	112,208,406	1,021,231,343	3,063,694,029	33%
2004	1,145,299,951	3,435,899,853	71,335,260	214,005,780	118,976,695	1,097,658,516	3,292,975,548	33%
2005	1,201,648,115	3,604,944,345	72,472,540	217,417,620	125,099,497	1,149,021,158	3,447,063,474	33%
2006	1,380,287,657	4,140,862,971	75,179,023	225,537,069	145,116,822	1,310,349,858	3,931,049,574	33%
2007	1,465,644,191	4,396,932,573	78,063,717	234,191,151	151,047,500	1,392,660,408	4,177,981,224	33%
2008	1,727,610,513	5,182,831,539	80,241,171	240,723,513	170,687,030	1,637,164,654	4,911,493,962	33%

Source: Dona Ana County Property Abstract

**City of Las Cruces**  
**Property Tax Rates Per \$1,000 Assessed Valuation**  
**Both Residential and Non-Residential—Overlapping Governments**  
**Last Ten Years**  
**(Unaudited)**

<b>Residential</b>						
<b>Fiscal Year</b>	<b>City</b>	<b>State</b>	<b>County</b>	<b>School District</b>	<b>Other</b>	<b>Total Residential</b>
1999	6.862	1.438	8.374	10.033	1.929	28.636
2000	6.582	1.482	7.858	9.874	1.872	27.668
2001	6.055	1.529	7.924	9.986	1.882	27.376
2002	5.748	1.765	8.066	10.053	1.899	27.531
2003	5.813	1.123	8.134	9.838	1.907	26.815
2004	5.841	1.520	7.896	9.835	1.895	26.987
2005	5.985	1.028	8.120	9.832	1.899	26.864
2006	5.781	1.234	7.852	9.722	1.904	26.493
2007	5.879	1.221	7.979	9.795	1.927	26.801
2008	5.960	1.250	8.029	9.809	1.936	26.984

<b>Non-Residential</b>						
<b>Fiscal Year</b>	<b>City</b>	<b>State</b>	<b>County</b>	<b>School District</b>	<b>Other</b>	<b>Total Non-Residential</b>
1999	7.757	1.438	12.252	10.147	2.000	33.594
2000	7.427	1.482	12.207	10.080	2.000	33.196
2001	6.946	1.529	12.184	10.120	2.000	32.779
2002	6.480	1.765	12.184	10.164	2.000	32.593
2003	6.617	1.123	12.184	9.976	2.000	31.900
2004	6.551	1.520	11.700	9.970	1.971	31.712
2005	6.794	1.028	12.079	9.982	2.000	31.883
2006	6.831	1.234	12.082	9.954	2.000	32.101
2007	7.120	1.221	12.017	10.014	2.000	32.372
2008	7.120	1.250	11.992	10.014	2.000	32.376

Source: New Mexico Department of Finance & Administration, Local Government Division  
Dona Ana County

**City of Las Cruces  
Principal Taxpayers  
June 30, 2008  
Last Ten Years  
(Unaudited)**

Taxpayer	Type of Business	FY 2008			FY 2007			FY 2006			FY 2005			FY 2004		
		Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
Las Cruces Medical Center LLC	Medical Center	\$ 19,334,467	1.18%	4	\$ 18,392,667	1.32%	4	\$ 18,392,667	1.40%	4	\$ 23,386,967	2.04%	1	\$ 17,285,900	1.57%	1
El Paso Electric Company	Electricity	64,345,540	3.93%	1	59,515,890	4.27%	1	58,026,006	4.43%	1	15,985,973	1.39%	2	14,790,872	1.35%	2
Memorial Medical Center	Medical Center	17,169,067	1.05%	5	16,482,767	1.18%	5	13,754,267	1.05%	5	13,754,267	1.20%	3			
Public Service Co of NM		34,744,992	2.12%	2	43,703,556	3.14%	2	34,927,202	2.67%	2						
Qwest Corporation	Communications	26,869,586	1.64%	3	24,800,703	1.78%	3	24,027,370	1.83%	3	12,711,340	1.11%	4	12,965,357	1.18%	3
Union Pacific Rail Road Company	Railroad	15,951,623	0.97%	6	13,610,022	0.98%	6	13,267,394	1.01%	6						
El Paso Natural Gas Co	Gasoline	12,558,435	0.77%	7	13,732,645	0.99%	7	11,923,259	0.91%	7						
Las Uvas Valley Dairy		11,841,705	0.72%	8												
Burlington Northern & Santa Fe Railroad	Railroad	11,487,369	0.70%	9	10,883,002	0.78%	8	9,824,600	0.75%	8						
New Mexico Mall Partners LP	Shopping Centers				8,159,267	0.59%	9	8,249,767	0.63%	9	8,187,367	0.71%	5			
Las Cruces Madison Ownership Co. LLC		9,007,400	0.55%	10	7,687,900	0.55%	10									
My Way Of Holdings LLC	Casino							6,329,967	0.48%	10						
Casa Bandera Tie LLC	Real Estate										5,748,767	0.50%	6			
Comcast Cablevision Of Nm/Pa Inc	Television Services										4,779,585	0.42%	7			
Sonoma Springs Partners LP	Real Estate										4,727,467	0.41%	8			
Park Place Peridot LLC	Business Complex										4,132,329	0.36%	9	3,102,667	0.28%	8
Fs Laguna Seca I LLC	Shopping Centers										3,608,233	0.31%	10			
Southwest Malls Real Estate	Shopping Centers													7,604,067	0.69%	4
Las Cruces Apartment Co. LLC	Property Development													3,524,333	0.32%	5
Wal-Mart Stores, Inc.	Discount Stores													3,493,133	0.32%	6
Las Cruces Laguna Seca Ltd	Shopping Centers													3,115,167	0.28%	7
CMAT 1999-Ci Town Center LLC	Business Complex													2,782,267	0.25%	9
Sam's East, Inc.	Discount Stores													2,592,833	0.24%	10
Anthem Park Place LP	Business Complex															
Alameda Land & Development	Property Development															
Voicestream PCS Ii Corp.	Cellular Telephone															
Property Trust of America	Business Complex															
Raley's Of New Mexico, Inc.	Grocery Stores															
Peak Medical Assisted Living, Inc	Assisted Living															
Campo Loretto Operating Assoc. LP	Business Complex															
Loretto Center Ltd Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex															
First Security Bank of DAC	Bank															
Wells Fargo Bank New Mexico	Bank															
Greco Town Rentals, LLC	Apartments															
American Stores Properties, Inc	Shopping Centers															
Dayton Hudson Corp/Target Stores	Discount Stores															
Las Cruces Hotel Ltd Partnership	Hotel															
U.S. West Communications, Inc.	Communications															
Southwest Shopping Centers	Shopping Centers															
Level 3 Communications Llc	Communications															
			<u>13.63%</u>			<u>15.58%</u>			<u>15.17%</u>			<u>8.45%</u>			<u>6.48%</u>	

**City of Las Cruces**  
**Principal Taxpayers — continued**  
**June 30, 2008**  
**Last Ten Years**  
**(Unaudited)**

Taxpayer	Type of Business	FY 2003			FY 2002			FY 2001			FY 2000			FY 1999		
		Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
Las Cruces Medical Center LLC	Medical Center	\$ 17,651,467	1.73%	1												
El Paso Electric Company	Electricity	13,351,410	1.31%	2	\$ 12,873,898	1.32%	1	\$ 11,651,378	1.28%	2	\$ 10,970,821	1.26%	2	\$ 10,942,064	1.39%	1
Memorial Medical Center	Medical Center															
Public Service Co of NM																
Qwest Corporation	Communications	12,571,205	1.23%	3	11,639,054	1.19%	2									
Union Pacific Rail Road Company	Railroad															
El Paso Natural Gas Co	Gasoline															
Las Uvas Valley Dairy																
Burlington Northern & Santa Fe Railroad	Railroad															
New Mexico Mall Partners LP	Shopping Centers															
Las Cruces Madison Ownership Co. LLC																
My Way Of Holdings LLC	Casino															
Casa Bandera Tic LLC	Real Estate															
Comcast Cablevision Of Nm/Pa Inc	Television Services															
Sonoma Springs Partners LP	Real Estate															
Park Place Peridot LLC	Business Complex															
Fs Laguna Seca I LLC	Shopping Centers															
Southwest Malls Real Estate	Shopping Centers	7,411,833	0.73%	4	7,551,300	0.77%	3									
Las Cruces Apartment Co. LLC	Property Development	3,524,333	0.35%	5												
Wal-Mart Stores, Inc.	Discount Stores	3,096,833	0.30%	8	3,158,200	0.32%	6	3,158,200	0.35%	6	3,155,042	0.36%	6	3,155,042	0.40%	4
Las Cruces Laguna Seca Ltd	Shopping Centers	3,115,167	0.31%	6												
CMAT 1999-Ci Town Center LLC	Business Complex	2,836,200	0.28%	9												
Sam's East, Inc.	Discount Stores	2,592,833	0.25%	10												
Anthem Park Place LP	Business Complex	3,102,667	0.30%	7												
Alameda Land & Development	Property Development				4,413,333	0.45%	4									
Voicestream PCS Ii Corp.	Cellular Telephone				3,595,272	0.37%	5	3,771,167	0.41%	5						
Property Trust of America	Business Complex				3,102,667	0.32%	7	3,102,667	0.34%	7	2,972,358	0.34%	8	2,972,358	0.38%	6
Raley's Of New Mexico, Inc.	Grocery Stores				2,878,533	0.29%	8	3,929,510	0.43%	4	3,965,141	0.46%	4	2,918,612	0.37%	7
Peak Medical Assisted Living, Inc	Assisted Living													3,128,935	0.40%	5
Campo Loretto Operating Assoc. LP	Business Complex				2,825,500	0.29%	9	2,825,500	0.31%	8	3,073,956	0.35%	7	2,735,329	0.35%	8
Loretto Center Ltd Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex										2,670,593	0.31%	9			
First Security Bank of DAC	Bank										2,350,980	0.27%	10	2,350,980	0.30%	9
Wells Fargo Bank New Mexico	Bank				2,484,100	0.25%	10	2,602,633	0.28%	10						
Greco Town Rentals, LLC	Apartments															
American Stores Properties, Inc	Shopping Centers															
Dayton Hudson Corp/Target Stores	Discount Stores															
Las Cruces Hotel Ltd Partnership	Hotel															
U.S. West Communications, Inc.	Communications							12,568,052	1.38%	1	12,397,023	1.42%	1	9,581,486	1.21%	2
Southwest Shopping Centers	Shopping Centers							7,744,433	0.85%	3	7,938,287	0.91%	3	8,354,404	1.06%	3
Level 3 Communications Llc	Communications							2,648,076	0.29%	9						
			<u>6.79%</u>			<u>5.57%</u>			<u>5.91%</u>			<u>6.04%</u>			<u>6.13%</u>	

Source: Dona Ana County Property Abstract - County Assessors Office

**City of Las Cruces**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
**(Unaudited)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 5,408,875	\$ 5,333,614	98.6%	\$ 75,261	\$ 5,408,875	100.0%
2000	5,704,508	5,625,133	98.6%	79,375	5,704,508	100.0%
2001	6,088,857	6,004,133	98.6%	84,724	6,088,857	100.0%
2002	5,920,572	5,838,191	98.6%	82,381	5,920,572	100.0%
2003	5,962,480	5,879,515	98.6%	82,965	5,962,480	100.0%
2004	6,334,688	6,246,544	98.6%	88,144	6,334,688	100.0%
2005	7,014,082	6,916,485	98.6%	97,597	7,014,082	100.0%
2006	7,708,511	7,601,251	98.6%	107,260	7,708,511	100.0%
2007	9,079,604	8,953,266	98.6%	126,338	9,079,604	100.0%
2008	10,269,520	10,126,626	98.6%	142,894	10,269,520	100.0%

Source: Doña Ana County Property Abstract



**City of Las Cruces**  
**Ratio of Outstanding Debt by Type**  
**Last Seven Years**

**Governmental Activities**

Fiscal Year	Sales Tax Revenue Bonds	Unamortized Premium on Sales Tax Revenue Bonds	Notes Payable	Capital Lease
2002	\$ 39,420,000	\$ -	\$ 949,003	\$ 364,169
2003	43,370,000	-	724,897	906,347
2004	39,685,000	-	667,497	1,417,616
2005	37,409,000	-	319,931	1,214,376
2006	64,340,000	276,275	-	998,963
2007	59,080,000	346,548	12,298,853	770,645
2008	54,125,000	208,925	42,333,919	554,258

**Business-Type Activities**

Fiscal Year	Utility Revenue Bonds	Unamortized Discount on Utility Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income *	Per Capita *
2002	\$ 32,095,000	\$ (350,859)	\$ 845,540	\$ 1,065,351	\$ 74,388,204	5.90%	1,004
2003	30,610,000	(322,275)	1,176,991	1,041,291	77,507,251	5.93%	1,028
2004	29,050,000	(293,624)	367,064	549,668	71,443,221	5.14%	925
2005	27,420,000	(264,972)	237,373	1,057,708	67,393,416	4.09%	842
2006	36,755,000	(173,805)	93,439	810,044	103,099,916	6.07%	1,248
2007	52,530,000	(207,671)	83,981	1,029,010	125,931,366	7.41%	1,524
2008	50,200,000	(99,490)	74,147	26,069,790	173,466,549	7.96%	1,933

Notes:

- \* Details regarding the city's outstanding debt can be found in the notes to the financial statements.
- \* See Schedule 14 for the personal income and population data. These ratios are calculated using personal income and population for the prior fiscal year.
- \* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.

Source: City of Las Cruces CAFR, Note 7, Long-Term Obligations. This schedule excludes items for Claims & Judgments, Compensated Absences and Accrued Landfill Closure Costs which are presented in Note 7.

**City of Las Cruces**  
**Ratio of Net General Obligation Debt to**  
**Taxable Value and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Taxable Value</b>	<b>General Obligation Bonded Debt Outstanding</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt To Taxable Value</b>	<b>Net Bonded Debt Per Capita</b>
1999	75,786	\$ 790,003,231	\$ 2,045,000	\$ 896,062	\$ 1,148,938	0.15%	15.16
2000	74,267	869,981,246	1,395,000	1,081,945	313,055	0.04%	4.22
2001	74,267	913,740,857	715,000	715,000	-	0.00%	0.00
2002	74,267	977,850,612	-	-	-	N/A	N/A
2003	77,237	1,021,231,343	-	-	-	N/A	N/A
2004	80,054	1,097,658,516	-	-	-	N/A	N/A
2005	82,611	1,149,021,158	-	-	-	N/A	N/A
2006	86,607	1,310,349,858	-	-	-	N/A	N/A
2007	87,542	1,392,660,408	-	-	-	N/A	N/A
2008	89,722	1,637,164,654	-	-	-	N/A	N/A

Source: Doña Ana County Property Abstract

**City of Las Cruces**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2008**  
**(Unaudited)**

Jurisdiction	General Obligation as of June 30, 2008	Percentage Applicable to City of Las Cruces	City of Las Cruces Share of Debt
<b>Direct</b>			
City of Las Cruces	\$ -	- %	\$ -
<b>Overlapping</b>			
State of New Mexico	\$ 309,865,000	3.30%	10,225,545
Dona Ana County	3,045,000	50.78%	1,546,251
Las Cruces School District	86,215,000	68.52%	59,074,518
Dona Ana Branch Community College	11,885,000	50.78%	6,035,203
Total overlapping	<u>411,010,000</u>		<u>76,881,517</u>
Total direct and overlapping general obligation bonded debt	<u>\$ 411,010,000</u>		<u>\$ 76,881,517</u>

Source: City of Las Cruces; State of New Mexico; Dona Ana County; Las Cruces School District;  
Dona Ana Branch Community College.

Notes:

\* Overlapping rates are those of local and county governments that apply  
to the property owners of the City of Las Cruces.

**City of Las Cruces**  
**Computation of Legal Debt Margin**  
**Last Eight Years**  
**June 30, 2008**  
**(Unaudited)**

	<u>2008</u>
Taxable valuation	\$ 1,637,164,654
Legal debt limit - 4% of assessed calculation	65,486,586
Amount of long-term debt subject to legal debt limit: general obligation debt outstanding	<u>-</u>
Legal debt margin	<u>\$ 65,486,586</u>

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 34,799,250	\$ 36,549,634	\$ 39,114,024	\$ 40,849,254	\$ 43,906,341	\$ 45,906,846	\$ 52,413,994	\$ 55,706,416
Total net debt applicable to limit	<u>1,395,000</u>	<u>715,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt margin	<u>\$ 33,404,250</u>	<u>\$ 35,834,634</u>	<u>\$ 39,114,024</u>	<u>\$ 40,849,254</u>	<u>\$ 43,906,341</u>	<u>\$ 45,906,846</u>	<u>\$ 52,413,994</u>	<u>\$ 55,706,416</u>
Total debt applicable to the limit as a percentage of debt limit	4.01%	1.96%	N/A	N/A	N/A	N/A	N/A	N/A

Source: Doña Ana County Property Abstract

Notes:

\* The requirement for statistical data is ten years; only nine years are available at this time.

**City of Las Cruces**  
**Pledged-Revenue Bond/Note Coverage**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**June 30, 2008**

Fiscal Year	Sales Tax Revenue Bonds/Notes				Gas Tax Bonds			
	Pledged Revenues	Debt Service		Coverage	Pledged Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1999	\$ 19,866,215	\$ 1,955,000	\$ 1,107,919	6.49	\$ -	\$ -	\$ -	-
2000	22,047,899	2,220,000	1,731,083	5.58	-	-	-	-
2001	25,245,000	2,460,000	1,712,394	6.05	1,008,424	-	-	-
2002	27,766,154	1,793,168	1,637,898	8.09	1,539,143	-	260,853	5.90
2003	29,598,948	1,521,087	927,515	12.09	1,512,281	265,000	260,853	2.88
2004	33,236,280	3,089,418	1,213,189	7.72	1,544,437	275,000	248,663	2.95
2005	36,245,275	3,203,196	1,209,419	8.21	1,451,120	290,000	235,875	2.76
2006	40,686,980	3,992,351	1,096,173	8.00	1,532,985	300,000	222,245	2.94
2007	47,195,398	4,583,873	2,447,367	6.71	1,506,014	315,000	207,845	2.88
2008	55,860,863	6,149,329	3,470,509	5.81	1,439,465	330,000	192,568	2.75

Fiscal Year	Environmental Gross Receipts Tax Bonds				Utility Revenue Bonds/Notes					
	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		
		Principal	Interest					Principal	Interest	Coverage
1999	\$ 808,988	\$ 340,000	\$ 587,575	0.87	\$ 27,631,743	\$ (20,658,022)	\$ 6,973,721	\$ 1,115,000	\$ 1,696,001	2.48
2000	856,426	360,000	567,175	0.92	27,393,866	(21,412,332)	5,981,534	1,160,000	1,648,773	2.13
2001	890,199	380,000	545,575	0.96	30,213,313	(22,884,302)	7,329,011	1,215,000	1,598,000	2.61
2002	968,127	405,000	522,775	1.04	29,079,551	(22,978,421)	6,101,130	1,325,000	1,668,811	2.04
2003	1,011,472	425,000	498,981	1.09	35,803,200	(27,376,457)	8,426,743	1,550,000	1,607,861	2.67
2004	1,134,753	450,000	477,200	1.22	43,902,605	(34,970,027)	8,932,578	1,643,043	1,542,500	2.80
2005	1,237,329	410,000	189,656	2.06	46,421,742	(34,718,010)	11,703,732	1,739,857	1,473,776	3.64
2006	1,401,404	590,000	253,366	1.66	57,510,802	(44,533,053)	12,977,749	1,838,047	1,781,858	3.59
2007	1,523,163	605,000	235,666	1.81	58,441,509	(45,068,724)	13,372,785	1,940,010	2,330,112	3.13
2008	1,616,819	625,000	217,516	1.92	67,036,667	(55,364,226)	11,672,441	2,480,492	3,013,553	2.12

Notes:

\* Details regarding the City's outstanding debt can be found in Note 7 of the financial statements.

\* Operating expenses do not include interest, depreciation, or amortization expenses.

**City of Las Cruces**  
**Demographic Data**  
**Last Ten Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
1999	76,102	\$ 1,263,217	\$ 16,599	30.1	\$ 22,395	8.0%
2000	73,539	1,220,674	16,599	30.1	22,253	8.3%
2001	74,091	1,259,769	17,003	31.2	21,779	8.3%
2002	75,409	1,306,159	17,321	30.2	22,706	9.1%
2003	77,237	1,389,030	17,984	31.2	22,633	7.3%
2004	80,054	1,646,951	20,573	31.2	22,880	6.1%
2005	82,611	1,699,556	20,573	31.2	23,400	6.8%
2006	86,607	1,477,429	17,059	30.1	23,100	5.1%
2007	87,542	1,539,951	17,591	32.5	24,000	4.2%
2008	89,722	2,179,617	24,293	32.5	23,747	4.5%

Sources

U.S. Census Bureau  
Las Cruces Public Schools  
New Mexico Department of Labor  
Community Dev. Dept Population Est.

**City of Las Cruces**  
**Principal Employers**  
**Last Two Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

<b>FY 2008</b>	<b>FY 2007</b>
Advanced Care Hospital of State of New Mexico Border Foods Inc. Coordinated Care Corp. Dona Ana Branch Community College Dona Ana County Administration Las Cruces Public Schools Memorial Medical Center Mountain View Regional Medical Center National Aeronautics and Space Administration New Mexico State University Tresco Tots	Border Foods Inc. Coordinated Care Corp. Dona Ana Branch Community College Dona Ana County Administration Las Cruces Public Schools Memorial Medical Center Mountain View Regional Medical Center National Aeronautics and Space Administration New Mexico State University Tresco Tots

**Note:**

By law, the New Mexico Department of Labor may not release the number of employees. For further information, contact Ms. Susan Reagan at the New Mexico Department of Labor at (505) 222-4685.

Source: New Mexico Department of Labor, Bureau of Labor & Statistics

\* Information is only available for Fiscal Years 2006 and 2007. GASB reporting for Principal Employers per GASB Statement 44 was implemented in Fiscal Year 2006.

**City of Las Cruces**  
**City Government Employees by Function/Program**  
**Last Seven Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

Function/Program	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>							
City Administration	16	15	11	18	17	17	8
Human Resources	10	9	11	9	12	12	14
Financial Services	45	49	52	48	49	47	62
Legal	29	34	36	35	31	35	46
Risk Management	6	6	6	6	6	6	7
<b>Community Development</b>							
Administration	16	16	20	29	22	22	22
Permits and Inspections	13	17	16	17	19	20	21
Neighborhood Development	4	5	5	10	6	7	15
<b>Facilities</b>							
Administration	5	6	7	6	7	7	12
Airport Operations	6	5	4	3	4	4	4
Building Services	33	29	39	33	31	32	38
Fleet Services	16	16	22	21	19	22	24
Parks	48	53	56	51	56	60	58
<b>Fire</b>							
Administration	12	12	8	9	10	12	12
Firefighters and Officers	93	100	97	103	115	109	116
<b>Police</b>							
Administration	45	50	69	41	58	61	56
Officers	174	183	189	189	194	192	204
<b>Public Services</b>							
Convention & Visitors' Bureau	7	7	7	8	7	8	10
Library	30	32	34	38	39	37	36
Museum Systems	14	13	14	13	16	15	18
Public Information	6	6	6	5	6	6	7
Parks & Recreation	33	34	35	42	39	51	26
Senior Programs	37	37	37	40	41	46	34
Transit	42	43	36	37	50	51	49
<b>Public Works</b>							
Administration	1	1	2	3	2	2	3
Engineering	39	38	41	40	41	36	53
Street Systems	47	48	44	44	49	58	58
<b>Utilities</b>							
Gas	62	63	68	62	66	67	77
Water	51	50	48	45	48	52	37
Wastewater	51	51	53	53	53	55	81
Solid Waste	55	58	57	57	61	63	74
<b>Support Services</b>							
Information Tech. & Communications	28	30	31	29	26	28	32
Document Services	3	3	3	3	2	3	2
Total employees	1,077	1,119	1,164	1,147	1,202	1,243	1,316

Notes:

\* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.



**City of Las Cruces**  
**Operating Indicators by Function/Program**  
**Last Seven Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

Function/Program	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>							
Number of newsletters printed and mailed				108,000	216,000	216,000	231,100
Cost per newsletter				\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Average number of days from position postings to position hires				43	44	44	39
Operating and maintenance cost per work station				<\$3500	<\$3500	<\$3500	<\$3500
<b>Facilities</b>							
Dollar amount of projects managed per employee				N/A	\$7.13 M	\$8.96 M	\$10.49M
Number of project work orders (over \$10,000) requested				N/A	86	75	79
Conduct park safety and maintenance inspections per quarter				120/qtr	126/qtr	126	147/qtr
Total number of facilities operated and maintained	88	88	88	88	90	94	96
<b>Police</b>							
Number of citations issued				28,251	32,000	26,374	33,810
Number of clean up events				N/A	25		141
Number of codes violations addressed		30,784	33,547	37,073	31,719		30,944
<b>Fire</b>							
Number of building inspections	not avail.	1,871	2,535	3,586	3,410	2,696	3,400
Number of citizens who receive safety education	not avail.	1,763	4,385	3,653	2,584	3,860	2,224
<b>Community Development</b>							
Number of affordable rental and owner occupied housing using CDBG and HOME funds	25	50	147	50	100	108	71
Miles of bicycle facility lane installed	12	14	11	6	10		
Number of special events hosted in downtown area	10	11	12	22	23	23	21
Number of vendors participating in the Farmer's and Crafts Market	100	110	125	135	121	126	255
Number of residential building permits issued	1,108	1,389	1,435	2,044	1,756	1,547	1,158
Amount collected for residential permits	\$ 1,549,769	\$ 2,767,171	\$ 2,841,679	\$ 5,072,857	\$ 4,883,106	\$ 4,751,817	\$ 2,948,042
Number of commercial building permits issued	166	170	218	177	131	147	125
Amount collected for commercial permits	\$ 383,684	\$ 417,162	\$ 589,046	\$ 342,056	\$ 551,029	\$ 532,631	\$ 367,385

**City of Las Cruces**  
**Operating Indicators by Function/Program — continued**  
**Last Seven Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

Function/Program - continued	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Public Services</b>							
Request for visitor information at Convention & Visitor's Bureau (CVB)	\$ 15,445	\$ 15,780	\$ 19,978	\$ 24,920	\$ 33,889	\$ 33,585	\$ 27,315
Walk-in visitors to CVB office	3,483	4,824	3,702	5,544	5,674	5,153	5,464
Number of congregate meals served to seniors	73,036	72,877	76,500	78,877	73,138	82,205	88,215
Number of home-delivered meals served to seniors	83,961	130,852	155,000	172,141	173,048	184,615	192,192
Number of homemaker units	6,257	3,334	5,510	7,135	8,200	9,905	10,103
Museum visitors				159,630	172,245	279,202	301,318
Museum exhibit openings attendance				10,271	11,409	9,659	18,056
Museum program participants				13,248	32,755	13,643	19,494
Fixed route ridership				622,560	690,000	733,128	671,727
Cost per trip on fixed route				\$ 2.90	\$ 2.90	\$ 2.90	\$ 3.85
Total library circulations	393,500	421,925	425,757	423,340	475,156	533,294	540,936
Total number of library sponsored programs	277	308	283	304	445	1,040	971
Computer sessions at library	32,027	47,817	59,515	54,654	97,932	104,382	106,539
<b>Public Works</b>							
Percentage of potholes patched within 24 hours of report				95.7%	90.0%	92.0%	76.0%
Maintain major arterials and intersections through routine striping program				1/yr	2/yr		3/yr
<b>Utilities</b>							
Meter reading complaints	<1%	<1%	<1%	<1%	<1%	<1%	<1%
Metering operating cost per customer	\$ 0.45	\$ 0.52	\$ 0.59	\$ 0.58	\$ 0.60	\$ 0.61	\$ 0.61
Operating and maintenance cost per dekatherm (Gas)	\$ 0.93	\$ 1.10	\$ 1.24	\$ 1.03	\$ 1.48	\$ 1.83	\$ 2.05
Operating and maintenance cost per 1,000 gallons produced (Water)	\$ 0.86	\$ 0.93	\$ 1.07	\$ 1.05	\$ 1.10	\$ 1.37	\$ 1.23
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	\$ 1.81	\$ 1.83	\$ 2.23	\$ 2.03	\$ 2.02	\$ 2.44	\$ 1.97
Total operating cost per ton collected (Solid Waste)	\$ 31.79	\$ 42.27	\$ 48.40	\$ 43.04	\$ 44.42	\$ 49.34	\$ 57.82

\* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.

**City of Las Cruces**  
**Capital Assets and Infrastructure Statistics by Function/Program**  
**Last Nine Fiscal Years**  
**June 30, 2008**  
**(Unaudited)**

Function/Program	Fiscal Year								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Area in square miles	50.46	50.46	50.46	50.46	51.5	52.25	56.07	76.18	76.38
Government facilities and services									
Miles of streets	380	380	438	438	438	992	524	537	556
Number of street lights	3,600	3,600	5,400	4,245	5,019	5,488	4,889	6,392	6,641
Culture and Recreation									
Community centers	5	5	5	5	6	6	5	5	5
Lakes	1	1	1	1	1	1	1	1	1
Pond	1	1	1	1	1	1	1	1	1
Parks	59	59	72	72	51	75	78	77	80
Park acreage	736	736	736	303	308	308	373	373	600
Sports complex	11	12	12	12	13	13	13	13	13
Swimming pools	3	3	3	3	3	3	3	3	4
Shooting range	1	1	1	1	1	1	1	1	1
Tennis courts	18	18	18	18	18	18	18	18	18
Bike path	1	2	2	2	2	2	2	2	2
Miles of bike paths							10	10	10
Fire Protection									
Number of stations	6	6	7	7	7	7	7	7	7
Police Protection									
Number of stations	1	1	1	1	1	1	1	1	1
Sewerage Systems									
Miles of sanitary sewers (est.)	321	321	321	369	373	393	435	476	507
Miles of storm sewers (mains)	29	29	29	29	111	18	17	17.5	17
Number of treatment plants	2	2	2	2	2	2	2	2	2
Number of service connections	21,320	21,518	22,264	23,117	23,955	25,180	33,806	26,018	28,323
Water System									
Miles of water mains (est.)	353	353	356	389	412	462	476	505	525
Number of service connections	22,540	22,971	23,852	24,525	25,616	27,040	28,835	29,980	31,193
Transit System									
Miles of Bus Routes					81.7	81.7	86	86	125
Number of Bus Stops					358	358	358	358	337
Number of Buses					17	17	16	16	15
Number of Dial-a-Ride Vehicles					11	11	17	17	17

Notes:

\* The requirement for statistical data is ten years; only nine years are available at this time.

Sources: Various City departments.

**City of Las Cruces**  
**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2007 and 2008**  
**(Unaudited)**  
**June 30, 2008**

Industry	Fiscal Year 2007				Fiscal Year 2008			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	9,934	20.68%	\$ 54,982,847	35.53%	9,965	20.30%	\$ 56,577,965	36.24%
Construction	7,134	14.85%	27,879,283	18.02%	7,028	14.32%	24,163,297	15.48%
Other Services (except Public Admin)	11,210	23.34%	15,924,204	10.29%	11,465	23.36%	16,390,115	10.50%
Health Care and Social Assistance	5,037	10.49%	15,916,601	10.29%	5,256	10.71%	18,227,889	11.68%
Accommodation and Food Services	2,784	5.80%	13,413,860	8.67%	2,856	5.82%	13,777,131	8.82%
Professional, Scientific and Technical Svcs	5,655	11.77%	8,817,718	5.70%	5,997	12.22%	9,941,355	6.37%
Wholesale Trade	2,247	4.68%	6,431,631	4.16%	2,395	4.88%	3,968,200	2.54%
Unclassified Establishments	426	0.89%	442,676	0.29%	558	1.14%	1,204,372	0.77%
Utilities	104	0.22%	5,226,613	3.38%	98	0.20%	5,952,788	3.81%
Information and Cultural Industries	1,531	3.19%	3,275,233	2.12%	1,390	2.83%	3,560,350	2.28%
Real Estate and Rental and Leasing	1,967	4.10%	2,419,365	1.56%	2,081	4.24%	2,358,809	1.51%
	<u>48,029</u>	<u>100%</u>	<u>\$ 154,730,031</u>	<u>100%</u>	<u>49,089</u>	<u>100%</u>	<u>\$ 156,122,271</u>	<u>100%</u>

Source: State of New Mexico Taxation & Revenue

\* Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

\* Information is only available for fiscal years 2007 and 2008. GASB reporting for Sales Tax Revenue Payers by Industry per GASB Statement 44 was implemented in Fiscal Year 2006.

## Independent Auditors' Report on Schedule of Expenditures of State and Federal Awards

Hector H. Balderas, State Auditor  
and the Honorable Mayor and City Council Members  
of the City of Las Cruces

We have audited the basic financial statements, combining and individual fund financial statements and the budgetary comparisons presented as supplemental information of the City of Las Cruces, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. Our audit was performed for the purpose of forming opinions on the financial statements and supplemental information described above. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

REDW LLC

November 26, 2008

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>New Mexico Aging &amp; Long-Term Services Department</b>					
Retired and Senior Volunteer Program		07-SR075644	7/07 thru 6/08	\$ 16,053	14,698
Senior Employment Program		2007-08-64014	7/07 thru 6/08	6,177	7,780
Meals Transportation -Title III		2007-08-64014	7/07 thru 6/08	356,036	383,282
Title XX		08-624-6000-0011	7/07 thru 6/08	101,939	116,766
Vehicles for Munson Senior Center		2007-0737	07/06 thru 6/08	110,000	28,093
Benavidez Community Center		2006-526	01/06 thru 06/10	25,000	25,000
Total New Mexico Aging & Long-Term Services				615,205	575,619
<b>New Mexico State Department of Transportation</b>					
Airport Master Plan		LRU-06-002	4/06 to 6/08	48,750	19,999
Amador/Lohman Rehab		MAP-5614 (901)	6/30/2008	1,020,000	1,020,000
Arterial Street Lights		TPZ-4532(3)04	3/06 thru 9/10	592,000	507,479
Davis/Jefferson		SP-GA-5583 (200)	9/06 thru 6/10	100,000	61,317
East Mesa - Davis/Jefferson				50,000	2,242
East Mesa - Morningside		SP-GA-ST-7613 (229)	7/04 thru 6/09	150,000	19,895
East Mesa - Reynolds Drive		SP-GA-ST-7613 (229)	7/04 thru 6/09	200,000	2,670
East Mesa - Reynolds Drive		SP-GA-7613(229)	10/05 thru 6/10	400,000	366
Elks Drive Widening		Map-4504 (902)	12/05 thru 6/07	484,388	311,458
Elks Drive		OSE Dam File# D-405	1/07 thru 6/10	75,000	11,853
Triviz Landscaping		TPE-4539(3)02	5/05 thru 6/09	243,000	225
Jack Rabbit Interchange		SP-GA-010-2(211)135	9/06 thru 6/10	500,000	30,308
Valley Drive		TPO-4536(1)	6/04 thru 6/08	150,000	71,947
MPO Section 112		PL-92A-1(47)	7/07 thru 6/08	138,419	138,419
MPO Section 5303		PL-92A-2(042)	7/07 thru 6/08	39,810	28,674
MPO Traffic Count Program		HPR-92A-2(43)	7/07 thru 6/08	18,000	15,924
S.T.E.P.		07-PT-63-049	10/06 thru 09/07	18,351	9,324
S.T.E.P.		08-PT-06-049	10/07 thru 09/08	23,318	23,318
Traffic Safety Bureau		07-AL-64-P2C	10/06 thru 09/07	42,711	22,092
Traffic Safety Bureau		07-RF-01-049	10/06 thru 09/07	12,794	2,637
Traffic Safety Bureau		07-AL-64-049	10/06 thru 09/07	42,684	9,051
Traffic Safety Bureau		07-AL-64-P2B	10/06 thru 09/07	32,289	10,070
Traffic Safety Bureau		08-AL-64-049	10/07 thru 09/08	106,210	70,076
Traffic Safety Bureau		08-OP-RF-049	10/07 thru 09/08	12,794	7,082
Traffic Safety Bureau		08-OP-CT-049	10/07 thru 09/08	9,870	8,965
Community DWI Program		08-CD-05-049	07/07 thru 06/08	63,283	61,821
Total New Mexico State Dept of Transportation				4,573,671	2,467,212
<b>New Mexico Economic Development Department</b>					
Downtown Revitalization		04-L-NR-I-3-G-0183	5/06 thru 6/06	200,000	2,343
New Mexico Economic Development Department				200,000	2,343
<b>New Mexico Energy, Minerals and Natural Resources Department</b>					
Rideshare NMEMNR		07-521-0300-0017	7/07 thru 6/08	30,000	30,000
New Mexico Forest Re-Leaf Grant		GSA 08-521-0422-0262	1/24/08 to 12/31/08	8,000	7,987
Total New Mexico Energy, Minerals and Natural Resources Department				38,000	37,987

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>New Mexico Children, Youth and Families Department</b>					
Juvenile Citation Program		08-690-6420	10/07 thru 9/08	\$ 310,000	\$ 163,690
Total Children, Youth and Families Department				<u>310,000</u>	<u>163,690</u>
<b>New Mexico Crime Victim Reparation</b>					
Victim Assistance Unit		2008-VA-337	07/07 thru 06/08	30,450	30,450
Total New Mexico Crime Victim Reparation				<u>30,450</u>	<u>30,450</u>
<b>State Department of Public Safety</b>					
OEM 2006 Disaster Recovery /Flood Related Damages		FEMA-1659-DR-NM	01/16/07 thru 2/29/08	14,636	13,905
Total State Department of Public Safety				<u>14,636</u>	<u>13,905</u>
<b>University of New Mexico</b>					
Total University of New Mexico				<u>-</u>	<u>-</u>
<b>NM Department of Public Safety</b>					
Project Safe Neighborhoods		2006-PG-BX-0006	10/06 thru 9/07	12,205	11,357
Project Safe Neighborhoods		2007-PG-BX-0082	10/07 thru 9/08	16,205	14,480
Total NM Department of Public Safety				<u>28,410</u>	<u>25,837</u>
<b>NM Tourism Department</b>					
Convention & Visitors Bureau		08-418-3002-0022	7/07 thru 6/08	17,000	17,000
Total NM Tourism Department				<u>17,000</u>	<u>17,000</u>
<b>NM State Library</b>					
NM State Library Aid Grant		Vendor #54342, NMSA 1	7/1/07 to 6/30/08	6,513	3,656
Total NM State Library				<u>6,513</u>	<u>3,656</u>
<b>NM Department of Cultural Affairs</b>					
Museum of Art 2008		CUGE-08-073	7/1/07 to 6/30/08	1,364	1,364
Total NM Department of Cultural Affairs				<u>1,364</u>	<u>1,364</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>New Mexico Department of Finance and Administration</b>					
Burn Lake/Esslinger Park	05-L-G-1431		9/05 to 6/10	\$ 95,000	\$ 45,260
Benavidez Community Center	05-L-G-1434		9/05 to 6/10	25,000	23,151
Civil Air Patrol Hangar	03-L-NR-I-3-G-87		6/04 to 6/08	50,000	2,862
Comm of Hope	04-L-NR-I-3-G-2350		10/04 to 6/09	50,000	990
Community of Hope	05-L-NR-I-3-G-1455		8/05 to 6/10	50,000	4,028
Community of Hope-Garden				20,000	737
Mesilla Valley Community of Hope	07-L-G-5212		07 to 6/30/11	200,000	13
Fire Station # 4	06-1585		05/06 to 06/10	10,000	9,112
Fire Station # 4	06-0394			100,000	100,000
Fire Station # 5	06-1584		05/06 to 06/10	25,000	25,000
Fire Station # 5	06-0393			100,000	100,000
Grandparents Housing	05-L-G-1443		9/05 to 6/10	25,000	22,878
Grandparents Housing	05-L-G-1724		9/05 to 6/10	50,000	26,118
Homeless Veterans Shelter (Vet Transitional Housing thru	07-L-G-8052		1/08 to 12/09	30,000	30,000
Housing for Handicapped	06-L-NR-I-3-G-1604		10/06 to 6/10	75,000	14,606
Housing for Handicapped	06-L-NR-I-3-G-1614		10/06 to 6/10	53,000	959
Indoor Swimming Pool & Rec.	05-L-G-444		9/05 to 6/10	50,000	2,329
Indoor Swimming Pool & Rec.	05-L-G-1435		09/05 to 6/10	100,000	100,000
Indoor Swimming Pool & Rec.	06-L-G-1608		5/06 to 6/10	3,702,600	419,111
La Casa Domestic Violence Shelter	05-L-G442		08/05 to 6/10	150,000	88,100
La Casa Domestic Violence Shelter	05-L-G-1430		08/05 to 6/10	365,000	214,376
La Casa Domestic Violence Shelter	05-L-G-1729		08/05 to 6/10	50,000	29,663
La Casa Domestic Violence Shelter	06-L-G-1582		05/06 to 6/10	175,000	102,783
La Casa Domestic Violence Shelter	06-L-G-392		9/06 to 6/10	50,000	29,663
La Casa Domestic Violence Shelter	07-L-G-5198		8/07 to 6/11	15,000	8,899
La Casa Domestic Violence Shelter	07-L-G-5201		8/07 to 06/11	477,000	265,129
LC Downtown Plaza	03-L-NR-I-3-G-805		10/03 to 6/08	317,000	696
LC Downtown Revitalization	04-L-NR-I-3-G-275		10/04 to 6/09	420,750	33,023
LC Downtown Revitalization	05-L-G-0292		to 06/10	625,000	90,944
LC Downtown Revitalization	06-L-G-416		9/06 to 6/10	1,050,000	21,166
LC Downtown Art Panels	07-L-G-5192		8/07 to 06/11	4,285	4,285
Lohman Median Landscaping	ST-5614(201)03		10/05 to 6/10	100,000	14,480
Mesilla Park Community Center Renov	2008-3008/2008-3814		06/2011	192,462	33,760
Mesilla Valley Hospice	07-L-G-5203		06/2011	329,000	329,000
Mesquite Historic District	04-L-NR-I-3-G-276		10/04 to 6/09	346,500	200,772
Mesquite Historic District	04-L-G-1462		11/05 to 6/08	60,000	44,490
Mesquite Historic District	05-L-G-301		8/05 to 6/10	425,000	59,320
Munson Senior Center				198,867	31,268
North Las Cruces Park	05-L-NR-I-3-G-0291		9/05 to 6/10	50,000	1,056
Rio Grande Theatre	04-L-NR-I-3-G-279		10/04 to 6/09	693,000	10,848
Thomas Branigan Memorial Library GO Bond	06-587-600399		7/05 to 6/08	395,917	39,524
Thomas Branigan Memorial Library GO Bond	50500-0000005260		7/07 to 6/10	214,782	79,371
Veterans Memorial Wall	07-L-G-5211		07 to 6/30/11	136,000	130,163
Veterans Memorial Wall	07-L-G-3408		07 to 6/30/11	20,000	19,142
Enhanced 9-1-1	03-T-018		03 to 6/30/07	24,700	3,451
Enhanced 9-1-1	03-T-018		07 to 6/30/08	-	29,154
Police Athletic League Boxing Equipment	07-L-G-5208		07 to 6/30/09	30,000	7,375
Police Dept. Firearm Training Equipment	07-L-G-5209		07 to 6/30/09	230,000	148,460
Total Department of Finance and Administration				<u>11,955,863</u>	<u>2,997,515</u>
Total state expenditures of state awards				<u>17,791,112</u>	<u>6,336,578</u>



**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>U.S. Department of Agriculture</b>					
Pass-through State Health Environment Department					
Summer Food Program	10.559	07-3027	05/30/07 thru 08/03/08	\$ 254,884	\$ 204,130
Total U.S. Department of Agriculture				<u>254,884</u>	<u>204,130</u>
<b>U. S. Department of Housing and Urban Development</b>					
<b>Community Development Block Grant</b>					
<b>Metro Entitlement Grants</b>					
B-04-MC-35-0002	14.218	B-04-MC-35-0002	10/04 to Comp	1,277,435	5,050
B-05-MC-35-0002	14.218	B-05-MC-35-0002	10/05 to Comp	1,492,828	453,746
B-06-MC-35-0002	14.218	B-06-MC-35-0002	10/06 to Comp	1,019,805	464,343
B-07-MC-35-0002	14.218	B-07-MC-35-0002	10/07 to Comp	1,022,960	832,418
Total Community Development Block Grant				<u>4,813,028</u>	<u>1,755,557</u>
<b>Home Investment Partnerships Program</b>					
M-05-MC-35-0222	14.239	M-05-MC-35-0222	10/05 to Comp	493,332	117,549
M-06-MC-35-0222	14.239	M-06-MC-35-0222	10/06 to Comp	502,636	328,492
M-07-MC-35-0222	14.239	M-07-MC-35-0222	10/07 to Comp	496,988	74,673
Total Home Investment Partnerships Program				<u>1,492,956</u>	<u>520,714</u>
<b>Community Development Block Grant</b>					
<b>Brownsfield Economic Development Initiative</b>					
NMSU Model Extension Program	14.246	B-02-SP-NM-0442	8/02 thru 8/07	1,000,000	15,072
Rio Grande Theatre	14.246	B-03-SP-NM-0498	2/04 thru 2/09	804,735	1,850
Total Community Development Block Grants/Brownsfield Economic Development Initiative				<u>1,804,735</u>	<u>16,922</u>
<b>Other HUD</b>					
Shelter Plus Care	14.238	NM02C3-01-006	9/04 to 8/09	327,060	83,298
Supportive Housing	14.235	NM02B4-01-008	7/05 to 6/08	197,794	114,967
Total other HUD				<u>524,854</u>	<u>198,265</u>
Total U. S. Department of Housing and Urban Development				<u>8,635,573</u>	<u>2,491,458</u>
<b>Bureau of Reclamation</b>					
Lush & Lean Demonstration Program Grant, Ph	15.517	07-FG-40-2612	02/23/07-08/30/08	12,300	2,293
Total Bureau of Reclamation				<u>12,300</u>	<u>2,293</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>Office of National Drug Control Policy</b>					
HIDTA	16.xxx	16PSNP562	7/06 thru 12/07	\$ 725,583	\$ 31,519
HIDTA	16.xxx	17PSNP562	7/07 thru 6/09	<u>739,329</u>	<u>730,685</u>
Total Office of National Drug Control Policy				<u>1,464,912</u>	<u>762,204</u>
<b>U.S. Department of Justice</b>					
Cops Technology	16.710	2005-CKWX-0257	12/08/04 thru 12/07/08	236,794	67,302
Cops Interoperability Technology	16.710	2005-INWX-0014	9/05 thru 8/08	981,360	776,116
Justice Assistance	16.738	2006-DJBX-1020	10/05 thru 9/09	45,529	11,192
G.R.E.A.T.	16.737	2007-JV-FX-0304	06/07 thru 11/08	68,962	41,441
Justice Assistance	16.738	2007-DJ-BX-1021	10/06 thru 09/10	84,306	39,280
Bullet Proof Vest Program	16.607	2005-BUBX05027165	08/05 thru 08/10	10,212	1,295
Bullet Proof Vest Program	16.607	2007-BUBX05027165	04/07 thru 04/12	<u>16,777</u>	<u>7,460</u>
Total U.S. Department of Justice				<u>1,443,940</u>	<u>944,086</u>
<b>U.S. Department of Transportation</b>					
Airport Air Traffic Control Tower	20.106	OTA City of Las Cruces	7/04 to Completion	1,100,000	60,525
Airport Lights and Signs	20.106	OTA City of Las Cruces	5/06 to Completion	<u>250,000</u>	<u>180,002</u>
Total USDOT Airport Improvement				<u>1,350,000</u>	<u>240,527</u>
<b>Federal Transportation Administration</b>					
Section 5309	20.500	NM 03-0038	7/03 to Completion	990,172	88,622
Section 5309	20.500	NM 04-0004	7/07 to Completion	86,320	2,329
Section 5307	20.507	NM 90-0071	7/04 to Completion	34,500	1,042
Section 5307	20.507	NM 90-0082	7/07 to Completion	42,176	28,503
Section 5307	20.507	NM 90-4082	7/07 to Completion	<u>1,123,340</u>	<u>1,123,340</u>
Total Federal Transportation Administration				<u>2,276,508</u>	<u>1,243,836</u>
<b>Federal Highway Administration</b>					
Santa Fe Depot	20.205	TCSE-013-Q69/92D	7/01 to Completion	<u>187,900</u>	<u>153,234</u>
<b>Pass-through State Highway Department</b>					
<b>Federal Highway Administration</b>					
Rideshare NMSHTD	20.205	M00597	7/07 thru 6/08	31,000	31,000
N M Beautification	20.205	08-418-6001-0029	7/07 thru 6/08	<u>25,500</u>	<u>25,432</u>
Total Pass-through State Highway Department				<u>56,500</u>	<u>56,432</u>
Total U.S. Department of Transportation				<u>3,870,908</u>	<u>1,694,029</u>
<b>Environmental Protection Agency</b>					
<b>Lower Rio Grande Water Users Org</b>					
Regional Sustainable Water Project	66.202	XP-986611-01-0	10/00 - 9/08	650,000	6,318
<b>Water Reclamation Project</b>					
East Mesa Water Reclamation Plant	66.202	XP-986832-01-0	10/01/01 - 03/30/09	<u>1,645,400</u>	<u>553,031</u>
Total Environmental Protection Agency				<u>2,295,400</u>	<u>559,349</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
<b>U.S. Department of Health and Human Services</b>					
Disease Prev. & Health Prom. - Title III-Part D	93.043	2007-08-64014	7/07 thru 6/08	\$ 15,943	\$ 15,943
Supportive Services & Senior Ctrs - Title III-Pa	93.044	2007-08-64014	7/07 thru 6/08	21,752	21,752
Meals/Transportation Grant - Title III-Part C	93.045	2007-08-64014	7/07 thru 6/08	92,511	92,511
National Family Caregivers Support - Title III-P	93.052	2007-08-64014	7/07 thru 6/08	40,771	40,771
Nutrition Services Incentive Program - Title III	93.053	2007-08-64014	7/07 thru 6/08	<u>141,660</u>	<u>141,660</u>
Total U.S. Department of Health and Human Services				<u>312,637</u>	<u>312,637</u>
<b>Corporation for National &amp; Community Service</b>					
Retired and Senior Volunteer Program	94.002	U05SRWNM009	7/07 thru 6/08	<u>62,218</u>	<u>62,218</u>
<b>U.S. Department of Homeland Security</b>					
Fire Prevention and Safety Grant	97.044	EMW-2005-FP-01412	1/06 thru 09/15/07	<u>35,220</u>	<u>2,872</u>
<b>Office of Emergency Management</b>					
Pass-through New Mexico Department of Public Safety Interoperable Communication Study	97.055	2004-GE-T4-COMM-DA07/01/06 thru 03/31/07		<u>189,000</u>	<u>129,994</u>
<b>GSA</b>	39.xxx	GS-07P-UF-C-0041	10/07-9/08	<u>40,000</u>	<u>40,000</u>
Total expenditures of federal awards				<u>18,616,992</u>	<u>7,205,270</u>
Total expenditures of state and federal awards				<u>\$ 36,408,104</u>	<u>13,541,848</u>

**City of Las Cruces**  
**Notes to Schedule of Expenditures of State and Federal Awards**  
**June 30, 2008**

**1) General**

The accompanying schedule of expenditures of state and federal awards presents the activity of all state and federal award programs of the City of Las Cruces, New Mexico, (the “City”). The City’s reporting entity is defined in Note 1 to the City’s financial statements. The Office of Management and Budget’s (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* sets forth requirements whereby federal grants may be audited under a “single audit” approach at the same time the City’s financial statements are audited. All awards received from state and federal agencies, as well as awards passed through other organizations and government agencies, are included on the schedule, except for those awards received directly by the Housing Authority of the City of Las Cruces, New Mexico (the “Housing Authority”). These awards are presented on the Housing Authority’s schedule of expenditures of federal awards.

**2) Basis of Presentation**

The accompanying schedule of expenditures of state and federal awards includes the state and federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**3) Reconciliation of Schedule of Expenditures of State and Federal Awards**

The following is a reconciliation of the expenditures reported on the schedule of expenditures of state and federal awards to the expenditures reported in the financial statements for the City:

Expenditures on schedule of expenditures of state and federal awards	\$ 13,541,848
Expenditures financed by other funding sources	<u>116,051,616</u>
Expenditures reported in the statement of revenues, expenditures and changes in fund balance—governmental funds	<u>\$ 129,593,464</u>

Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matter  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Hector H. Balderas, State Auditor  
and the Honorable Mayor and City Council Members  
of the City of Las Cruces

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Las Cruces, New Mexico (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented in the accompanying combining financial statements and the budgetary comparison schedules as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 08-1, FS 08-2, FS 08-3, FS 08-4, and FS 08-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that of the significant deficiencies described above, FS 08-2 is a material weakness.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, the results of our tests disclosed matters that are required to be reported under New Mexico State Auditor Rule 2 NMAC 2.2, *Requirements for Contracting and Conducting Audits of Agencies*, which are described in the accompanying schedule of state auditor's rule findings as SA 08-1 through SA 08-3.

The City's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs and schedule of state auditor rule findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, the City Council, the City's management, and the New Mexico State Auditor, and the New Mexico Department of Finance and Administration, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

## Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance

Hector H. Balderas, State Auditor  
and the Honorable Mayor and City Council Members  
of the City of Las Cruces

### *Compliance*

We have audited the compliance of the City of Las Cruces (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is disclosed in the accompanying schedule of findings and questioned costs as item FA 08-1.

### *Internal Control Over Compliance*

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 08-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The City's response to the findings identified in our audit is included in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008



**City of Las Cruces**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2008**

**Section I — Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting: Material weakness identified?	Yes
Significant deficiency identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs: Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section I — Summary of Auditors' Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
16.710	Public Safety Partnership and Community Policing Grants
16.xxx	High Intensity Drug Trafficking Area
66.202	East Mesa Water Reclamation Plant

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-1 — Cash Reconciliations**

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*Criteria:* Adequate internal controls should be in place to ensure cash reconciliations are completed and reviewed in a timely manner to ensure accurate financial reporting.

*Condition:* Cash reconciliations are not being completed in a timely manner and are not being reviewed. Reconciliations of the cash accounts at year-end revealed an unidentified deposit of \$105,551.

*Cause:* During the year, cash reconciliations were not completed in a timely manner. In addition, bank reconciliations do not go through a review process to ensure accuracy.

*Effect:* Unknown variances in cash balances may occur if reconciliations are not completed timely and reviewed. This may result in cash balances not properly reported.

*Auditors' Recommendations:* Cash reconciliations should be completed on a monthly basis and reviewed to ensure cash balances are accurate and properly reported at year end.

*Management's Response:* The City has initiated an automated bank reconciliation process which will expedite timely reconciliations. The Treasurer will ensure a monthly review of the reconciliation. Compensating controls over cash include the use of positive pay to ensure City payments are processed properly and accurately.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-2 — Segregation of Duties**

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*Criteria:* Adequate internal controls should be in place to prevent, detect or deter inappropriate transactions through segregation of incompatible duties or compensating controls.

*Conditions:*

- Payroll personnel have the ability to alter employee information such as pay rates, compensated absences and setting up ghost users. Compensating controls were not in place.
- The City Treasurer had the ability to independently add users to the online banking system. Compensating controls were not in place.
- The City Treasurer had the ability to initiate investment purchases and sales and also was responsible for investment reconciliations and had the ability to record investments.

*Cause:* Compensating controls were not in place when incompatible duties were not segregated.

*Effect:* Without stringent internal controls including segregation of incompatible duties, the risks of errors and fraudulent activity occurring, and not being detected, is increased.

*Auditors' Recommendations:* The City should segregate incompatible duties where practical and implement compensating controls when segregation of duties is not practical. For example, the Treasurer should not have the ability to independently add users to the online banking system.

*Management's Response:* The processing of payroll requires certain permission within the Enterprise Resource Program (ERP) system which allows payroll personnel the ability to modify payroll information. The city will develop a compensating control through a review process in Human Resources to ensure pay changes are made by authorized personnel.

Dual control of the online banking system was implemented prior to the 2008 fiscal year-end.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-3 — Municipal Court Fines and Fees**

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*Criteria:* Municipal Court fines and fees should be reported as revenue when they are assessed. Uncollected court fines and fees should be reported as receivables, with an allowance for estimated doubtful amounts, and a corresponding provision, for any amounts considered unlikely to be collected.

Procedures should be in place to ensure accurate and timely recording of court fines and fees as revenue and receivables in the City's general ledger. Further, procedures should be in place to ensure that court fines and fees are periodically evaluated for collectibility based on historical payment characteristics, delinquency statistics and other relevant data. The allowance for estimated uncollectible amounts should be adjusted based on these evaluations, with a corresponding income statement provision.

Reasonable, cost effective collection efforts should be pursued for significant delinquent Municipal Court fees and fines.

*Condition:* Except at fiscal year-end, court fines and fees are not recorded in the City's general ledger until they are collected by the Court and submitted to the Treasurers office for deposit. The software used by the Court to monitor and administer cases maintains details of amounts owed, but those amounts, aggregating over \$6 million, have not been recorded in the City's general ledger monthly. Many of the amounts reported by the Court software are very old, dating back as far as 1988.

Procedures are not in place to ensure the following:

- Fines and fees are recorded as revenue when assessed by the Court.
- Uncollected fines and fees are recorded as receivables.
- Fines and fees considered uncollectible are identified and recorded timely.
- Reasonable, cost effective efforts are made to collect delinquent Court fines and fees.

*Cause:* Systems and procedures are not in place to share financial information maintained by Municipal Court regarding fines and fees assessed, and uncollected fines and fees, with the City's Finance Department.

*Effect:* Uncollected fines and fees receivable and related revenue, allowance for uncollectible amounts, and provision for uncollectible amounts, were not recorded in the City's general ledger. Reasonable, cost effective efforts may not have been pursued to collect delinquent Court fines and fees.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

FS 08-3 — Municipal Court Fines and Fees — continued

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*Auditors' Recommendations:* Establish procedures to ensure that Court fines and fees are recorded as revenue when assessed. Uncollected fines and fees should be recorded and periodically reviewed for collectibility, with corresponding adjustment of the allowance for uncollectible amounts and recording of a provision for uncollectible amounts. Further, procedures should be established to ensure that collection efforts are pursued for delinquent Court fees and fines.

*Management's Response:* The Court management and City management acknowledge the finding and agree with the recommendations. Court staff and City staff will continue the implementation of the recommended procedures.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-4 — Fiscal Policies and Procedures**

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*Criteria:* Written policies and procedures should document significant transaction cycles. Such policies and procedures should identify key controls in place to ensure that assets are safeguarded and transactions are recorded accurately and timely.

*Condition:* Written procedures for some transaction cycles have not been updated to reflect the most current procedures in place, including some related to the Munis accounting software that was implemented in fiscal year 2007. Policies were not in place in some key areas, such as:

- Bank reconciliations
- Capital assets
- Journal entries
- Schedule of Expenditures of Federal Awards

Key controls in some of the above areas are not identified in the written policies and procedures.

*Cause:* Written policies have not been adopted and written procedures have not been updated.

*Effect:* Without written policies and updated procedures, efficiency is reduced and key controls may not be identified or implemented.

*Auditors' Recommendations:* The City should develop written policies in all significant fiscal areas and update written procedures regularly as circumstances change.

*Management's Response:* The City will develop written policies in all significant fiscal areas, and update written procedures regularly as circumstances change.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-5 — SCSWA Cash Receipts Procedures (Repeat Finding)**

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*Criteria:* Policies and procedures for cash receipts require daily reconciliations, supporting documentation for voided transactions and explanations for unusual variances.

In addition, the Joint Powers Agreement requires SCSWA to maintain fiscal records and security over money received.

*Condition:* During the year, SCSWA did not follow the City's policies and procedures relating to cash receipt procedures. The following were identified during the City's January 2008 internal audit:

- SCSWA is not aware of the need to comply with the City's cash handling policies regarding daily deposits
  - ♦ 77% of deposits tested were date stamped by Wells Fargo Bank two (2) or more business days after it was prepared by SCSWA.
  - ♦ 100% of cash count sheets and related deposit slips tested did not have evidence of a second reviewer.
  - ♦ 94% of cash counts sheets were date stamped by Cashier Department two (2) or more business days after the date it was prepared by SCSWA. 3% did not contain evidence of a date stamp.
  - ♦ 57% of daily activity reports reviewed contained skipped ticket numbers indicating a voided ticket. Cash count sheets did not indicate voided ticket information.
  - ♦ An exception to the daily deposit requirement was not authorized by the Finance Director.
  - ♦ Overages and shortages were not consistently reported. SCSWA staff "force balanced" by adding or subtracting cash to accommodate for overages/shortages in check or credit card balances.
- Revenues reported by SCSWA did not include fees for two customers
- Taxes were not charged on three sales transactions

*Context:* Policies and procedures are not being followed regarding the receipt, deposit, and security of money received.

*Cause:* Practices for the receipt, deposit and security of money are not in compliance with established cash receipts procedures.

*Effect:* This could result in failure to deposit monies timely and increased susceptibility to misappropriation of cash receipts and/or revenues reported to the City.



**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

FS 08-5 — SCSWA Cash Receipts Procedures (Repeat Finding) — continued

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*Auditors' Recommendations:* The cash receipts procedures and the Joint Powers Agreement should be followed to ensure proper safeguards over cash receipts and proper revenue recognition.

*Management's Response:* SCSWA has initiated daily deposits and improved internal controls related to cash receipts. Process improvements were incorporated into the daily activities of SCSWA prior to the 2008 fiscal year-end.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

**Section III — Federal Award Findings and Questioned Costs**

**FA 08-1 — Special Tests and Provisions—Form I-9 (Repeat Finding)**

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*Federal program information:*

Funding agency:	Office of National Drug Control Policy
Title:	High Intensity Drug Trafficking Area Program
CFDA Number:	16.xxx
Award numbers:	I6PSNP562Z I7PSNP562Z
Award years:	07/01/06 – 12/31/07 07/01/07 – 6/30/09

*Criteria:* According to Section A of the HIDTA grant document, the recipient of HIDTA funds is required to submit an acceptable equal employment opportunity plan that is approved by the office of civil rights, as well as complete and keep on file the appropriate Immigration and Naturalization Service Employment Eligibility Verification forms (I-9) for each employee.

*Condition:* I-9 forms for three HIDTA officers could not be located in their personnel files.

*Context:* Three of four officers selected for testwork did not have an I-9 form in their personnel file.

*Cause:* Adequate internal controls do not exist to ensure the appropriate Immigration and Naturalization Service Employment Eligibility Verification forms (I-9) are kept on file for each employee.

*Effect:* Employees may not be eligible because of their immigration status.

*Auditors' Recommendations:* The City should develop adequate internal controls to ensure the required I-9 form is kept on file for all HIDTA employees.

*Management's Response:* The City will continue to improve monitoring procedures to ensure proper forms are maintained in employee personnel files.

**City of Las Cruces**  
**Schedule of State Auditor Rule Findings**  
**For the Year Ended June 30, 2008**

The following finding is reported in accordance with the New Mexico State Audit Rule 2 NMAC 2.2., *Requirements for Contracting and Conducting Audits of Agencies*.

**SA 08-1 — Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)**

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*Criteria:* State regulations 2.2.2.10 P NMAC requires that if actual expenditures exceed budgeted expenditures it must be reported as a finding.

*Condition:* The following funds over-expended budgeted amounts as of June 30, 2008:

- Alternative Fuel Station (\$28,981)
- Clean Community Commission (\$23,227)

*Context:* Two funds over-expended approved budgeted amounts.

*Cause:* Procedures were not in place to ensure budgetary compliance. Expenses including depreciation were budgeted for the year.

*Effect:* Actual expenditures exceed budgeted amounts in two of the City's funds due to actual depreciation expenses exceeding budgeted amounts.

*Auditors' Recommendations:* Establish adequate procedures to monitor budget compliance and prohibit spending exceeding budgeted amounts. Unfavorable variances should be investigated to ensure that program directors are spending according to the adopted budget. Depreciation should not be included as a budgeted expenditure to ensure actual expenditures do not exceed budgeted amounts.

*Management's Response:* The City will enhance monitoring procedures to identify budget overruns more timely and investigate unfavorable variances.

**City of Las Cruces**  
**Schedule of State Auditor Rule Findings — continued**  
**For the Year Ended June 30, 2008**

**SA 08-2 — Information Technology (Repeat Finding)**

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*Criteria:* Information Technology (IT) including systems and infrastructure are essential and integral to the efficiency of the City's operations. IT internal controls are essential to maintain the confidentiality, integrity and availability of data. IT internal controls are as important as the internal controls that surround the input of financial transactions into the City's general ledger.

*Condition:* Several areas of the Information Technology infrastructure were identified as needing enhanced controls. These areas are:

- lack of a formal written agreement between the City and Dona Ana County (the County) regarding the County's use of the City's fiber infrastructure
- lack of controls over a few legacy computers
- lack of preventive maintenance contracts for essential equipment
- lack of redundant connectivity in an area of the City's network infrastructure

*Context:* The IT Department has corrected the majority of the IT findings documented in the audit report of 2007. These include implementing the approved IT policies and procedures, creating customized audit reports of user access levels in the enterprise resource planning (ERP) system, developing plans for local redundancy for the ERP system, defining a formal IT policy approval process, and developing and implementing security awareness training for City employees. However, there are still some important controls lacking:

*Lack of formal written agreement between the City and Dona Ana County regarding network connectivity*

- The County network utilizes some of the fiber network infrastructure owned and maintained by the City. Using the City's fiber connectivity allows the County network to connect to healthcare services, Detention Center, Emergency Dispatch Center, and Office of Emergency Preparedness. County IT personnel had to get access in to a City wiring closet to perform maintenance because the County had lost some of its connectivity. There is no formal written agreement regarding the County's use of City network infrastructure. Without a formal agreement that outlines responsibilities, service levels, and other legal requirements, the City may be subject to potential security, availability, accountability, and liability issues.

*Lack of controls over legacy workstations and laptops*

- There are a few legacy workstations and laptops in the City's network that are configured to give the user local administrative rights on their computer. The City's policy is not to give users local administrative rights on their computers. The IT Department is aware that there are still some computers in the system that have not had local administrator rights removed. Until users local administrative rights are removed, these computers are a potential security risk.

**City of Las Cruces**  
**Schedule of State Auditor Rule Findings — continued**  
**For the Year Ended June 30, 2008**

SA 08-2 — Information Technology (Repeat Finding) — continued

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*Lack of preventive maintenance contracts for key pieces of equipment*

- There are no preventive maintenance contracts for the HVAC system in the City's data center, nor are there preventive maintenance contracts for the Uninterruptible Power Supplies (UPS) that provide emergency power to servers and other critical network infrastructure devices. During a recent power issue, the UPS devices failed to work. This caused critical server down-time.

*Cause and Effect:* Without strong internal controls over the City's IT infrastructure and the Munis System, there is a potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker). Either or both could be intentional or unintentional.

Having the County utilizing some of the City's fiber connectivity without a clear written agreement could result in security and/or liability issues.

The IT Department has made a great deal of improvement in the strength of IT internal controls. In order to continue this improvement and implement the approved IT policies, the IT Department needs the support of City management and the cooperation of City employees.

*Effect:* Without strong internal controls over the City's IT infrastructure and the Munis System there is the potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker) and could be intentional or unintentional.

*Auditors' Recommendations:* The City should ensure that, if the County is to continue using the City's fiber connectivity, a formal written agreement be put in place as soon as possible. This agreement should clearly define the responsibilities of the City and the County.

The City should ensure that the legacy workstations and laptops are configured to remove local administrative rights from designated users.

The City should ensure that there are preventive maintenance contracts for the HVAC and UPS devices in the data center.

*Management's Response:* The City will review intergovernmental relationships and establish written formal agreements as appropriate. User access to legacy workstations and laptops will be addressed on an enterprise level when a high-level management tool is identified and accessible. Facilities staff will coordinate the preventive maintenance of the UPS and HVAC systems.

**City of Las Cruces**  
**Schedule of State Auditor Rule Findings — continued**  
**For the Year Ended June 30, 2008**

**SA 08-3 — Employee File Documentation**

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*Criteria:* Required documentation such as Personnel Action Notices (PAN) and authorization for increased pay rates shall be maintained in employee personnel files.

*Condition:* Four of twenty five employee files tested did not have the updated Personnel Action Notice (PAN) in the employee file and four of twenty five files did not have authorization of a pay increase.

*Cause:* Adequate internal controls are not in place to ensure employee personnel files are updated in a timely manner and documentation for increased pay rates is maintained at all times.

*Effect:* Updated Personnel Action Notices (PAN's) and authorizations to changes in employee pay rates are not available for review.

*Auditors' Recommendations:* Employee file documentation should be gathered, updated and maintained in employee files at all times. Authorization for increased pay rates should be documented and maintained in personnel files as well. This will ensure that employee personnel files contain all required information.

*Management's Response:* The City will implement monitoring procedures to ensure proper forms are maintained in employee personnel files.

**City of Las Cruces**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2008**

<b>Prior Audit Findings</b>	<b>Current Status</b>
<b>Financial Statement Findings</b>	
FS 07-1, FS 06-1 Information Technology	Repeat finding; see SA 08-2.
FS 07-2 Municipal Court Fines and Fees	Repeat finding; see FS 08-3.
FS 07-3 Procurement Code	Resolved.
FS 07-4 SCSWA Cash Receipts Procedures	Repeat finding; see FS 08-5.
<b>Federal Award Finding—All Major Programs</b>	
FA 07-1 Special Tests and Provision – Form I-9	Repeat finding; see FA 08-1.
<b>State Auditor Finding</b>	
SA 07-1, SA 06-1 Actual Expenditures Exceeded Budgeted Expenditures	Repeat finding; see SA 08-1.

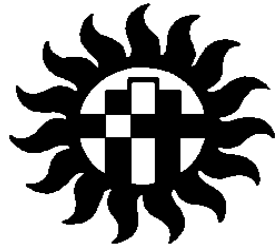
**City of Las Cruces**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2008**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
FS 08-1 Cash Reconciliations	City has initiated an automated bank reconciliation process to expedite bank reconciliations which the Treasurer will review.	Treasurer	June30, 2009
FS 08-2 Segregation of Duties	City will implement a review process in Human Resources to ensure authorized payroll changes. Dual control has been established for the online banking system.	Comptroller/ Finance Director	June30, 2009
FS 08-3 Municipal Court Fines and Fees	Court and City management will continue to implement recommended changes.	Municipal Judge/ Treasurer	June30, 2009
FS 08-4 Fiscal Policies and Procedures	City will develop written policies and update procedures as circumstances change.	Comptroller	June30, 2009
FS 08-5 SCSWA Cash Receipts Procedures (Repeat Finding)	SCSWA initiated daily deposits and internal controls over cash prior to the 2008 fiscal year-end.	SCSWA Director	June30, 2009
FA 08-1 Special Tests and Provisions—Form I-9 (Repeat Finding)	City will continue to improve monitoring processes to ensure proper forms are maintained.	Human Resources Director	June30, 2009



**City of Las Cruces**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2008**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
SA 08-1 Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)	City will enhance monitoring procedures to identify budget overruns and investigate unfavorable variances.	Budget Manager	June30, 2009
SA 08-2 Information Technology (Repeat Finding)	City will review intergovernmental relationships and establish written formal agreements as appropriate. City will address user access to legacy equipment at an enterprise level. Facilities staff will coordinate preventive maintenance.	Information Technology Director	June30, 2009
SA 08-3 Employee File Documentation	City will implement monitoring procedures to ensure proper forms are maintained.	Human Resources Director	June30, 2009



City of Las Cruces

**Housing Authority of the City of Las Cruces**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract/Grant or State Number	Grant Period	Program or Award Amount	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>					
<u>Direct Programs</u>					
Section 8 New Construction	14.182	NM02-0002-004	7/1/07 - 6/30/08	\$ 379,243	\$ 379,243
Public and Indian Housing	14.850	NM003-001-08J	7/1/07 - 6/30/08	482,902	482,902
Section 8 Housing Choice Vouchers	14.871	NM003V0	7/01/07 -6/30/08	4,073,008	4,073,008
Public Housing Capital Funds	14.872	NM02P003501-05	8/19/04-9/13/08	482,720	100,005
		NM02P003501-06	7/22/05-8/17/09	421,103	230,543
		NM02P003501-07	6/08/06-7/17/10	355,272	129,484
		NM02P003501-08	Interim Budget	379,462	146
Total U.S. Department of Housing and Urban Development				<u>460,178</u>	
Total expenditures of federal awards					<u>\$ 5,395,331</u>

**Housing Authority of the City of Las Cruces**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2008**

**1) General**

The accompanying schedule of expenditures of federal awards presents expenditures of all federal awards of the Housing Authority of the City of Las Cruces, New Mexico, (the "Housing Authority"). The Housing Authority's reporting entity is defined in Note 1 to the Housing Authority's financial statements.

**2) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

Hector Balderas,  
New Mexico State Auditor,  
The Board of Commissioners of the Housing  
Authority of the City of Las Cruces  
and the  
Honorable Mayor and City Council Members of  
the City of Las Cruces

We have audited the financial statements and budgetary comparison of the Housing Authority of the City of Las Cruces (the "Housing Authority"), a component unit of the City of Las Cruces, New Mexico, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. We did not audit the financial statements of Montana Senior Village, LLC (MSV) and Montana Senior Village II, LP (MSV II) component units of the Housing Authority. Those financial statements were audited by other auditors who issued unqualified reports thereon. Our opinion insofar as it included to MSV and MSV II are based on the reports of those other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Housing Authority's discretely presented component units were not audited in accordance with *Government Auditing Standards*.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as FS 08-1 and FS 08-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Housing Authority's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City of Las Cruces' City Council, the Housing Authority's Board of Commissioners and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133

Hector Balderas,  
New Mexico State Auditor,  
The Board of Commissioners of the Housing  
Authority of the City of Las Cruces  
and the  
Honorable Mayor and City Council Members of  
the City of Las Cruces

### *Compliance*

We have audited the compliance of the Housing Authority of the City of Las Cruces (the "Housing Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### *Internal Control Over Compliance*

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

A *control deficiency* in the Housing Authority's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City of Las Cruces' City Council, the Housing Authority's Board of Commissioners and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008



**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2008**

**Section I — Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section I — Summary of Auditors' Results — continued

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.182	Section 8 New Construction and Substantial Rehabilitation
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund (CFP)

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

**Section II — Financial Statement Findings**

**FS 08-1 — Journal Entry Supporting Documentation**

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*Criteria or Specific Requirement:* All journal entries entered into the system should have adequate supporting documentation to support the accounts used and the amounts posted to those accounts. This information should be included with the journal entry to ensure proper review.

*Condition:* One out of five journal entries tested did not have adequate supporting documentation.

*Cause:* A process is not in place to ensure all journal entries include proper support.

*Effect:* Journal entries posted without adequate support have the potential to be posted in error or fraudulently.

*Auditors' Recommendations:* Establish procedures to ensure all journal entries have adequate support and the support reviewed before the journal entry is posted.

*Management's Response:* We concur with the finding and will provide more adequate documentation.

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

Section II — Financial Statement Findings — continued

**FS 08-2 — Reconciliation of Equity and Financial Statement Preparation**

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*Criteria:* Analysis and review of the general ledger balances and transactions posted should be performed to assure all activity has been recorded in accordance with generally accepted accounting principles.

*Condition:* HACLC's equity balances did not roll-forward from the previous fiscal year. Comparison of the equity balances reported in the audited financial statements to the general ledger equity account balances would have detected the errors. Appropriate review of the equity account activity by HACLC accountants with sufficient understanding of generally accepted accounting principles would have detected the errors. As a result, the financial information generated by the account system was not in accordance with generally accepted accounting principles. Audit adjustments were therefore required at year-end.

*Cause:* Standard accounting procedures did not include a comparison of the equity balances reported in the audited financial statements to the general ledger equity account balances.

*Effect:* Errors may not be detected timely and financial information provided to management may not be accurate. The probability that errors will occur and go undetected for some time is greatly increased.

*Auditors' Recommendations:* Analysis and review of the general ledger balances and transactions posted should be performed to assure all activity has been recorded in accordance with generally accepted accounting principles. Consider engaging outside accountants on a contractual basis if internal accounting resources are not sufficient to ensure timely and accurate roll-forward of equity accounts and preparation of financial statements.

*Management's Response:* We concur with the finding and will ensure balances roll forward.

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2008**

**Section III — Federal Award Findings and Questioned Costs**

**None.**

**Housing Authority of the City of Las Cruces**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2008**

<b>Prior Audit Findings</b>	<b>Current Status</b>
<b>Financial Statement Findings</b>	
<b>FS 07-1</b> Component Unit Financial Reporting	Resolved.
<b>FS 07-2</b> Donated Land	Resolved.
<b>Federal Award Findings – All Section 8 Housing Choice Vouchers Program (14.871)</b>	
<b>FA 07-1</b> Special Tests and Provisions – Waiting List	Resolved.
<b>FA 07-2</b> Special Tests and Provisions – Utility Allowance Schedule	Resolved.
<b>FA 07-3</b> Special Tests and Provisions – Annual Inspections	Resolved.
<b>FA 07-4</b> Eligibility – Income Verification	Resolved.
<b>State Auditor Finding</b>	
<b>SA 07-1</b> Basic Reconciliation Review	Resolved.

**Housing Authority of the City of Las Cruces**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2008**

Federal Award	Corrective Action Plan	Person Responsible	Estimated Completion Date
<b>Financial Statement</b>			
FS 08-1 Journal Entry Supporting Documentation	The accountant will review all journal entries made for FY 2009 to date, and all future entries, to ensure adequate documentation is provided.	Sharon Hansen	June 30, 2009
FS 08-2 Reconciliation of Equity and Financial Statement Preparation	The accountant will not post any journal entries to equity accounts.	Sharon Hansen	Immediately

**City of Las Cruces**  
**Other Disclosures**  
**For the Year Ended June 30, 2008**

**Exit Conference**

An exit conference was conducted on November 17, 2008, in a closed meeting of the City Council pursuant to *Section 12-6-5 NMSA, 1978* with the following individuals in attendance:

City of Las Cruces

Ken Miyagishima	Mayor
Dolores Archuleta	Mayor Pro-Tem
Dolores Conner	Councillor
Gil Jones	Councillor
Miguel Silva	Councillor
Sharon Thomas	Councillor
Terrence Moore	City Manager
Mark Sutter	Finance Director
Pat Degman	Comptroller
Audrey Evins	Internal Auditor
Cynthia Vigil	Accounting Supervisor
Melissa Nelson	Accounting Supervisor
Winifred Y. Jacobs	PHA Board Chair
Christina S. Little	PHA Vice-Chair
Thomas Hassell	PHA Executive Director
Sharon Hansen	PHA Accountant

REDW LLC

Bruce Bleakman, CPA	Principal
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**Financial Statement Preparation**

The City's accounting department and independent public accountants jointly prepared the accompanying financial statements. The City is responsible for the financial statement content.