



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR YEAR ENDED JUNE 30, 2010



LAS CRUCES. NEW MEXICO

**STATE OF NEW MEXICO**  
**CITY OF LAS CRUCES**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Prepared by**  
**Finance Department**  
**Pat Degman, CGFM**  
**Interim Financial Services Director**

**Cover photo by Don Bustamante**  
**Enhanced by Leesa Mandlman**

# City of Las Cruces

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# City of Las Cruces

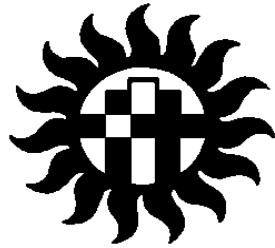
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City of Las Cruces



November 22, 2010

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, 2010, 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, is a home-rule municipality with 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, two discretely presented component units: the Public Housing Authority and South Central Solid Waste Authority, and one blended component unit: the Downtown Tax Increment Development District. 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.



Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
11/22/2010

### **Economic Condition and Outlook**

The City is the second largest city in the State with a population of approximately 93,000. It is the commercial and cultural center of Southern New Mexico. In 2010 the Milken Institute ranked the Las Cruces metropolitan area in the top ten Best-Performing Cities in the nation.

Although the City of Las Cruces has not been unaffected by the economic stresses of recent years, the area continues moderate economic stability. Gross receipts tax, the largest revenue source in the general fund, increased slightly over last year. The construction industry, however, struggles with a prolonged decline, reflecting a slowdown in population growth. The completion of large public projects has offered a portion of revenue relief, offsetting some of the construction decline by generating additional gross receipts taxes related to construction.

The mainstays of the economy, which include agriculture, commerce, education, and a military presence, are stable. Local tourism supported by the new convention center, an emerging industry in alternative energy, expanded national interest in aerospace, and the attraction of Las Cruces as an excellent retirement location will add to the momentum of the local recovery. Additionally, the local labor market has steadied from last year with unemployment at 7.2%, below both the state and federal unemployment rates. In fiscal year 2011, the local economy should continue to see improvement.

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

The City was awarded stimulus funding during fiscal year 2009, which included \$8,097,163 for the airport; \$1,713,911 for the transit system; \$1,996,654 for police; \$2,000,000 for public works; \$269,562 for community development; and \$911,525 for public services. The total of stimulus awards was \$14,958,815. Projects completed include \$269,562 for the community development project, and \$23,525 for public services senior programs, and approximately 93% of the airport runway project with an estimated completion cost of \$7.5 million. Progress continues on the remaining ARRA grant projects.

In fiscal year 2010 the City Council formalized the Strategic Plan, and the 2010 Public Report defining the strategic goals for the future was provided to the community. The guiding principles of the plan are excellence, integrity, customer focus, fiscal responsibility, and goal-oriented management. The City's financial and operational performance is being measured against the plan with outcomes reported to the City Council and the community at large. The strategic plan will be a guide to plan the use of City resources and direct the future of City programs. It is available on the City's website for public review.

The City has invested large sums of money into major facilities, including a new city hall, convention center, wastewater reclamation plant, and regional aquatic center. The new city hall building and the reclamation plant opened during the 2010 fiscal year. The construction on the convention center and regional aquatic center is nearing completion at fiscal year end. Long range plans continue to include the need to provide utility services, public safety, and recreational facilities in recently developed areas. Additionally, the City has an opportunity to

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
11/22/2010

capitalize on emerging commercialization of energy production from wind, sunlight and algae through economic development efforts at the industrial park.

### **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. Annual budgets are adopted for all funds. If a fund is not overspent, it is in compliance with state law. All unexpended budget 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.

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. Budget adjustments requested throughout the fiscal year that increase fund expenditures must be approved by the City Council.. The Local Government Division must approve budget increases and budget transfers between funds. The 2009/2010 budget was legally adopted and amended.

**Taxes**

The allocation of the property tax for fiscal year 2010 and the two preceding years is based on the mill levy below:

<u>Purpose</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operational mill levy:			
Residential	6.155	6.136	5.960
Non-residential	7.120	7.120	7.120

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 7.4375% at June 30, 2010. The breakdown and sources of the gross receipts tax rate at June 30, 2010 includes:

	<u>Tax Rate</u>	<u>Percent of Total Rate</u>
State General Fund	3.7750%	50.8%
State shared-municipal distribution	1.2250%	16.5%
Municipal GRT- general purpose	1.2500%	16.8%
Municipal GRT-infrastructure	0.1250%	1.7%
Municipal GRT-public safety	0.1250%	1.7%
Municipal Environmental GRT	0.0625%	0.8%
Dona Ana County-local option taxes	<u>0.8750%</u>	<u>11.7%</u>
	7.4375%	100.0%

**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 \$70 million. The City currently has no outstanding G.O. bonds.

The City had nine bond issues outstanding at June 30, 2010. Gas tax revenues secure one issue and gross receipts tax revenues finance five bond issues outstanding. Three issues are Joint Utilities Revenue Bonds secured by the net operating revenues of the utility system. The amount of bonds outstanding at June 30, 2010 was \$85,370,000. Principal payments on bonds totaled \$8.2 million during the fiscal year. In addition, the City had twenty loans outstanding from New Mexico Finance Authority totaling \$73,488,065 with principal payments during the fiscal year of \$3.2 million.

The Financial Services Department has been monitoring the opportunity for refinancing and consolidating the City's outstanding debt. The opportunity for significant savings in debt service payments was seized in August 2010 when 12 loans and 2 bonds were refinanced in three separate bond issues. Favorable bond ratings were issued by Moody's Investor Service and Fitch Ratings. The debt service savings will be realized beginning in fiscal year 2011.

### **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, 2010, 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, Budget Circular A-133 and ARRA requirements. 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.

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, 2009. This was the sixth 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 demonstrate proficiencies in both generally accepted accounting principles and applicable legal requirements.

Honorable Mayor and City Council,  
City of Las Cruces, New Mexico  
11/22/2010

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 2010. 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,



Pat Degman, CGFM  
Interim Director of Financial Services



**City of Las Cruces**  
**June 30, 2010**

LIST OF PRINCIPAL OFFICIALS

Councilors

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<i>Ken Miyagishima</i>	Mayor
<i>Sharon Thomas</i>	Mayor Pro-Tem
<i>Miguel Silva</i>	Councilor
<i>Dolores Connor</i>	Councilor
<i>Olga Pedroza</i>	Councilor
<i>Nathan P. Small</i>	Councilor
<i>Gill M. Sorg</i>	Councilor

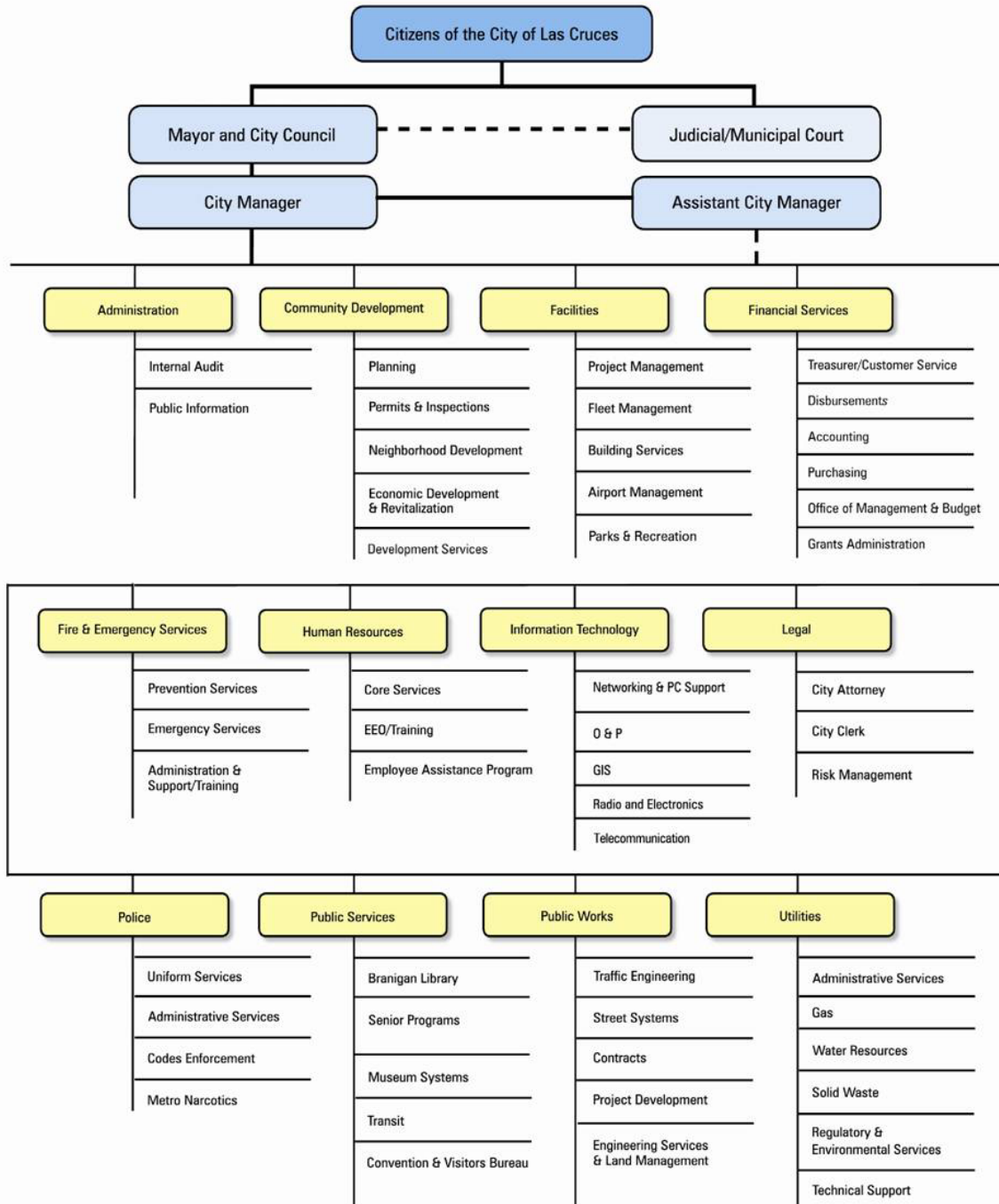
Other officials

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<i>Terrence Moore</i>	City Manager
<i>Robert Garza, P.E.</i>	Assistant City Manager
<i>Pat Degman, CGFM</i>	Interim Financial Services Director

# City of Las Cruces

## City Government Organization Chart: FY 2009-2010





**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

## **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

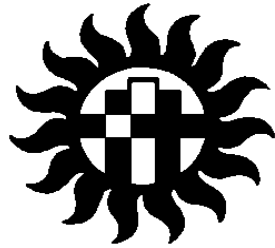
**Finance Department**  
City of Las Cruces, New Mexico



*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

Date August 5, 2010



City of Las Cruces

## Independent Auditors' Report

Mr. Hector H. Balderas, New Mexico 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, 2010, 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, 2010, 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, 2010, 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, 2010, 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 22, 2010, 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 22, 2010

## 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, 2010. 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.

### **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 2010. 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, Facilities, 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), South Central Solid Waste Authority (SCSWA), and the Las Cruces Downtown Tax Increment Development District (TIDD). PHA and SCSWA are discretely presented component units and the financial information for these component units is reported separately from primary government itself. The TIDD is a blended component unit of the City, whose board is comprised of the members of the City Council. The purpose of the TIDD is to finance public infrastructure serving the downtown area. The TIDD is presented as a special revenue fund in the financial statements. The funds to acquire or construct public infrastructure within the TIDD District is presented as a capital project fund in the financial statements.

### **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 Change in Fund Balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains one hundred twenty-two individual governmental funds, ten 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 Balance for the funds that comprise the General Fund, which is considered to be a major fund. Three other governmental funds, Sonoma Ranch, Telshor Facility, and the Las Cruces Convention Center fund are also reported as major funds. The remaining one hundred nine 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 Wastewater utilities, as well as Solid Waste disposal. The City also uses enterprise funds to account for Transit and Alternative Fuels, which are reported as non-major enterprise funds. *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 Wastewater 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.

The City adopts an annual appropriated budget for its proprietary funds. A budgetary comparison schedule has been provided for these funds to demonstrate budgetary compliance.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The Statement of Fiduciary Assets and Liabilities for the agency funds is presented in the basic financial statements section of this report.

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

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

**Government-wide Financial Analysis**

At the end of fiscal year 2010, 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 2010, 2009, and 2008.

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

	Governmental Activities			Business - type Activities			Total		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Current and Other Assets	137,994	155,593	189,948	73,401	83,075	104,132	211,395	238,668	294,080
Capital Assets	349,533	298,331	255,052	\$208,973	198,544	179,866	558,506	496,875	434,918
Total Assets	487,527	453,924	445,000	282,374	281,619	283,998	769,901	735,543	728,998
Current and Other Liabilities	42,058	34,948	37,187	12,591	10,009	12,570	54,649	44,957	49,757
Long-term Liabilities	96,045	103,754	101,802	67,048	70,975	77,014	163,093	174,729	178,816
Total Liabilities	138,103	138,702	138,989	79,639	80,984	89,584	217,742	219,686	228,573
Net Assets:									
Invested in Capital Assets, net of related debt	258,566	199,706	146,327	140,672	126,330	103,498	399,238	326,036	249,825
Restricted Net Assets	33,168	32,625	32,765	22,870	30,498	49,376	56,038	63,123	82,141
Unrestricted Net Assets	57,690	82,891	126,919	39,193	43,807	41,540	96,883	126,698	168,459
Total Net Assets	349,424	315,222	306,011	202,735	200,635	194,414	552,159	515,857	500,425
Total Liabilities and Net Assets	487,527	453,924	445,000	282,374	281,619	283,998	769,901	735,543	728,998

Seventy-two 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 sixty-three percent in fiscal year 2009. 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.

Ten percent of the City's net assets are resources that are subject to external restrictions on how they may be used. This amount is down from the twelve percent of restricted net assets reported for fiscal year 2009. The remaining balance of *unrestricted net assets* (\$96,883,331) may be used to meet the government's ongoing obligations to citizens and creditors.



**CITY OF LAS CRUCES, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

Changes in net assets during 2010 and comparative amounts for 2009 and 2008 were:

**Summary of Changes in Net Assets (in 000's)**

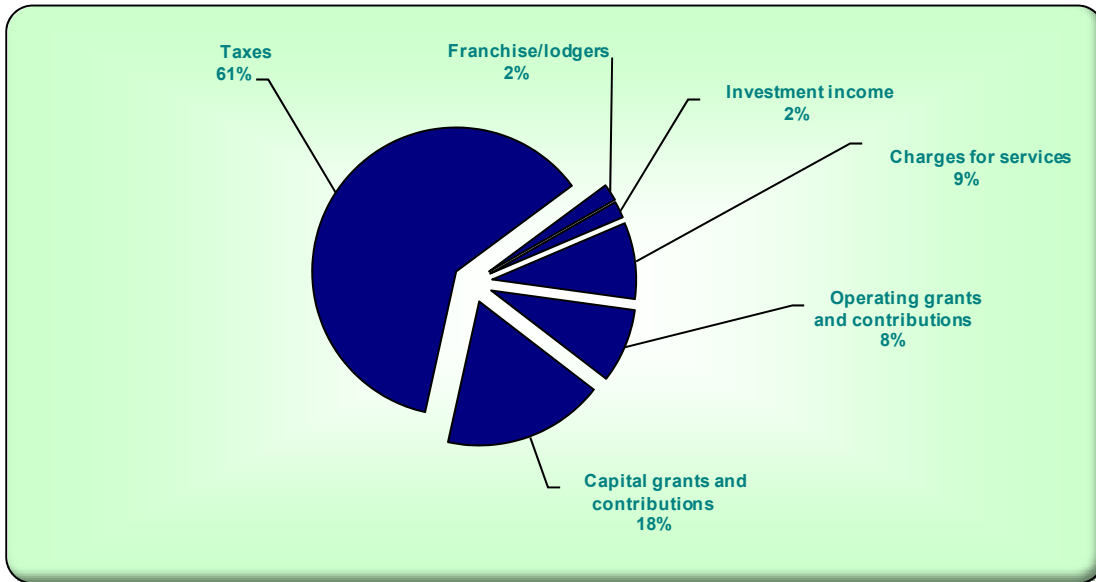
	Governmental Activities			Business - type Activities			Total		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Revenues:									
Program Revenues:									
Charges for services	\$ 12,336	\$ 13,545	\$ 16,714	\$ 59,515	\$ 58,542	\$ 67,362	\$ 71,851	\$ 72,087	\$ 84,076
Operating grants and contributions	11,899	3,932	6,332	1,376	1,522	1,188	13,275	5,454	7,520
Capital grants and contributions	25,986	14,865	14,039	2,275	5,951	3,642	28,261	20,816	17,681
General Revenue:									
Taxes	88,446	85,674	87,970	-	-	-	88,446	85,674	87,970
Franchise/lodgers	2,739	2,699	2,985	-	-	-	2,739	2,699	2,985
Investment income	3,569	(1,720)	3,842	1,302	1,517	3,408	4,871	(203)	7,250
Telshor Facility income	139	278	267	-	-	-	139	278	267
Miscellaneous	2,684	3,090	2,835	457	26	41	3,141	3,116	2,876
<b>Total Revenue</b>	<b>147,798</b>	<b>122,363</b>	<b>134,984</b>	<b>64,925</b>	<b>67,557</b>	<b>75,641</b>	<b>212,723</b>	<b>189,921</b>	<b>210,625</b>
Expenses:									
General Government	16,100	16,914	16,562	-	-	-	16,100	16,914	16,562
Facilities	13,629	10,372	9,857	-	-	-	13,629	10,372	9,857
Police	26,886	28,112	23,814	-	-	-	26,886	28,112	23,814
Fire	11,155	11,261	11,290	-	-	-	11,155	11,261	11,290
Community Development	7,586	4,605	5,047	-	-	-	7,586	4,605	5,047
Public Services	10,506	12,797	12,525	-	-	-	10,506	12,797	12,525
Public Works	19,728	20,552	19,728	-	-	-	19,728	20,552	19,728
Gas	-	-	-	25,835	25,095	30,505	25,835	25,095	30,505
Water	-	-	-	14,474	14,787	13,561	14,474	14,787	13,561
Waste water	-	-	-	11,217	10,878	10,234	11,217	10,878	10,234
Solid waste	-	-	-	10,431	10,534	10,953	10,431	10,534	10,953
Other	-	-	-	4,310	4,274	4,185	4,310	4,274	4,185
Interest on long-term debt	4,564	4,307	4,003	-	-	-	4,564	4,307	4,003
<b>Total Expenses</b>	<b>110,154</b>	<b>108,920</b>	<b>102,826</b>	<b>66,267</b>	<b>65,568</b>	<b>69,438</b>	<b>176,421</b>	<b>174,488</b>	<b>172,264</b>
Increase in net assets before transfers	37,644	13,443	32,158	(1,342)	1,989	6,203	36,302	15,432	38,361
Transfers	(3,442)	(4,232)	(4,083)	3,442	4,232	4,083	-	-	-
<b>Change in Net Assets</b>	<b>34,202</b>	<b>9,211</b>	<b>28,075</b>	<b>2,100</b>	<b>6,221</b>	<b>10,286</b>	<b>36,302</b>	<b>15,432</b>	<b>38,361</b>
Net Assets - beginning	315,222	306,011	277,936	200,635	194,414	184,128	515,857	500,425	462,064
Net Assets - ending	349,424	315,222	306,011	202,735	200,635	194,414	552,159	515,857	500,425

Certain 2009 amounts in the above table reflect reclassifications to conform with the 2010 presentation.

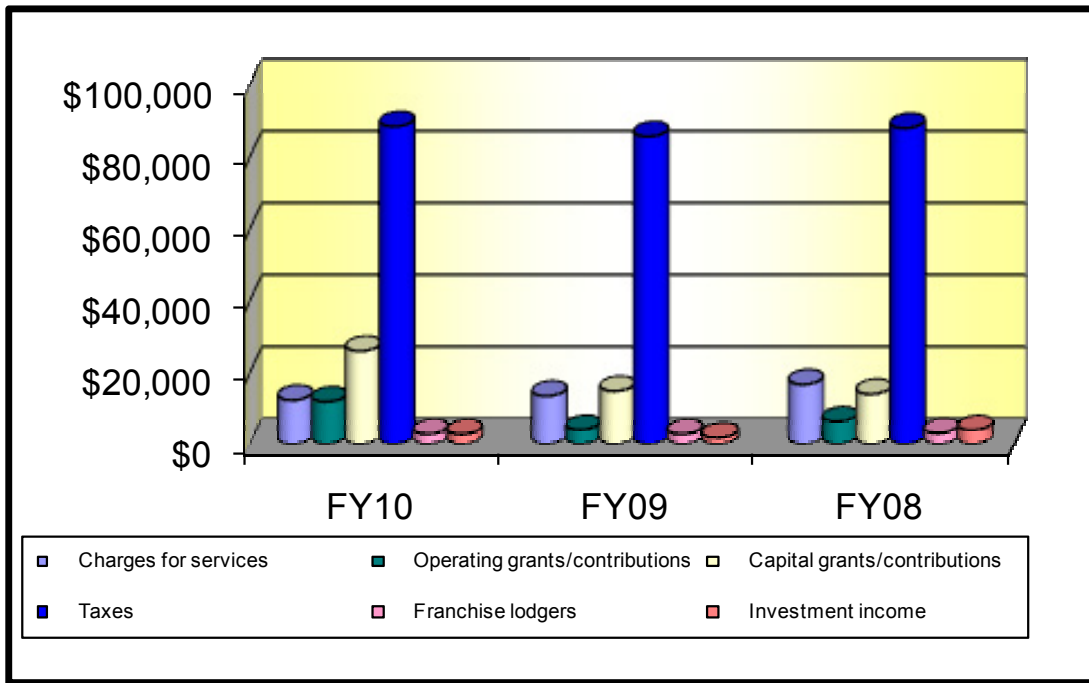
**Governmental Activities**

Governmental activities increased the City's net assets during the current fiscal year by \$34.2 million. Gross receipts tax, property tax, and franchise/lodgers' tax increased from \$88.4 million in fiscal year 2009 to \$91.2 million in fiscal year 2010. The taxes contributed a significant amount for covering the \$59.9 million net program expense associated with general governmental activities.

**Governmental Revenues**



**Revenue by Source – Governmental Activities**

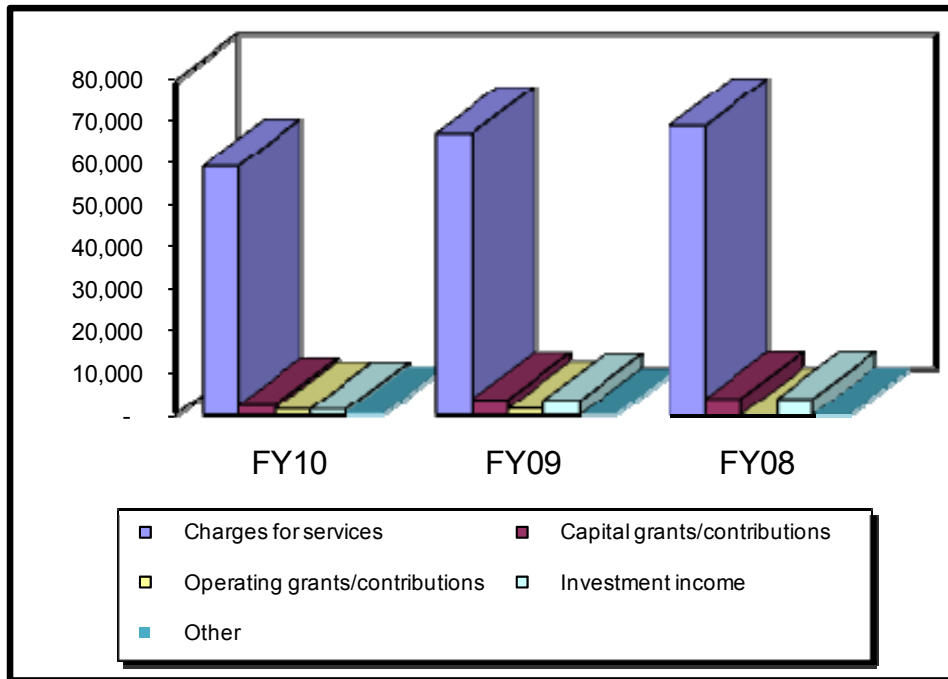


Expenses of the City's governmental activities increased from \$108.9 million in fiscal year 2009 to \$110.1 million in 2010. A significant portion of the increase was related to ARRA funded projects that were completed during the fiscal year and public works projects that were also grant funded.

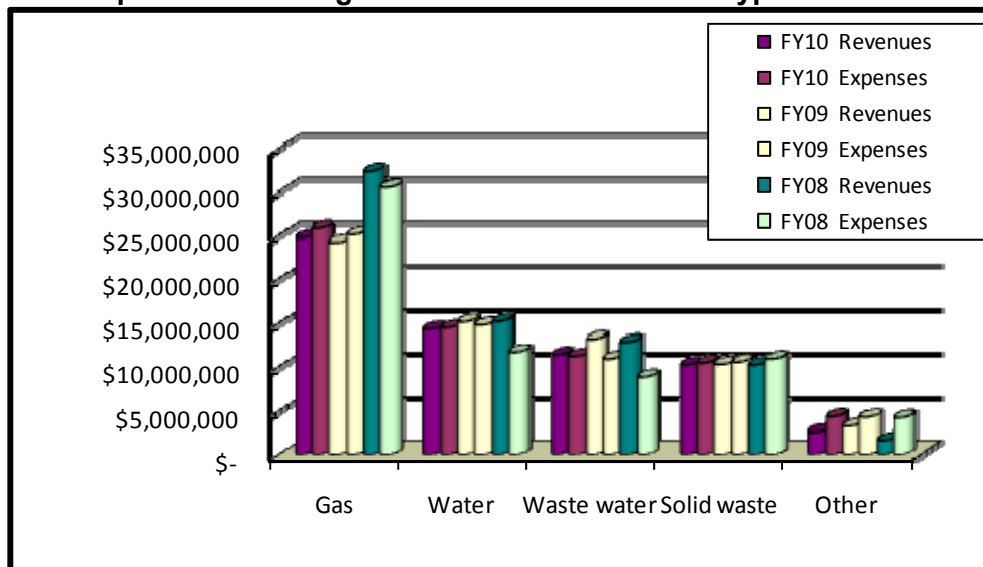
**Business-type Activities**

Business-type activities increased the City's net assets during the current fiscal year by \$2.1 million. Charges from services increased from \$58.5 million in fiscal year 2009 to \$59.5 million in fiscal year 2010. Expenses increased from \$65.6 million in 2009 to \$66.3 million in 2010, with the Gas fund showing the largest increase overall of approximately \$740 thousand. The Water fund showed a decrease in operating expenses of approximately \$313 thousand.

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



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



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

Gross receipts tax, the largest revenue source in the general fund, has increased 1.4% from 2009. Large public projects have, including the completion of city facilities and the new federal courthouse, has had a positive impact on gross receipt tax from construction activities. Property tax has exhibited resiliency in the face of adverse economic conditions, showing a slight increase over last year. The City has experienced growth in travel and tourism, which should continue to improve when the convention center opens in early 2011.

Governmental and business-type activity capital grants increased by \$8 million from 2009, which lent substantial support to the public works projects 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.

The General Fund, Sonoma Ranch, Telshor Facility, and Las Cruces Convention Center funds are reported as major governmental funds. As of the end of fiscal year 2010, the City's governmental funds reported combined ending fund balances of \$95.9 million, a decrease of \$22.9 million from the prior year. This was primarily attributed to the construction of the convention center, which reduced the reserved fund balance in the capital project funds by approximately \$15.4 million.

The unreserved fund balance in the General Fund is \$32.4 million. The remainder of the General Fund balance is *reserved* to indicate inventories of \$1.0 million are not available to be spent. Fund balances of other major governmental funds are unreserved and reported in Sonoma Ranch (\$51,142), the Telshor fund (\$21,691,102), and the Las Cruces Convention Center (\$8,862,753). All other governmental funds are combined and reported as non-major governmental funds. Reserved fund balances are reported in other special revenue funds (\$7,658,217), in other capital project funds (\$17,037,076), and debt service (\$7,230,842).

### ***General Fund***

The General Fund is the chief operating fund of the City. At the end of fiscal year 2010, unreserved fund balance of the general fund was \$32,379,133, while total fund balance was \$33,401,467. Of the \$32.4 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 \$32.4 million in unreserved fund balance by this amount leaves approximately \$21.6 million in readily available resources that are not part of budgeted inflows for the upcoming year. This amount is 30.0% 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 \$2.5 million during the current fiscal year, attributed primarily a slight increase in tax revenue combined with prudent budgetary controls and fiscal monitoring of expenditures throughout the year.

Revenues - The difference between the original budget and the final amended budget for revenues is an increase of approximately \$1,084,931 for the year. The budget for gross receipts taxes increased \$1,114,000 from the original budget to the final budget. The budget for property tax revenues increased \$200,000, while the budget for licenses and permits decreased by \$130,381 due to the continued decline in new construction.

Actual revenues for the fiscal year were approximately \$1.7 million more than the final budget. Actual revenues from gross receipts tax exceeded the final budget by approximately \$1.5 million.

Expenditures - Differences between the original expenditures budget and the final amended expenditures budget totaled approximately \$2.9 million and can be briefly summarized as follows:

- The budget for capital outlay increased by \$1.5 million for the purchase of police vehicles.
- The budget for facilities repair and maintenance increased by \$598 thousand.
- The budget for public works projects increased by \$287 thousand.

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

- The general government actual expenditures were approximately \$1.9 million less than the final budget. Activities less than budget within general government include: \$571 thousand for personnel expenditures through vacancy management and \$1.3 million for various reduced operating costs.
- Actual expenditures for facilities were \$1.4 million less than budget due to reduced operating costs in parks of \$555 thousand and recreation of \$636 thousand.
- The actual expenditures for capital outlay were approximately \$1.2 million less than actual expenditures due to spending only \$377 thousand of the \$1.5 million budgeted for new police vehicles.

### ***Telshor Facility***

In accordance with the 40-year lease agreement with LifePoint Hospitals (dba Memorial Medical Center), the City is obligated to pay property taxes for the facility. Property taxes paid on behalf of Memorial Medical Center totaled \$139,485. These payments represent the final 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.

### ***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 final stage of construction, with construction costs of \$15.4 million paid during the year. The Center



will be 55,000 square feet with just over 30,000 square feet of meeting space. The facility will feature a 15,000 square foot exhibition hall as well as a 9,000 square foot ballroom. There will be 6 break-out rooms totaling over 3,000 square feet. Additionally, there will be over 5,000 square feet of outdoor space and 2,000 square feet of indoor pre-function space. It is expected to be completed by the end of 2010 or early 2011.

### ***Sonoma Ranch***

The Sonoma Ranch fund is major fund in fiscal year 2010. 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 \$37,493,147.

### ***Gas Utility***

Revenue - The original revenue budget was not changed in fiscal year 2010.

Total revenues for the year were approximately \$9,581,175 below the final budget. Gas sales were \$9,270,996 less than the final budget reflecting lower than anticipated customer gas usage due to a mild winter season. The reduction in gas consumption also resulted in a reduction in gas sales. Additionally, the City is the operator for the Rio Grande Natural Gas Association (RGNGA). During fiscal year 2010, the Gas fund received reimbursements totaling \$1.9 million for operational and capital services provided to RGNGA, which is approximately \$391 thousand below the final budget amount.

Expenses - The original expense budget increased by \$341 thousand during the fiscal year due primarily to an increase in budgeted customer service charges related to planned replacement of gas meters.

Actual expenses were approximately \$10.4 million less than the final amended expenses budget. These variances can be summarized as follows:

- The budget for cost of gas purchased was \$8,405,515 higher than actual expenses. Gas prices and quantities sold were lower than originally forecasted.
- The budget for customer services was \$806,064 more than actual resulting from deferred equipment purchases and a delay in the planned replacement of gas meters.
- Personnel services were \$347,588 below the final budgeted amount due to vacancy management during the year.

### ***Water Utility***

Revenue - The original revenue budget remained unchanged throughout the fiscal year.

Total operating revenues were \$502,717 below the final revenue budget. Actual Water sales were \$635,122 less than the final budget, due primarily to lower sales, reflecting the sluggish economy during fiscal year 2010 and the decline in residential properties. Other Revenue was \$145,927 above final budget.

Expenses - The budget for operating expenses in Water reflects an overall increase of \$527 thousand from the original budget to the final budget. This is mainly due to an increase of \$150 thousand in professional services, \$174 thousand in repairs and maintenance, \$199 thousand in customer service, and \$4 thousand in various other expenses.

Actual operating expenses were \$3.1 million less than the final expense budget. These variances can be summarized as follows:

- Professional services were below budget by \$1.7 million, which was due primarily to lower than expected legal expenses.
- Depreciation was under budget by \$565,233 due to fewer asset replacements.
- Customer Service was \$488,208 below the budget because of lower than planned expenses related to the rate case study and deferred equipment purchases.

### ***Wastewater Utility***

Revenue - The revenues budget remained unchanged throughout the fiscal year.

Actual revenues for the fiscal year were slightly more than the final budget, by \$21,339.

Expenses - The operating expense budget increased from the original budget to the final budget by \$160,254. The main increases were supplies which increased by \$93,400, professional services which increased by \$75,111, and customer service which increased by \$96,043. A reduction in the utilities budget offset the increases.

Actual expenses were approximately \$1.8 million less than the final expenditures budget. These variances can be summarized as follows:

- Supplies were lower than budget by \$252,982 primarily due to lower chemical and field supply usage at the treatment plant.
- Customer Service was \$312,671 below budget because of deferred equipment purchases and lower than expected expenses related to the rate case study.
- Professional services were lower than budget by \$530,788, due largely to lower than anticipated legal expenses.

**Solid Waste Utility**

Revenue - The original revenue budget decreased \$1,061,651 during the fiscal year due to the transfer of the recycling program from the City's Solid Waste utility to South Central Solid Waste Authority.

Actual Solid Waste sales were \$734,130 more than the final budget.

Expenses - Budgeted operating expenses in Solid Waste increased \$825,566 from the original budget to the final budget, which included an increase in professional services of \$960,593, repairs and maintenance of \$448,756, customer service of \$180,143, and an offsetting decrease in personnel services of \$550,352 and supplies of \$114,400.

Actual expenses were \$2.2 million less than the final budget. The major variances include:

- Professional services were lower than budget by \$1.36 million. This is mainly attributed to the completion of the landfill closure being budgeted in 2010, but deferred until fiscal year 2011.
- The budget for repairs and maintenance was \$249,730 more than actual primarily due to expenditures related to the landfill closure being deferred.
- Customer Service was lower than budget by \$381 thousand due to deferred equipment purchases and lower than expected expenses related to the rate case study.

**Debt Service**

**Long-term Debt**

At the end of fiscal year 2010, the City had total long-term debt outstanding of \$158,939,887 in bonds, notes and leases, with a net decrease of \$11,525,085 over the prior year. During the year, the City had borrowings from New Mexico Finance Authority totaling \$187,874. Decreases to long-term liabilities include lease principal payments of \$308,234, and bond and note net debt service payments of \$11,216,851.

**Outstanding Bonds and Liabilities to Financial Institutions 2010**

	Governmental			Business-type			Total		
	2010	2009	Change	2010	2009	Change	2010	2009	Change
Revenue Bonds	44,145,000	48,950,000	(4,805,000)	41,225,000	44,635,000	(3,410,000)	85,370,000	93,585,000	(8,215,000)
Notes Payable	46,441,758	49,003,451	(2,561,693)	27,046,307	27,486,465	(440,158)	73,488,065	76,489,916	(3,001,851)
Capital Leases	81,822	324,909	(243,087)	-	65,147	(65,147)	81,822	390,056	(308,234)
<b>Total</b>	<b>90,668,580</b>	<b>98,278,360</b>	<b>(7,609,780)</b>	<b>68,271,307</b>	<b>72,186,612</b>	<b>(3,915,305)</b>	<b>158,939,887</b>	<b>170,464,972</b>	<b>(11,525,085)</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, 2010 amounts to \$558,506,279, 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 for the current fiscal year, net of accumulated depreciation, was 12.4 percent (a 17.2 percent increase for governmental activities and a 5.3 percent increase for business-type activities, respectively).

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

- Completion of several of the City's public works and facilities projects and additional equipment increased the City of Las Cruces' capital assets by \$21.4 million, which includes capital assets contributed by developers of \$2.5 million.
- The retirement of governmental capital assets was \$3.4 million. This includes building and infrastructure retirements.
- Construction continued on several of the City's utility projects as \$9.5 million was added in utility infrastructure systems and equipment.
- Retirement of utility capital assets totaled \$1.0 million this year.

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

## Economic Outlook

The City of Las Cruces has not been immune to the effects of the national recession that began in December of 2007. A table containing an array of economic indicators clearly shows the mixed performance made by the City during the last thirty six months. The trends show growth in lodgers' tax receipts, gross tax receipts and population. The construction industry has shown a continued drop in fiscal year 2010 and pervasive job losses.

Item	Fiscal Year		Change	
	2010	2009	Number	Percent
Total Employment (MSA)*	<b>68,008</b>	68,908	(900)	-1.3%
Lodging Tax Receipts	<b>\$1,717,810</b>	\$1,663,616	\$54,194	3.3%
Gross Receipts Tax	<b>\$70,701,556</b>	\$70,169,219	\$532,337	0.8%
Single Family Building Permits	<b>654</b>	562	92	16.4%
Total Permit Valuation (Millions)	<b>\$151</b>	\$178	-\$27	-15.2%
Population Estimate**	<b>93,452</b>	90,792	2,660	2.9%

\* Preliminary - Data for Metropolitan Statistical Area

\*\* Census Bureau Estimates as of July 1

For fiscal year 2010/2011, the City anticipates a slow turn around as the national economy begins to recover. The past two fiscal years have seen the construction activity centered on single family housing continued to decline. Total valuation, while down, was buoyed in part by commercial activity.

While revenue growth has slowed in response to economic conditions, the City's finances have been maintained through responsible budgetary practices. Gross Receipts Taxes (GRT) is by far the main source of city funding and is the largest share of the City's general fund. While the growth in this dominate revenue source has slowed, it still has managed a slight gain in fiscal year 2010. The other significant tax used for funding City government is the property tax. Property tax, while much smaller in scope, has exhibited resiliency in the face of adverse economic conditions. The State of New Mexico controls the rate of property tax increase allowed based on formulas tied to inflation. One formula controls the rate of increase in the mill levy and another controls the rate of increase in the assessed value of residential property. While new construction is added to the base, revenue increases on existing properties are subjected to the formula. By limiting gains in assessed value tax gains that would result from increased values on existing property are also limited. 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.

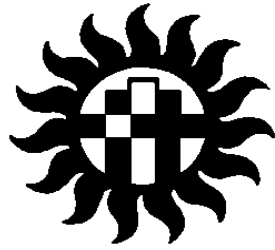
While the General Fund balances are anticipated to ebb slightly over the time horizon, the City can continue to provide its citizens services. This ability is a dividend of the City's prudent fiscal management practice for the past several years, and is allowing the City to navigate the recession while maintaining services.

### ***Requests for Information***

This financial report is designed to present users with an 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, 2010**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Housing Authority	South Central Solid Waste
<b>Assets</b>					
Cash and investments	\$ 66,835,002	\$ 38,177,568	\$ 105,012,570	\$ 3,780,375	\$ 6,728,209
Receivables, net	13,349,480	7,132,901	20,482,381	1,017,277	328,309
Other assets	1,584,536	2,533,766	4,118,302	1,753,743	-
Due from other governmental units	29,476,914	1,089,279	30,566,193	-	-
Due from South Central Solid Waste	3,652,000	-	3,652,000	-	-
Notes receivable	-	1,597,162	1,597,162	1,377,130	-
Restricted cash and investments	23,095,922	22,870,059	45,965,981	2,452,748	1,904,981
Capital assets					
Land and construction in progress	65,071,596	8,319,613	73,391,209	7,468,387	2,890,773
Other capital assets, net of depreciation	284,461,430	200,653,640	485,115,070	20,338,100	6,072,555
Total capital assets	349,533,026	208,973,253	558,506,279	27,806,487	8,963,328
Total assets	487,526,880	282,373,988	769,900,868	38,187,760	17,924,827
<b>Liabilities</b>					
Accounts payable and accrued liabilities	11,954,226	3,700,692	15,654,918	892,526	126,569
Customer deposits	-	1,472,938	1,472,938	160,419	-
Unearned revenue	20,086,190	1,361,581	21,447,771	-	-
Other liabilities	-	-	-	3,744,250	-
Long-term liabilities					
Due within one year	10,017,463	6,055,946	16,073,409	1,433,508	707,459
Due in more than one year	96,045,685	67,047,455	163,093,140	11,608,788	4,746,294
Total liabilities	138,103,564	79,638,612	217,742,176	17,839,491	5,580,322
<b>Net Assets</b>					
Invested in capital assets, net of related debt	258,565,729	140,671,944	399,237,673	13,492,090	5,311,328
Restricted for					
Housing	-	-	-	1,272,730	-
Community development	36,958	-	36,958	-	-
Debt service	7,230,842	21,397,121	28,627,963	-	-
Capital projects	25,899,829	-	25,899,829	-	-
Customer deposits	-	1,472,938	1,472,938	-	-
Closure/post-closure	-	-	-	-	1,904,981
Unrestricted	57,689,958	39,193,373	96,883,331	5,583,449	5,128,196
Total net assets	\$ 349,423,316	\$ 202,735,376	\$ 552,158,692	\$ 20,348,269	\$ 12,344,505

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

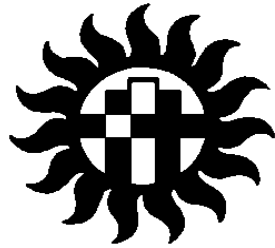
**City of Las Cruces**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary government</b>				
Governmental activities				
General government	\$ 16,102,385	\$ 3,735,518	\$ 1,701,149	\$ 15,128,918
Facilities	13,628,679	339,838	-	-
Police	26,885,778	3,543,744	838,508	-
Fire	11,154,956	849	392,522	-
Community development	7,585,536	2,614,960	4,767,787	-
Public services	10,505,577	610,417	1,290,098	-
Public works	19,728,274	1,490,835	2,909,209	10,857,269
Interest on long-term debt	4,563,951	-	-	-
Total governmental activities	<u>110,155,136</u>	<u>12,336,161</u>	<u>11,899,273</u>	<u>25,986,187</u>
Business-type activities				
Gas	25,834,357	24,693,348	-	49,896
Water	14,473,685	13,231,382	8,432	1,068,628
Waste water	11,216,942	10,822,173	-	531,046
Solid waste	10,430,920	10,204,248	-	-
Transit	4,310,238	563,765	1,367,845	625,911
Total business-type activities	<u>66,266,142</u>	<u>59,514,916</u>	<u>1,376,277</u>	<u>2,275,481</u>
Total primary government	<u>\$ 176,421,278</u>	<u>\$ 71,851,077</u>	<u>\$ 13,275,550</u>	<u>\$ 28,261,668</u>
<b>Component units</b>				
Solid waste	\$ 5,845,399	\$ 6,204,171	\$ 38,711	\$ -
Housing	<u>8,833,654</u>	<u>2,719,327</u>	<u>5,709,178</u>	<u>858,006</u>
Total component units	<u>\$ 14,679,053</u>	<u>\$ 8,923,498</u>	<u>\$ 5,747,889</u>	<u>\$ 858,006</u>
General revenues				
Taxes				
Gross receipts				
Property				
Franchise/lodgers				
Investment income				
Telshor facility income				
Other				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year (restated for Public Housing Authority, Note 4)				
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
\$ 4,463,200		\$ 4,463,200		
(13,288,841)		(13,288,841)		
(22,503,526)		(22,503,526)		
(10,761,585)		(10,761,585)		
(202,789)		(202,789)		
(8,605,062)		(8,605,062)		
(4,470,961)		(4,470,961)		
(4,563,951)		(4,563,951)		
<u>(59,933,515)</u>		<u>(59,933,515)</u>		
-	\$ (1,091,113)	(1,091,113)		
-	(165,243)	(165,243)		
-	136,277	136,277		
-	(226,672)	(226,672)		
-	<u>(1,752,717)</u>	<u>(1,752,717)</u>		
-	<u>(3,099,468)</u>	<u>(3,099,468)</u>		
<u>(59,933,515)</u>	<u>(3,099,468)</u>	<u>(63,032,983)</u>		
			\$ -	\$ 397,483
			<u>452,857</u>	<u>-</u>
			<u>452,857</u>	<u>397,483</u>
75,229,777	-	75,229,777	-	-
13,216,084	-	13,216,084	-	-
2,738,675	-	2,738,675	-	-
3,568,974	1,301,903	4,870,877	58,827	183,361
139,485	-	139,485	-	-
2,683,038	457,097	3,140,135	152,487	-
(3,441,547)	<u>3,441,547</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>94,134,486</u>	<u>5,200,547</u>	<u>99,335,033</u>	<u>211,314</u>	<u>183,361</u>
<u>34,200,971</u>	<u>2,101,079</u>	<u>36,302,050</u>	<u>664,171</u>	<u>580,844</u>
<u>315,222,345</u>	<u>200,634,297</u>	<u>515,856,642</u>	<u>19,684,098</u>	<u>11,763,661</u>
<u>\$ 349,423,316</u>	<u>\$ 202,735,376</u>	<u>\$ 552,158,692</u>	<u>\$ 20,348,269</u>	<u>\$ 12,344,505</u>

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



City of Las Cruces

## Fund Financial Statements

**City of Las Cruces**  
**Balance Sheet—Governmental Funds**  
**June 30, 2010**

	General Fund	Sonoma Ranch	Telshor Facility
<b>Assets</b>			
Cash and investments	\$ 13,118,741	\$ 51,142	\$ 21,788,684
Restricted cash and investments	-	-	-
Receivables, net	962,277	8,631,605	8,611
Due from other funds	10,941,823	-	-
Due from other governmental units	10,791,120	-	-
Due from Downtown Tax Increment Development District	1,000,000	-	-
Inventories	1,022,334	-	-
Total assets	<u>\$ 37,836,295</u>	<u>\$ 8,682,747</u>	<u>\$ 21,797,295</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 2,180,561	\$ -	\$ 106,193
Due to other governments	2,861	-	-
Due to other funds	-	-	-
Due to general fund	-	-	-
Accrued liabilities	2,123,696	-	-
Deferred revenue	127,710	8,631,605	-
Total liabilities	<u>4,434,828</u>	<u>8,631,605</u>	<u>106,193</u>
<b>Fund balances</b>			
Reserved for			
Inventories	1,022,334	-	-
Health care related programs	-	-	21,691,102
Unreserved, reported in			
General fund	32,379,133	-	-
Special revenue funds	-	51,142	-
Debt service funds	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>33,401,467</u>	<u>51,142</u>	<u>21,691,102</u>
Total liabilities and fund balances	<u>\$ 37,836,295</u>	<u>\$ 8,682,747</u>	<u>\$ 21,797,295</u>

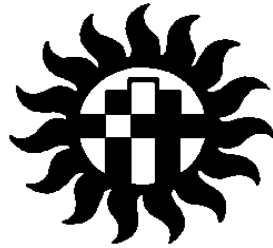
The accompanying notes are an integral part of these financial statements.

Las Cruces Convention Center	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 22,580,599	\$ 57,539,166
12,500,551	10,595,371	23,095,922
-	3,733,311	13,335,804
-	-	10,941,823
-	18,685,794	29,476,914
-	-	1,000,000
-	-	1,022,334
<u>\$ 12,500,551</u>	<u>\$ 55,595,075</u>	<u>\$ 136,411,963</u>

\$ 3,538,008	\$ 3,581,360	\$ 9,406,122
-	-	2,861
99,790	10,842,033	10,941,823
-	1,000,000	1,000,000
-	127,902	2,251,598
-	8,117,645	16,876,960
<u>3,637,798</u>	<u>23,668,940</u>	<u>40,479,364</u>

-	-	1,022,334
-	-	21,691,102
-	-	32,379,133
-	7,658,217	7,709,359
-	7,230,842	7,230,842
<u>8,862,753</u>	<u>17,037,076</u>	<u>25,899,829</u>
<u>8,862,753</u>	<u>31,926,135</u>	<u>95,932,599</u>
<u>\$ 12,500,551</u>	<u>\$ 55,595,075</u>	<u>\$ 136,411,963</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, 2010**

Total fund balances for governmental funds		\$ 95,932,599
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.		
Capital assets of governmental funds	\$ 348,913,764	
Capital assets of internal service funds	<u>619,262</u>	
		349,533,026
The contribution of certain capital assets is deferred in the statement of net assets		
		(1,831,200)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported in the funds:		
Sales tax revenue bonds	\$ 44,145,000	
Unamortized discount/premiums on bonds/notes	298,717	
Notes payable	46,441,758	
Capital lease	81,822	
Pollution remediation obligation	6,702,232	
Compensated absences	2,970,305	
Long-term debt of internal service fund	<u>5,423,314</u>	
Total		(106,063,148)
Bond issuance costs of \$695,936 are expensed for fund financial statements but capitalized for government-wide financial statements (less accumulated amortization of \$428,675).		
		267,261
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.		
		3,652,000
Telshor facility lease payments received are deferred in the statement of net assets and recognized over the lease term.		
		(1,375,169)
Current assets and liabilities of internal service funds are included in net assets of governmental activities		
		<u>9,307,947</u>
Net assets of governmental activities		<u>\$ 349,423,316</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, 2010**

	General Fund	Sonoma Ranch	Telshor Facility
<b>Revenues</b>			
Taxes	\$ 71,780,108	\$ -	\$ -
Charges for services	1,636,661	-	-
Fees and fines	1,310,166	-	-
Franchise fees	2,683,038	-	-
Investment income (loss)	403,702	1,162	1,813,299
Licenses and permits	1,240,495	-	-
Intergovernmental	21,378	-	-
Other	4,119,866	-	-
Total revenues	83,195,414	1,162	1,813,299
<b>Expenditures</b>			
Current			
General government	13,740,513	-	139,485
Facilities	11,407,504	-	-
Police	19,335,785	-	-
Fire	8,938,983	-	-
Community development	3,024,054	-	-
Public services	5,685,689	-	-
Public works	8,655,917	-	-
Capital outlay	2,215,661	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	73,004,106	-	139,485
Revenues over (under) expenditures	10,191,308	1,162	1,673,814
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	3,134,483	-	-
Transfers out	(10,781,618)	-	(300,000)
Total other financing sources (uses)	(7,647,135)	-	(300,000)
Net change in fund balances	2,544,173	1,162	1,373,814
Fund balances, beginning of year	30,857,294	49,980	20,317,288
Fund balances, end of year	\$ 33,401,467	\$ 51,142	\$ 21,691,102

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

Las Cruces Convention Center	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 19,404,428	\$ 91,184,536
-	2,811	1,639,472
-	2,003,660	3,313,826
-	-	2,683,038
(65,663)	1,219,141	3,371,641
-	-	1,240,495
-	35,000,226	35,021,604
-	2,661,124	6,780,990
<u>(65,663)</u>	<u>60,291,390</u>	<u>145,235,602</u>
-	1,619,331	15,499,329
-	1,492,018	12,899,522
-	6,293,459	25,629,244
-	1,522,316	10,461,299
-	4,516,948	7,541,002
-	3,400,174	9,085,863
4,477	1,599,710	10,260,104
15,372,149	43,288,250	60,876,060
-	7,554,567	7,554,567
-	4,194,303	4,194,303
<u>15,376,626</u>	<u>75,481,076</u>	<u>164,001,293</u>
<u>(15,442,289)</u>	<u>(15,189,686)</u>	<u>(18,765,691)</u>
-	187,874	187,874
-	28,308	28,308
-	16,585,000	19,719,483
-	(12,948,325)	(24,029,943)
<u>-</u>	<u>3,852,857</u>	<u>(4,094,278)</u>
(15,442,289)	(11,336,829)	(22,859,969)
<u>24,305,042</u>	<u>43,262,964</u>	<u>118,792,568</u>
<u>\$ 8,862,753</u>	<u>\$ 31,926,135</u>	<u>\$ 95,932,599</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, 2010**

**Net change in fund balances—governmental funds** \$ (22,859,969)

Total revenues and other financing sources in the governmental funds differs from total revenues for governmental activities in the statement of activities. The difference result primarily from the long-term economic focus of the statement of activities versus the current financial sources focus of the governmental funds. The main components of the difference are describe below:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of certain capital outlays is allocated over their estimated useful lives of the assets acquired and reported as depreciation expense. As a result, fund balance decreased by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year:

Capital outlay	\$ 60,728,348	
Depreciation	(14,153,959)	
Other	191,236	
Total		46,765,625

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. 2,885,234

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.

Repayments of bonds and notes payable	7,554,567	
Repayments of capital leases	243,087	
Amortization of premium/discount of bond and note payable	47,962	
Total		7,845,616

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. (102,648)

Bond issuance costs are amortized to interest expense over the life of the bonds in the statement of activities. This is the current year amortization. (369,648)

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. (660,000)

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. 139,485

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:

Capital outlay	21,420	
Depreciation	(301,543)	
Net change of claims liabilities	(290,582)	
Reduction of compensated absences	42,447	
Other activities	1,085,534	
Total		557,276

**Change in net assets of governmental activities** \$ 34,200,971

**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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Actual	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 58,139,000	\$ 59,253,000	<b>\$ 60,717,063</b>	\$ 1,464,063	\$ 58,944,548
Property	8,997,106	9,197,106	<b>9,491,369</b>	294,263	8,727,273
Utility franchise	1,274,805	1,069,399	<b>1,020,863</b>	(48,536)	1,034,885
Total local taxes	<u>68,410,911</u>	<u>69,519,505</u>	<u><b>71,229,295</b></u>	<u>1,709,790</u>	<u>68,706,706</u>
State-shared taxes	618,166	564,995	<b>550,813</b>	(14,182)	546,229
Charges for services	1,354,070	1,686,712	<b>1,636,661</b>	(50,051)	1,500,865
Fees and fines	1,346,216	1,313,963	<b>1,310,166</b>	(3,797)	1,287,875
Franchise fees	2,830,644	2,842,370	<b>2,683,038</b>	(159,332)	2,772,546
Investment income	562,390	582,709	<b>403,702</b>	(179,007)	635,442
Licenses and permits	1,453,330	1,322,949	<b>1,240,495</b>	(82,454)	1,339,091
Operating grants and contributions	1,550	27,950	<b>21,378</b>	(6,572)	24,270
Other	3,822,124	3,623,179	<b>4,119,866</b>	496,687	3,972,422
	<u>11,988,490</u>	<u>11,964,827</u>	<u><b>11,966,119</b></u>	<u>1,292</u>	<u>12,078,740</u>
Total revenues	<u>80,399,401</u>	<u>81,484,332</u>	<u><b>83,195,414</b></u>	<u>1,711,082</u>	<u>80,785,446</u>
<b>Expenditures</b>					
Current					
General government	15,649,261	15,630,897	<b>13,740,513</b>	1,890,384	13,686,074
Facilities	12,228,529	12,827,131	<b>11,407,504</b>	1,419,627	9,090,348
Police	18,629,434	18,499,824	<b>19,335,785</b>	(835,961)	20,422,717
Fire	8,580,745	8,860,424	<b>8,938,983</b>	(78,559)	9,249,207
Community development	2,906,206	3,157,119	<b>3,024,054</b>	133,065	3,062,325
Public services	6,308,245	6,381,957	<b>5,685,689</b>	696,268	7,616,571
Public works	9,435,263	9,723,063	<b>8,655,917</b>	1,067,146	9,459,917
Capital outlay	1,892,764	3,437,222	<b>2,215,661</b>	1,221,561	2,474,132
Debt service					
Principal	-	-	-	-	229,349
Total expenditures	<u>75,630,447</u>	<u>78,517,637</u>	<u><b>73,004,106</b></u>	<u>5,513,531</u>	<u>75,290,640</u>
Revenues over expenditures	<u>4,768,954</u>	<u>2,966,695</u>	<u><b>10,191,308</b></u>	<u>7,224,613</u>	<u>5,494,806</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,617,815	2,903,817	<b>3,134,483</b>	230,666	1,283,309
Transfers out	(8,890,110)	(12,252,255)	<b>(10,781,618)</b>	1,470,637	(13,142,998)
Total other financing sources (uses)	<u>(7,272,295)</u>	<u>(9,348,438)</u>	<u><b>(7,647,135)</b></u>	<u>1,701,303</u>	<u>(11,859,689)</u>
Net change in fund balance	(2,503,341)	(6,381,743)	<b>2,544,173</b>	8,925,916	(6,364,883)
Fund balance, beginning of year	30,857,294	30,857,294	<b>30,857,294</b>	-	37,222,177
<b>Fund balance, end of year</b>	<u>\$ 28,353,953</u>	<u>\$ 24,475,551</u>	<u><b>\$ 33,401,467</b></u>	<u>\$ 8,925,916</u>	<u>\$ 30,857,294</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ <b>1,162</b>	\$ 1,162	\$ 1,230
Total revenues	<u>-</u>	<u>-</u>	<u><b>1,162</b></u>	<u>1,162</u>	<u>1,230</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	<b>1,162</b>	1,162	1,230
Fund balance, beginning of year	<u>49,980</u>	<u>49,980</u>	<u><b>49,980</b></u>	<u>-</u>	<u>48,750</u>
<b>Fund balance, end of year</b>	<u><u>\$ 49,980</u></u>	<u><u>\$ 49,980</u></u>	<u><u>\$ <b>51,142</b></u></u>	<u><u>\$ 1,162</u></u>	<u><u>\$ 49,980</u></u>

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

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Telshor Facility**  
**For the Year Ended June 30, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 1,200,000	\$ 1,200,000	\$ <b>1,813,299</b>	\$ 613,299	\$ (3,400,978)
Other	350,000	350,000	-	(350,000)	336,273
Total revenues	<u>1,550,000</u>	<u>1,550,000</u>	<u><b>1,813,299</b></u>	<u>263,299</u>	<u>(3,064,705)</u>
<b>Expenditures</b>					
Current					
General government	285,000	285,000	<b>139,485</b>	145,515	277,967
Revenues over (under) expenditures	<u>1,265,000</u>	<u>1,265,000</u>	<u><b>1,673,814</b></u>	<u>408,814</u>	<u>(3,342,672)</u>
<b>Other Financing Uses</b>					
Transfers out	(300,000)	(300,000)	<b>(300,000)</b>	-	(240,000)
Total other financing uses	<u>(300,000)</u>	<u>(300,000)</u>	<u><b>(300,000)</b></u>	<u>-</u>	<u>(240,000)</u>
Net change in fund balance	965,000	965,000	<b>1,373,814</b>	408,814	(3,582,672)
Fund balance, beginning of year	<u>20,317,288</u>	<u>20,317,288</u>	<u><b>20,317,288</b></u>	<u>-</u>	<u>23,899,960</u>
<b>Fund balance, end of year</b>	<u>\$ 21,282,288</u>	<u>\$ 21,282,288</u>	<u><b>\$ 21,691,102</b></u>	<u>\$ 408,814</u>	<u>\$ 20,317,288</u>

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

**City of Las Cruces**  
**Statement of Net Assets—Proprietary Funds**  
**June 30, 2010**

	Gas	Water	Waste Water
<b>Assets</b>			
Current assets			
Cash and investments	\$ 8,603,129	\$ 6,997,751	\$ 13,423,878
Accounts receivable, net of allowance for uncollectible accounts	3,425,813	1,607,329	948,945
Due from other governments	-	80,348	171,276
Inventories	830,761	594,133	133,235
Total current assets	12,859,703	9,279,561	14,677,334
Noncurrent assets			
Restricted cash and investments	554,102	15,661,738	4,535,896
Notes receivable	-	1,122,881	474,281
Advance to other funds	857,035	-	890,365
Other	-	432,629	259,638
Capital assets	55,040,652	115,644,993	121,525,946
Less accumulated depreciation	(28,137,735)	(30,173,890)	(33,808,452)
Net capital assets	26,902,917	85,471,103	87,717,494
Total noncurrent assets	28,314,054	102,688,351	93,877,674
Total assets	41,173,757	111,967,912	108,555,008

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



Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ 5,225,192	\$ 318,416	\$ 34,568,366	\$ 12,905,038
1,141,004	3,992	7,127,083	19,494
-	837,655	1,089,279	-
-	-	1,558,129	578,311
<u>6,366,196</u>	<u>1,160,063</u>	<u>44,342,857</u>	<u>13,502,843</u>
2,118,323	-	22,870,059	-
-	-	1,597,162	-
-	-	1,747,400	-
-	-	692,267	-
11,252,366	8,161,318	311,625,275	10,450,941
<u>(7,238,248)</u>	<u>(3,888,267)</u>	<u>(103,246,592)</u>	<u>(9,237,109)</u>
<u>4,014,118</u>	<u>4,273,051</u>	<u>208,378,683</u>	<u>1,213,832</u>
<u>6,132,441</u>	<u>4,273,051</u>	<u>235,285,571</u>	<u>1,213,832</u>
<u>12,498,637</u>	<u>5,433,114</u>	<u>279,628,428</u>	<u>14,716,675</u>

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

**City of Las Cruces**  
**Statement of Net Assets—Proprietary Funds**  
**June 30, 2010**

	Gas	Water	Waste Water
<b>Liabilities</b>			
Current liabilities			
Accounts and contracts payable	705,034	573,874	989,805
Accrued liabilities	312,061	375,346	311,696
Deferred revenue	964,369	397,212	-
Current portion of noncurrent liabilities	45,384	2,224,984	1,602,838
Total current liabilities	<u>2,026,848</u>	<u>3,571,416</u>	<u>2,904,339</u>
Noncurrent liabilities			
Customer deposits	554,102	423,608	419,756
Revenue bonds payable	-	20,375,499	17,279,503
Notes payable	-	14,793,714	9,897,190
Compensated absences	181,536	178,449	138,301
Claims	-	-	-
Accrued landfill closure cost	-	-	-
Advance from other funds	-	1,534,900	-
Total noncurrent liabilities	<u>735,638</u>	<u>37,306,170</u>	<u>27,734,750</u>
Total liabilities	<u>2,762,486</u>	<u>40,877,586</u>	<u>30,639,089</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	26,902,917	48,121,518	58,972,537
Restricted for customer deposits	554,102	423,608	419,756
Restricted for debt service	-	15,238,130	4,116,140
Unrestricted	10,954,252	7,307,070	14,407,486
Total net assets	<u>\$ 38,411,271</u>	<u>\$ 71,090,326</u>	<u>\$ 77,915,919</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 \$594,570) and liabilities (including long-term debt of \$2,032,002) 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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
29,874	11,522	2,310,109	365,242
149,544	75,774	1,224,421	97,426
-	-	1,361,581	-
<u>1,620,412</u>	<u>21,492</u>	<u>5,515,110</u>	<u>2,003,095</u>
<u>1,799,830</u>	<u>108,788</u>	<u>10,411,221</u>	<u>2,465,763</u>
75,472	-	1,472,938	-
-	-	37,655,002	-
1,904,310	-	26,595,214	-
91,818	85,969	676,073	93,711
-	-	-	5,358,510
630,000	-	630,000	-
<u>212,500</u>	<u>-</u>	<u>1,747,400</u>	<u>-</u>
<u>2,914,100</u>	<u>85,969</u>	<u>68,776,627</u>	<u>5,452,221</u>
<u>4,713,930</u>	<u>194,757</u>	<u>79,187,848</u>	<u>7,917,984</u>
1,807,351	4,273,051	140,077,374	1,213,832
75,472	-	1,472,938	-
2,042,851	-	21,397,121	-
<u>3,859,033</u>	<u>965,306</u>	<u>37,493,147</u>	<u>5,584,859</u>
<u>\$ 7,784,707</u>	<u>\$ 5,238,357</u>	<u>200,440,580</u>	<u>\$ 6,798,691</u>
		<u>2,294,796</u>	
		<u>\$ 202,735,376</u>	

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

**City of Las Cruces**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	Gas	Water	Waste Water
<b>Operating Revenues</b>			
Sales/charges	\$ 22,709,632	\$ 12,959,785	\$ 10,678,961
Provision for uncollectible accounts	(275,228)	(101,394)	(87,327)
Net sales/charges	<u>22,434,404</u>	<u>12,858,391</u>	<u>10,591,634</u>
Utility extension/service fee	155,003	55,819	-
Rentals	-	10,920	-
Other	<u>2,103,941</u>	<u>306,252</u>	<u>230,539</u>
Total operating revenues	<u>24,693,348</u>	<u>13,231,382</u>	<u>10,822,173</u>
<b>Operating Expenses</b>			
Personnel services	3,144,276	2,514,254	2,558,946
Cost of gas purchased	14,422,689	-	-
Supplies	200,244	436,321	666,418
Utilities	25,650	1,732,948	817,805
Professional services	374,536	1,657,739	715,256
Motor pool charges	-	-	-
Motor fuel	-	-	-
Repairs and maintenance	908,247	1,046,488	546,958
Rent	6,191	28,515	5,199
Depreciation and amortization	1,856,366	2,137,367	2,717,459
Payment in lieu of taxes	565,628	448,530	422,289
Administrative charges from other funds	546,649	552,350	524,223
Customer service	3,428,988	1,947,100	849,283
Post-closure costs	-	-	-
Claims and judgments	-	-	-
Insurance	214,944	107,034	42,043
Other	<u>80,009</u>	<u>85,915</u>	<u>12,151</u>
Total operating expenses	<u>25,774,417</u>	<u>12,694,561</u>	<u>9,878,030</u>
Operating income (loss)	(1,081,069)	536,821	944,143
<b>Nonoperating Revenues (Expenses)</b>			
Gain on sale of capital assets	-	-	-
Other receipts	-	-	-
Investment income	218,965	389,860	428,830
Grants and contributions	49,896	1,077,060	531,046
Interest expense	<u>(18,096)</u>	<u>(1,683,040)</u>	<u>(1,248,535)</u>
Total nonoperating revenue (expense)	<u>250,765</u>	<u>(216,120)</u>	<u>(288,659)</u>
Income (loss) before transfers	<u>(830,304)</u>	<u>320,701</u>	<u>655,484</u>

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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ 10,272,591	\$ 559,226	\$ 57,180,195	\$ 9,560,269
(92,388)	-	(556,337)	-
<u>10,180,203</u>	<u>559,226</u>	<u>56,623,858</u>	<u>9,560,269</u>
-	-	210,822	-
-	-	10,920	1,012,340
<u>24,045</u>	<u>4,539</u>	<u>2,669,316</u>	<u>-</u>
<u>10,204,248</u>	<u>563,765</u>	<u>59,514,916</u>	<u>10,572,609</u>
2,259,110	2,626,819	13,103,405	3,420,488
-	-	14,422,689	-
244,851	93,869	1,641,703	2,502,132
12,860	39,052	2,628,315	291,500
3,451,974	131,269	6,330,774	621,121
-	450,018	450,018	13,123
-	262,973	262,973	-
1,237,677	110,032	3,849,402	501,919
4,413	-	44,318	215,682
742,188	521,835	7,975,215	590,760
211,866	-	1,648,313	-
228,579	-	1,851,801	-
1,691,731	-	7,917,102	-
94,275	-	94,275	-
-	-	-	3,072,314
133,311	39,941	537,273	100,927
<u>7,439</u>	<u>224</u>	<u>185,738</u>	<u>36,934</u>
<u>10,320,274</u>	<u>4,276,032</u>	<u>62,943,314</u>	<u>11,366,900</u>
(116,026)	(3,712,267)	(3,428,398)	(794,291)
233,200	-	233,200	-
223,897	-	223,897	-
184,613	-	1,222,268	276,965
-	1,993,756	3,651,758	-
<u>(87,833)</u>	<u>-</u>	<u>(3,037,504)</u>	<u>-</u>
<u>553,877</u>	<u>1,993,756</u>	<u>2,293,619</u>	<u>276,965</u>
<u>437,851</u>	<u>(1,718,511)</u>	<u>(1,134,779)</u>	<u>(517,326)</u>

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

**City of Las Cruces**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	Gas	Water	Waste Water
<b>Transfers</b>			
Transfers in	-	229,995	796,279
Transfers out	<u>(54,400)</u>	<u>-</u>	<u>-</u>
Change in net assets	(884,704)	550,696	1,451,763
Net assets, beginning of year	<u>39,295,975</u>	<u>70,539,630</u>	<u>76,464,156</u>
<b>Net assets, end of year</b>	<u>\$ 38,411,271</u>	<u>\$ 71,090,326</u>	<u>\$ 77,915,919</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

<u>Enterprise Funds</u>			
<u>Solid Waste</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
-	2,392,569	3,418,843	1,886,729
-	-	(54,400)	(940,712)
<u>437,851</u>	<u>674,058</u>	<u>2,229,664</u>	<u>428,691</u>
<u>7,346,856</u>	<u>4,564,299</u>	<u>198,210,916</u>	<u>6,370,000</u>
<u>\$ 7,784,707</u>	<u>\$ 5,238,357</u>		<u>\$ 6,798,691</u>
		<u>(128,585)</u>	
		<u>\$ 2,101,079</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, 2010**

	Gas	Water	Waste Water
<b>Cash flows from operating activities</b>			
Cash received from customers (including other funds)	\$ 22,485,211	\$ 12,351,701	\$ 10,300,216
Cash paid to suppliers	(20,690,389)	(7,817,371)	(3,552,872)
Cash paid to employees	(3,006,038)	(2,525,839)	(2,520,422)
Claims paid	-	-	-
Other receipts	2,103,941	306,252	230,539
Net cash provided (used) by operating activities	<u>892,725</u>	<u>2,314,743</u>	<u>4,457,461</u>
<b>Cash flows from noncapital financing activities</b>			
Grants and contributions	-	8,432	-
Other receipts	-	-	-
Transfers in	-	229,995	796,279
Transfers out	(54,400)	-	-
Loans for development impact fees	-	354,971	164,464
Advance from (to) other funds	90,465	(511,047)	420,582
Net cash provided (used) by noncapital financing activities	<u>36,065</u>	<u>82,351</u>	<u>1,381,325</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(746,864)	(5,752,101)	(9,848,341)
Proceeds from sale of capital assets	-	-	-
Capital grants and contributions	49,896	1,068,628	670,663
Principal paid: revenue bonds/lease purchase/advances	-	(2,067,480)	(1,486,364)
Interest paid: revenue bonds/lease purchase/advances	(18,096)	(1,630,859)	(1,215,189)
Net cash provided (used) by capital and related financing activities	<u>(715,064)</u>	<u>(8,381,812)</u>	<u>(11,879,231)</u>
<b>Cash flows from investing activities</b>			
Interest received	218,965	389,860	428,830
Net cash provided by investing activities	<u>218,965</u>	<u>389,860</u>	<u>428,830</u>
Net increase (decrease) in pooled cash and investments	432,691	(5,594,858)	(5,611,615)
Cash and investments, beginning of year	<u>8,724,540</u>	<u>28,254,347</u>	<u>23,571,389</u>
Cash and investments, end of year	<u>\$ 9,157,231</u>	<u>\$ 22,659,489</u>	<u>\$ 17,959,774</u>

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



Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ 9,837,883	\$ 560,116	\$ 55,535,127	\$ 12,768,476
(7,160,252)	(1,120,144)	(40,341,028)	(6,546,291)
(2,236,543)	(2,636,342)	(12,925,184)	(3,327,751)
-	-	-	(2,628,193)
24,045	4,539	2,669,316	-
<u>465,133</u>	<u>(3,191,831)</u>	<u>4,938,231</u>	<u>266,241</u>
-	1,161,767	1,170,199	-
223,897	-	223,897	-
-	2,392,569	3,418,843	1,886,729
-	-	(54,400)	(940,712)
-	-	519,435	-
-	-	-	-
<u>223,897</u>	<u>3,554,336</u>	<u>5,277,974</u>	<u>946,017</u>
(1,646,169)	(757,310)	(18,750,785)	(41,998)
284,220	-	284,220	-
-	11,555	1,800,742	-
(358,829)	-	(3,912,673)	-
<u>(87,833)</u>	<u>-</u>	<u>(2,951,977)</u>	<u>-</u>
<u>(1,808,611)</u>	<u>(745,755)</u>	<u>(23,530,473)</u>	<u>(41,998)</u>
184,613	-	1,222,268	276,965
<u>184,613</u>	<u>-</u>	<u>1,222,268</u>	<u>276,965</u>
(934,968)	(383,250)	(12,092,000)	1,447,225
<u>8,278,483</u>	<u>701,666</u>	<u>69,530,425</u>	<u>11,457,813</u>
<u>\$ 7,343,515</u>	<u>\$ 318,416</u>	<u>\$ 57,438,425</u>	<u>\$ 12,905,038</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, 2010**

	Gas	Water	Waste Water
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (1,081,069)	\$ 536,821	\$ 944,143
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	1,856,366	2,137,367	2,717,459
Provision for uncollectible accounts	275,228	101,394	87,327
Capital asset allocation	26,059	26,059	26,059
Increase in estimated landfill post-closure costs	-	-	-
Change in assets and liabilities			
Accounts receivable	(1,320,307)	(515,828)	(238,535)
Inventories	(151,049)	(27,046)	12,852
Due from other governmental agencies	-	(70,592)	-
Accounts and contracts payable	208,376	195,754	922,515
Estimated liability for insurance claims	-	-	-
Wages payable and accrued liabilities	138,238	39,677	38,524
Deferred revenue	919,741	(51,262)	-
Customer deposits	21,142	(57,601)	(52,883)
Total adjustments	<u>1,973,794</u>	<u>1,777,922</u>	<u>3,513,318</u>
Net cash provided (used) by operating activities	<u>\$ 892,725</u>	<u>\$ 2,314,743</u>	<u>\$ 4,457,461</u>
Cash and investments at June 30, 2010, consisted of:			
Current assets			
Cash and investments	\$ 8,603,129	\$ 6,997,751	\$ 13,423,878
Noncurrent assets			
Restricted cash and investments	<u>554,102</u>	<u>15,661,738</u>	<u>4,535,896</u>
Total cash and investments, June 30, 2010	<u>\$ 9,157,231</u>	<u>\$ 22,659,489</u>	<u>\$ 17,959,774</u>

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

continued

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
\$ (116,026)	\$ (3,712,267)	\$ (3,428,398)	\$ (794,291)
742,188	521,835	7,975,215	590,760
92,388	-	556,337	-
-	-	78,177	-
45,000	-	45,000	-
(364,420)	890	(2,438,200)	29,682
-	-	(165,243)	(25,548)
-	-	(70,592)	-
21,336	7,235	1,355,216	103,900
-	-	-	444,120
22,567	(9,524)	229,482	(82,382)
-	-	868,479	-
22,100	-	(67,242)	-
<u>581,159</u>	<u>520,436</u>	<u>8,366,629</u>	<u>1,060,532</u>
<u>\$ 465,133</u>	<u>\$ (3,191,831)</u>	<u>\$ 4,938,231</u>	<u>\$ 266,241</u>
\$ 5,225,192	\$ 318,416	\$ 34,568,366	\$ 12,905,038
<u>2,118,323</u>	<u>-</u>	<u>22,870,059</u>	<u>-</u>
<u>\$ 7,343,515</u>	<u>\$ 318,416</u>	<u>\$ 57,438,425</u>	<u>\$ 12,905,038</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, 2010**

**Assets**

Pooled cash and investments	\$ 6,116,898
Accounts receivable	90,430
Due from other governments	<u>126,083</u>
Total assets	<u><u>\$ 6,333,411</u></u>

**Liabilities**

Accounts and contracts payable	\$ 68,814
Accrued wages payable	211,710
Funds held for others	<u>6,052,887</u>
Total liabilities	<u><u>\$ 6,333,411</u></u>

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

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

**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 three 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>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 700 N. Main St., Las Cruces, New Mexico 88001.
Downtown Tax Increment Development District (TIDD)	The Board members for the TIDD are also the board members for the City of Las Cruces, which allows the City to impose its will.	Presented as a blended component unit of the City.

PHA and SCSWA are reported as discrete component units in the accompanying financial statements. The TIDD is reported as a blended component unit in the accompanying financial statements.

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**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 primary government (the “City”) 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.

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 FASB Statements and Interpretations 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.

**City of Las Cruces**  
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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.

*Capital Project Fund*

- ◆ The Las Cruces Convention Center fund accounts for the receipt of the convention center fees paid to support the debt service payments for the convention center.

*Special Revenue Funds*

- ◆ The Sonoma Ranch fund accounts for reimbursements from local developers to the City for debt service on certain roadway/utility projects.
- ◆ The Telshor Facility fund accounts for the net proceeds of a facility lease with Province Healthcare Company, doing business as Memorial Medical Center, which are to be used for health-related programs and health-related projects.

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 Wastewater fund accounts for the activities of the City's wastewater 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, vehicle acquisition and risk management, general liability and malpractice, and workers' compensation coverage provided on a cost-reimbursement basis.

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- ♦ *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; Animal Service Center of the Mesilla Valley; 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.

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 may be 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.



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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.

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, resources set aside for bond 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.

Receivables are shown net of an allowance for uncollectible amounts, if any. The allowance for doubtful accounts is based on management's assessment of the

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collectability 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*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.

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, not collections. Accordingly, they are capitalized only when they individually meet the City's criteria for capitalization.

Construction period interest on the City's proprietary fund capital projects are capitalized except in an instance where substantially all activities related to construction are ceased. Brief interruptions in activities, interruptions that are externally imposed, and delays that are inherent in the construction process do not cause a cessation of interest capitalization.

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
Land improvements	30
Buildings and improvements	30
Vehicles	4–12
Office equipment	3–10
Computer equipment	3–10

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*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

In accordance with Government Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation obligations*, 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, SCSWA, and TIDD) 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 2009/2010 budget has been legally amended.

New Accounting Pronouncements

The following accounting pronouncements have been recently issued, but are not yet effective and have not yet been adopted. Management anticipates that, upon adoption, none of these statements will have a significant impact on the City's financial position or results of operations.

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The statement also provides authoritative guidance on the nature of these classifications. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2010. The provisions of this Statement are required to be applied retroactively by restating all prior periods presented.

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GASB 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The City has already addressed these provisions.

GASB 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan.

GASB 59, *Financial Instruments Omnibus*, updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

**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 cash and investment pool is not reported as a trust and agency fund. Each fund's equity in the pool is included in "Cash and investments" on its balance sheet or statement of net assets.

Cash and investments	
Governmental activities	\$ 66,835,002
Business-type activities	<u>38,177,568</u>
Total primary government	<u>105,012,570</u>
South Central Solid Waste Authority	<u>6,728,209</u>
Restricted cash and investments	
Governmental activities - restricted cash and investments	23,095,922
Business-type activities - restricted cash and investments	<u>22,870,059</u>
Total primary government	45,965,981
Fiduciary fund	6,116,898
South Central Solid Waste Authority	<u>1,904,981</u>
Total cash and investments	<u>\$ 165,728,639</u>

**City of Las Cruces**  
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Total cash and investments at fair value are as follows:

	Pooled Cash & Investments	Other Cash & Investments	Total
Bank deposits	\$ 14,981,498	\$ 226,925	\$ 15,208,423
Investments	90,359,170	59,672,682	150,031,852
Cash with fiscal agent	-	36,766	36,766
Cash on hand	-	11,446	11,446
Accrued interest	440,152	-	440,152
Total cash and investments	<u>\$ 105,780,820</u>	<u>\$ 59,947,819</u>	<u>\$ 165,728,639</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 100% 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, 2010, the City’s bank deposits, totaling \$20,320,542, was insured by federal deposit insurance 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.

The City may also 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 an agency of the State of New Mexico. The fair value of the City’s position in the SIC pools is the same as the value of the pool shares.

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As of June 30, 2010, the City had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Yrs)
<b>Pooled Investments</b>		
U.S. agency coupon bonds	\$ 90,359,170	0.53
<b>Total pooled investments</b>	<u>90,359,170</u>	
<b>Telshor Facility Fund</b>		
U.S. agency coupon bonds	11,093,790	0.53
External investment equity pool	<u>10,453,359</u>	N/A
<b>Total Telshor Facility Fund</b>	<u>21,547,149</u>	
<b>Debt Service Fund</b>		
Money market funds	3,904,179	0.08
U.S. Treasury strips	510,709	0.87
U.S. Treasury bonds	<u>796,409</u>	5.88
<b>Total Debt Service Fund</b>	<u>5,211,297</u>	1.04
<b>Convention Century Project Funds</b>		
Money market funds	<u>12,500,551</u>	0.08
<b>Nonmajor Capital Projects Funds</b>		
Money market funds	3,370,148	0.08
<b>Water and Wastewater Funds</b>		
Money market funds	13,157,594	0.08
U.S. agency coupon bonds	<u>3,310,591</u>	0.50
<b>Total Water and Wastewater Funds</b>	<u>16,468,185</u>	0.16
<b>Solid Waste fund</b>		
Money market funds	<u>575,352</u>	0.08
<b>Total investments</b>	<u>\$ 150,031,852</u>	

**City of Las Cruces**  
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*Interest Rate Risk.* The City manages exposure to declines in fair values by managing exposure to interest rate risk by purchasing investments with increasing coupon rates 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. The investment pool includes step-up coupon securities that total \$90,359,170 issued by U.S. government agencies that are callable by the issuer under certain circumstances. The Telshor Facility fund and the Water and Wastewater funds have \$11,093,790 and \$3,310,591, respectively, of similar step-up agency securities. For purposes of calculating weighted average maturity, the City assumes callable securities will be called at the first call option, based on their interest rate, current market interest rate, and the City's recent experience with these securities being called at the first call date.

*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, 2010, the City's investments in coupon bonds of U.S. agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's money market fund investments were rated AAAM by Standard & Poor's and/or Aaa by Moody's. The external investment pools of the NM State Investment Council are not rated.

*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. As of June 30, 2010, all of the City's securities are held in either the street name or by a third-party financial institution in the City's name.

*Concentration of Credit Risk.* The City's investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2010, 46% of the City's investment pool was invested in Federal Home Loan Mortgage Corporation (FHLMC) securities and 35% was invested in Fannie Mae (FNMA) securities. Of the Telshor Facility Fund portfolio, 47% was in FHLMC and 5% was in FNMA. Of the Water and Wastewater Funds portfolio, 9% was in FHLMC and 11% was in FNMA.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
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**4) Capital Assets**

Primary Government

Capital asset activity for the City's primary government for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
<i>Capital assets not being depreciated</i>					
Land and land rights	\$ 13,386,419	\$ 1,709,320	\$ -	\$ -	\$ 15,095,739
Land improvements	19,137,374	-	-	-	19,137,374
Construction in progress	<u>25,851,628</u>	<u>42,922,480</u>	<u>-</u>	<u>(37,935,625)</u>	<u>30,838,483</u>
Total capital assets not being depreciated	<u>58,375,421</u>	<u>44,631,800</u>	<u>-</u>	<u>(37,935,625)</u>	<u>65,071,596</u>
<i>Other capital assets</i>					
Buildings and building improvements	49,652,955	2,503,823	(258,671)	30,305,347	82,203,454
Leasehold improvements	3,124,131	-	-	-	3,124,131
Airport runways	11,749,939	77,508	-	9,978,392	21,805,839
Park improvements	16,558,724	2,131,710	-	(2,348,114)	16,342,320
Machinery and equipment	36,520,902	4,205,127	(725,279)	-	40,000,750
Roads network	265,877,066	10,138,087	(2,308,030)	-	273,707,123
Flood control network	<u>23,883,294</u>	<u>2,391,672</u>	<u>(148,681)</u>	<u>-</u>	<u>26,126,285</u>
Total other capital assets at cost	<u>407,367,011</u>	<u>21,447,927</u>	<u>(3,440,661)</u>	<u>37,935,625</u>	<u>463,309,902</u>
<i>Less accumulated depreciation for</i>					
Buildings and building improvements	(15,363,021)	(1,522,153)	148,493	-	(16,736,681)
Leasehold improvements	(1,081,493)	(90,018)	-	-	(1,171,511)
Airport runway	(5,138,422)	(378,985)	-	-	(5,517,407)
Park improvements	(1,399,511)	(523,930)	-	-	(1,923,441)
Machinery and equipment	(25,659,739)	(3,613,576)	458,340	-	(28,814,975)
Roads network	(113,108,010)	(7,673,335)	2,262,860	-	(118,518,485)
Flood control network	<u>(5,661,148)</u>	<u>(653,505)</u>	<u>148,681</u>	<u>-</u>	<u>(6,165,972)</u>
Total accumulated depreciation	<u>(167,411,344)</u>	<u>(14,455,502)</u>	<u>3,018,374</u>	<u>-</u>	<u>(178,848,472)</u>
Total other capital assets at historic cost, net	<u>239,955,667</u>	<u>6,992,425</u>	<u>(422,287)</u>	<u>37,935,625</u>	<u>284,461,430</u>
Governmental activities capital assets, net	<u>\$ 298,331,088</u>	<u>\$ 51,624,225</u>	<u>\$ (422,287)</u>	<u>\$ -</u>	<u>\$ 349,533,026</u>

Increases to capital assets of governmental activities include \$1,831,200 of land and related construction-in-progress that was received by the City from a real estate developer in settlement of the developer's obligations to complete certain subdivision improvements. On September 25, 2009, the City entered into a settlement agreement to resolve claims and disputes with the real estate developer regarding the developer's inability to complete these improvements. As part of the settlement, the City assumed the obligation to complete the subdivision improvements and received the capital assets. These capital assets will be liquidated to fund the construction of the subdivisions. Accordingly, the value of the capital assets received has been deferred in the statement of net assets.



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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business type activities					
<i>Capital assets not being depreciated</i>					
Land and land rights	\$ 5,559,619	\$ 1,111,109	\$ -	\$ -	\$ 6,670,728
Construction in progress	<u>13,618,270</u>	<u>8,229,118</u>	<u>-</u>	<u>(20,198,503)</u>	<u>1,648,885</u>
Total capital assets not being depreciated	<u>19,177,889</u>	<u>9,340,227</u>	<u>-</u>	<u>(20,198,503)</u>	<u>8,319,613</u>
<i>Other capital assets</i>					
Buildings and building improvements	4,543,302	-	-	-	4,543,302
Land improvements	96,655	-	-	22,902	119,557
Distribution and collection system	68,060,053	809,819	-	616,496	69,486,368
Utilities transmission	179,900,478	6,345,672	(224,657)	19,559,105	205,580,598
Machinery and equipment	<u>27,141,920</u>	<u>2,360,161</u>	<u>(814,301)</u>	<u>-</u>	<u>28,687,780</u>
Total other capital assets at cost	<u>279,742,408</u>	<u>9,515,652</u>	<u>(1,038,958)</u>	<u>20,198,503</u>	<u>308,417,605</u>
<i>Less accumulated depreciation for</i>					
Buildings and building improvements	(2,656,882)	(194,500)	-	-	(2,851,382)
Land improvements	(38,150)	(6,890)	-	-	(45,040)
Distribution and collection system	(28,413,835)	(1,352,850)	-	-	(29,766,685)
Utilities transmission	(50,960,585)	(4,714,135)	224,657	-	(55,450,063)
Machinery and equipment	<u>(18,306,708)</u>	<u>(1,996,057)</u>	<u>651,970</u>	<u>-</u>	<u>(19,650,795)</u>
Total accumulated depreciation	<u>(100,376,160)</u>	<u>(8,264,432)</u>	<u>876,627</u>	<u>-</u>	<u>(107,763,965)</u>
Total other capital assets at cost, net	<u>179,366,248</u>	<u>1,251,220</u>	<u>(162,331)</u>	<u>20,198,503</u>	<u>200,653,640</u>
Business type activities capital assets, net	<u>\$ 198,544,137</u>	<u>\$ 10,591,447</u>	<u>\$ (162,331)</u>	<u>\$ -</u>	<u>\$ 208,973,253</u>

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

**City of Las Cruces**  
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Depreciation expense was charged to functions as follows:

	Governmental Activities	Business- Type Activities
General government	\$ 384,840	\$ -
Facilities	934,934	-
Police	1,163,258	-
Fire	643,910	-
Community development	25,879	-
Public services	1,382,404	-
Public works	9,618,734	-
Gas	-	1,856,365
Water	-	2,137,367
Waste water	-	2,717,459
Solid waste	-	742,188
Other	-	521,836
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	301,543	289,217
Total depreciation expense	\$ 14,455,502	\$ 8,264,432

**City of Las Cruces**  
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Component Units

Capital asset activity for the Public Housing Authority for the year ended June 30, 2010, was as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated</i>				
Land	\$ 4,930,454	\$ 116,735	\$ (131,394)	\$ 4,915,795
Construction in progress	549,575	2,050,705	(47,691)	2,552,589
Total capital assets not being depreciated	<u>5,480,029</u>	<u>2,167,440</u>	<u>(179,085)</u>	<u>7,468,384</u>
<i>Other capital assets</i>				
Site improvements	4,845,579	495,954	(50,889)	5,290,644
Structures and improvements	25,427,265	79,771	(877,699)	24,629,337
Equipment	905,432	244,559	(61,101)	1,088,890
Total other capital assets at cost	<u>31,178,276</u>	<u>820,284</u>	<u>(989,689)</u>	<u>31,008,871</u>
<i>Less accumulated depreciation for</i>				
Site improvements	(2,060,941)	(234,686)	12,728	(2,282,899)
Structures	(7,613,435)	(479,069)	234,773	(7,857,731)
Equipment	(342,657)	(248,582)	61,101	(530,138)
Total accumulated depreciation	<u>(10,017,033)</u>	<u>(962,337)</u>	<u>308,602</u>	<u>(10,670,768)</u>
Total other capital assets at cost, net	<u>21,161,243</u>	<u>(142,053)</u>	<u>(681,087)</u>	<u>20,338,103</u>
<b>Total capital assets, net</b>	<u>\$ 26,641,272</u>	<u>\$ 2,025,387</u>	<u>\$ (860,172)</u>	<u>\$ 27,806,487</u>

During 2010, a component unit of the Public Housing Authority discovered that previously purchased capital assets were not reported in the prior year financial statements. As a result, beginning balances of capital assets, related long-term debt and net assets reported in the statement of activities have been restated as follows:

	As Previously Reported	Restatement	As Restated
Capital assets	\$ 25,968,057	\$ 673,215	\$ 26,641,272
Long-term debt	(10,177,832)	(675,000)	(10,852,832)
Other assets and liabilities, net	3,889,046	6,612	3,895,658
Equity	(19,679,271)	(4,827)	(19,684,098)

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Capital asset activity for SCSWA for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets not being depreciated			
Land	\$ 807,276	\$ -	\$ 807,276
Landfill cell/site - construction in progress	1,930,773	152,724	2,083,497
Total capital assets not being depreciated	<u>2,738,049</u>	<u>152,724</u>	<u>2,890,773</u>
Other capital assets			
Buildings	4,241,248	-	4,241,248
Equipment	6,141,794	1,341,898	7,483,692
Infrastructure	1,056,988	-	1,056,988
Landfill cell/site	4,523,315	-	4,523,315
Total other capital assets at cost	<u>15,963,345</u>	<u>1,341,898</u>	<u>17,305,243</u>
<i>Less accumulated depreciation for</i>			
Buildings	1,694,646	170,568	1,865,214
Equipment	3,832,915	916,214	4,749,129
Landfill cell/site	4,180,742	94,082	4,274,824
Infrastructure	317,097	26,424	343,521
Total accumulated depreciation	<u>10,025,400</u>	<u>1,207,288</u>	<u>11,232,688</u>
Total other capital assets at cost, net	<u>5,937,945</u>	<u>134,610</u>	<u>6,072,555</u>
Total capital assets, net	<u>\$ 8,675,994</u>	<u>\$ 287,334</u>	<u>\$ 8,963,328</u>

**5) Receivables and Payables**

Governmental activities receivables are as follows at June 30, 2010:

	General Fund	Sonoma Ranch	Telshor Facility	Las Cruces Convention Center	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	\$ 635,119	\$ -	\$ -	\$ -	\$ 1,451,951	\$ 13,676	\$ 2,100,746
Dockets	5,718,158	-	-	-	1,151,892	-	6,870,050
Interest	-	1,221,427	8,611	-	1,032,430	-	2,262,468
Contracts	-	-	-	-	1,044,378	-	1,044,378
Special assessments	-	7,410,178	-	-	-	-	7,410,178
Less: allowance for doubtful accounts	<u>(5,391,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(947,340)</u>	<u>-</u>	<u>(6,338,340)</u>
Total governmental receivables	<u>\$ 962,277</u>	<u>\$ 8,631,605</u>	<u>\$ 8,611</u>	<u>\$ -</u>	<u>\$ 3,733,311</u>	<u>\$ 13,676</u>	<u>\$ 13,349,480</u>

**City of Las Cruces**  
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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. The City entered into a settlement agreement to resolve all claims and disputes with a real estate developer regarding the developer's obligations to complete certain subdivision improvements. The City received a promissory note from the developer for \$1,098,800, to be paid with interest over ten years. The receivable from the developer is included in other governmental accounts receivable. See further information at Note 4.

Business-type activities receivables are as follows at June 30, 2010:

	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
Gas	\$ 4,695,575	\$ (1,269,762)	\$ 3,425,813
Water	2,226,818	(619,489)	1,607,329
Wastewater	1,485,854	(536,909)	948,945
Solid waste	1,674,629	(533,625)	1,141,004
Other enterprise funds	3,992	-	3,992
Internal service funds	5,818	-	5,818
Total business-type activities receivables	<u>\$ 10,092,686</u>	<u>\$ (2,959,785)</u>	<u>\$ 7,132,901</u>

Governmental activities accounts payable and accrued liabilities at June 30, 2010, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payables and Accrued Liabilities
General Fund	\$ 2,180,561	\$ 2,123,696	\$ 4,304,257
Telshor Facility	106,193	-	106,193
Las Cruces Convention Center	3,538,008	-	3,538,008
Other governmental	3,581,360	127,902	3,709,262
Internal service funds	245,858	50,648	296,506
Total governmental activities payables and accrued liabilities	<u>\$ 9,651,980</u>	<u>\$ 2,302,246</u>	<u>\$11,954,226</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
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Business-type activities accounts payable and accrued liabilities at June 30, 2010, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Accounts Payables and Accrued Liabilities
<i>Business-type activities</i>					
Gas	\$ 705,034	\$ 136,926	\$ -	\$ 175,135	\$ 1,017,095
Water	573,874	117,216	175,600	82,530	949,220
Wastewater	989,805	120,610	128,321	62,765	1,301,501
Solid waste	29,874	59,302	12,919	77,323	179,418
Other enterprise funds	11,522	75,774	-	-	87,296
Internal service funds	119,808	46,354	-	-	166,162
Total business-type activities payables and accrued liabilities	<u>\$ 2,429,917</u>	<u>\$ 556,182</u>	<u>\$ 316,840</u>	<u>\$ 397,753</u>	<u>\$ 3,700,692</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**  
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Self-insurance premiums and program costs (claims, fees, and transfers to other funds, less reimbursed expenses) were:

	2010	2009
Health program costs	\$ 59,227	\$ 58,814
Workers' compensation premiums	(2,484,438)	(3,106,599)
Workers' compensation program costs	2,283,734	2,313,978
Liability insurance premiums	(2,382,842)	(1,019,751)
Liability program costs	1,125,960	1,187,645
Unemployment insurance premiums	(145,648)	(160,272)
Unemployment program costs	227,374	116,357
Judgments insurance premiums	(500,000)	(400,000)
Judgments program costs	539,962	484,813
Total premiums	\$ (5,512,928)	\$ (4,686,622)
Total program costs	\$ 4,236,257	\$ 4,161,607

Changes in the insurance fund's claims liabilities were:

	2010	2009
Claims liabilities, beginning of year	\$ 6,917,613	\$ 6,349,019
Current year claims and changes in estimates	4,236,257	4,161,607
Payment of claims liabilities	<u>(3,792,265)</u>	<u>(3,593,013)</u>
Claims liabilities, end of year	<u>\$ 7,361,605</u>	<u>\$ 6,917,613</u>

**City of Las Cruces**  
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**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					
Tax revenue bonds	\$ 48,950,000	\$ -	\$ 4,805,000	\$ 44,145,000	\$ 4,485,000
Unamortized discount/premiums on sales tax revenue bonds	346,679	-	47,962	298,717	47,962
Notes payable	49,003,451	187,874	2,749,567	46,441,758	3,346,359
Capital leases	324,909	-	243,087	81,822	81,822
Pollution remediation obligation see (Note 10)	6,890,106	-	187,874	6,702,232	-
Claims and judgments	5,083,389	290,582	-	5,373,971	1,462,259
Compensated absences	2,959,447	4,163,263	4,103,062	3,019,648	594,061
	<u>113,557,981</u>	<u>4,641,719</u>	<u>12,136,552</u>	<u>106,063,148</u>	<u>10,017,463</u>
Business-type activities					
Utility revenue bonds	44,635,000	-	3,410,000	41,225,000	3,600,000
Unamortized discount on utility revenue bonds	27,375	2,628	-	30,003	-
Capital leases	65,147	-	65,147	-	-
Claims and judgments	1,834,218	153,416	-	1,987,634	540,836
Notes payable	27,486,465	-	440,158	27,046,307	451,092
Landfill closure and post-closure costs (Note 15)	1,880,000	45,000	-	1,925,000	1,295,000
Compensated absences	911,447	1,212,551	1,234,541	889,457	169,018
	<u>76,839,652</u>	<u>1,413,595</u>	<u>5,149,846</u>	<u>73,103,401</u>	<u>6,055,946</u>
Total long-term liabilities	<u>\$ 190,397,633</u>	<u>\$ 6,055,314</u>	<u>\$ 17,286,398</u>	<u>\$ 179,166,549</u>	<u>\$ 16,073,409</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 \$12.3 million while principal and interest paid were \$1,090,000 and \$204,795 for Series A and \$535,000 and \$147,215 for Series B, respectively.



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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 State of New Mexico to the City and are secured by such revenues through maturity. Such revenues totaled \$1,523,173 in 2010. Principal and interest paid on the bonds for the current year were \$365,000 and \$159,147.

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 \$31.8 million in 2010. For the current year, principal and interest paid on the bonds were \$945,000 and 198,110, 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 2010. The bond issue is secondarily secured by the environmental gross receipts tax of the City. For the current year, such pledged revenues totaled \$1,559,777 while principal and interest paid were \$660,000 and \$179,566.

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 \$6,062,097 in 2009. For the current year, principal and interest paid on the bonds were \$1,210,000 and \$1,261,443, respectively.

Tax revenue bonds payable of governmental activities are summarized as follows:

Type	Purpose	Date	Original Due	Issue	Balance Outstanding	Interest Rates %
Gross receipts tax revenue	Street projects and refunding	07/15/1999	2014	\$ 10,075,000	\$ 2,995,000	4.25–5.05
Gross receipts tax revenue	Flood control	07/15/1999	2014	7,040,000	2,420,000	4.25–5.0
Gasoline tax revenue	Street projects	12/04/2000	2016	5,110,000	2,625,000	4.8–5.5
Component unit revenue and environmental gross receipts tax	Construction of South Central Solid Waste Facilities	09/14/2004	2016	7,980,000	4,450,000	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	4,040,000	2.0–5.0
Gross receipts tax revenue		09/14/2005	2035	<u>33,000,000</u>	<u>27,615,000</u>	3.5–4.5
				<u>\$ 76,005,000</u>	<u>\$ 44,145,000</u>	

**City of Las Cruces**  
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Debt Service Requirements

Future debt service requirements for governmental activities revenue bonds are:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 4,485,000	\$ 1,944,401	\$ 6,429,401
2012	4,710,000	1,753,657	6,463,657
2013	4,255,000	1,551,603	5,806,603
2014	4,200,000	1,364,486	5,564,486
2015	4,705,000	1,166,490	5,871,490
2016–2020	6,930,000	3,867,900	10,797,900
2021–2025	3,905,000	2,947,963	6,852,963
2026–2030	4,850,000	2,034,294	6,884,294
2031–2035	6,105,000	849,375	6,954,375
	<u>\$ 44,145,000</u>	<u>\$ 17,480,169</u>	<u>\$ 61,625,169</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 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	\$ 1,420,000
Sales Tax, Series 1991	835,000
Sales Tax, Series 1995	<u>34,380,000</u>
	<u>\$ 36,635,000</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

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liabilities in the accompanying financial statements. As of June 30, 2010, there were five series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$34,187,730.

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, 2010.

Governmental Activities Notes Payable

Details of governmental activities notes payable are:

Type	Purpose	Original Date	Due Date	Issue	Outstanding	Interest Rates %
2006 NMFA Note	Street and arroyo improvements	12/16/2006	2021	\$ 9,985,448	\$ 8,054,432	3.904
2006 NMFA Note	Public works equipment	11/10/2006	2014	1,865,251	1,069,131	3.657
2006 NMFA Note	Fire apparatus	11/10/2006	2014	816,777	467,750	3.614
2007 NMFA Note	Convention center	10/19/2007	2032	27,361,565	25,652,213	4.487
2007 NMFA Note	Street improvements	11/16/2007	2017	3,590,000	1,580,000	3.869
2007 NMFA Note	Patch and bucket truck	11/16/2007	2015	336,232	232,770	3.8
2007 NMFA Note	Fire pumper truck	11/16/2007	2016	896,598	696,351	3.661
2008 NMFA Note	Flood control	12/23/2008	2016	4,563,829	3,751,237	3.197
2009 NMFA Note	Parking deck	1/23/2009	2021	4,999,890	4,750,000	4.829
2010 NMFA Note	Griggs Walnut	1/18/2008	2011	187,874	187,874	2.00
				<u>\$54,603,464</u>	<u>\$46,441,758</u>	

2007 NMFA–Fire Truck and 2007 NMFA Convention Center are secured through maturity by fire protection fund revenues and convention center customer fee and lodgers’ tax revenues, respectively, which totaled \$2.9 million in 2010. Principal and interest paid for the current year were \$805,896 and \$1,121,718, respectively. The 2010 NMFA Griggs Walnut note is secured by the 2000 gross receipts tax revenues. The remaining notes payable in the table above are secured through maturity by certain gross receipts tax revenues which generated \$12.5 million in 2010, \$6.0 million from 1980 Gross Receipt Tax and \$6.4 million from 1990 Gross Receipt Tax at a percentage of ¼. Principal and interest paid on the notes in the current year were \$1,943,671 and \$830,985, respectively.

**City of Las Cruces**  
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Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 3,346,359	\$ 1,938,838	\$ 5,285,197
2012	3,237,924	1,829,583	5,067,507
2013	3,327,341	1,709,205	5,036,546
2014	3,421,796	1,581,206	5,003,002
2015	3,101,310	1,451,614	4,552,924
2016–2020	11,987,846	5,563,586	17,551,432
2021–2025	7,086,154	3,417,718	10,503,872
2026–2030	7,447,064	1,879,375	9,326,439
2031–2032	3,485,964	245,879	3,731,843
	<u>\$ 46,441,758</u>	<u>\$ 19,617,004</u>	<u>\$ 66,058,762</u>

Joint Utility Revenue Bonds

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.

In 2009, the City issued \$17.6 million in joint utility refunding revenue bonds (Series 2009) to defease \$18.2 million of outstanding 1997 Series bonds and refund \$2.0 million of outstanding 2000 Series bonds. These monies contemporaneously funded a reserve account for the Series 2009 Bonds and paid all costs and expenses pertaining to their issuance.

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Joint utility revenue bonds are summarized as follows as of June 30, 2010:

Purpose	Issue Date	Due	Original Issue	Outstanding	Interest Rates %
Series 2005					
system expansion	7/13/2005	2025	\$ 11,050,000	\$ 9,685,000	3.5–4.125
Series 2006					
system rehabilitation	8/29/2006	2026	17,575,000	16,200,000	4.2–4.6
Series 2009					
refunding bond	4/14/2009	2016	<u>17,575,000</u>	<u>15,340,000</u>	2.75-3
			<u>\$ 46,200,000</u>	<u>\$ 41,225,000</u>	

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

Year	Principal	Interest	Total
2011	\$ 3,600,000	\$ 1,515,054	\$ 5,115,054
2012	3,720,000	1,393,579	5,113,579
2013	3,845,000	1,268,029	5,113,029
2014	3,965,000	1,151,748	5,116,748
2015	4,080,000	1,028,760	5,108,760
2016–2020	10,770,000	3,553,875	14,323,875
2021–2025	9,875,000	1,634,224	11,509,224
2026	1,370,000	63,020	1,433,020
	<u>\$ 41,225,000</u>	<u>\$ 11,608,289</u>	<u>\$ 52,833,289</u>

The 2005, 2006, and 2009 revenue bond ordinances provide that the net revenue of the City’s utility systems shall be at least 125% of the maximum outstanding debt requirements for the utility system. 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,

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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, 2010, exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate fund.

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.

Bond covenants require reporting of the number of utility customers served, which were as follows for the year ended June 30, 2010:

	Water	Wastewater	Gas	Solid Waste
Residential	28,332	28,654	28,951	28,769
Commercial/other	2,917	2,213	2,589	2,987
Total	31,249	30,867	31,540	31,756

**Business-Type Activities Notes Payable**

The notes payable of the business-type activities are paid from the net revenues of the utility 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.

**City of Las Cruces**  
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Details of business-type activities notes payable are:

Type	Purpose	Original Date	Balance Due	Issue	Outstanding	Interest Rates %
2003 NMFA Note	Well 46 project	8/01/2003	2013	\$ 222,222	\$ 75,291	.88 - 3.49
2005 NMFA Note	Roughing filters	10/18/2004	2024	419,480	325,620	1.26-4.51
2005 NMFA Note	Manholes	1/7/2005	2024	278,713	216,562	1.26 - 4.51
2006 NMFA Note	Well improvements	5/25/2006	2026	268,552	230,902	3.14-3.99
2007 NMFA Note	Water tank	7/6/2007	2027	2,139,117	2,131,681	3.37-3.75
2007 NMFA Note	Recycling program	7/6/2007	2015	1,111,112	754,809	3.54-3.75
2007 NMFA Note	Water reclamation	7/6/2007	2027	6,311,058	6,289,119	3.37-3.75
2007 NMFA Note	Water reclamation Phase II	12/21/2007	2027	3,139,919	3,129,315	3.4-4.53
2007 NMFA Note	Water system improvement	12/21/2007	2027	12,483,206	12,441,050	3.4-4.53
2008 NMFA Note	Vehicle Maintenance Shop	9/12/2008	2018	1,708,755	1,451,958	1.9-3.85
				<u>\$ 28,082,134</u>	<u>\$ 27,046,307</u>	

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

Year Ending June 30,	Principal	Interest	Total
2011	\$ 451,093	\$ 1,141,399	\$ 1,592,492
2012	463,050	1,126,705	1,589,755
2013	475,865	1,111,126	1,586,991
2014	462,607	1,094,730	1,557,337
2015	476,003	1,078,408	1,554,411
2016–2020	8,255,845	4,781,854	13,037,699
2021–2025	11,309,558	2,686,695	13,996,253
2026–2027	5,152,286	349,868	5,502,154
	<u>\$ 27,046,307</u>	<u>\$ 13,370,785</u>	<u>\$ 40,417,092</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
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Capital Leases

The City is obligated under certain leases accounted for as capital leases. Significant capital lease commitments at June 30, 2010, are as follows.

Description	Cost	Lease Term	Date
ALF 148 pump truck	\$ 295,062	108 months	October 2001
ALF 148 pump truck	<u>295,062</u>	108 months	October 2001
	<u>\$ 590,124</u>		

As of June 30, 2010, future minimum lease payments on the above capital leases are as follows:

Year Ending June 30,	Amount
2011	<u>\$ 86,724</u>
Total minimum payments	86,724
Less: interest	<u>(4,902)</u>
Present value of net minimum lease payments	<u>\$ 81,822</u>

Depreciation expense on the above leased equipment was \$65,624 for the year ended June 30, 2010, and accumulated depreciation was \$508,094 as of year-end.

The pump trucks listed in the preceding table are being leased from the Mercedes Benz Credit Corporation. 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.



**City of Las Cruces**  
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Component Units

Changes in long-term debt for the Housing Authority during the year ended June 30, 2010, are as follows:

Description	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amount Due Within One Year
LCHDC Mortgage					
Revenue Bond (Series 2005)	\$ 2,248,040	\$ -	\$ 166,036	\$ 2,082,004	\$ 176,652
Note payable - Gallup Federal					
Savings Bank	386,777	-	14,988	371,789	16,731
Note payable - Wells Fargo Bank	351,337	-	10,703	340,634	12,145
Note payable - First Federal Bank	268,148	-	8,747	259,401	9,492
Note payable - Firstlight Federal					
Credit Union	129,791	-	1,453	128,338	1,748
Loan agreements	<u>7,468,739</u>	<u>2,637,158</u>	<u>245,767</u>	<u>9,860,130</u>	<u>1,216,740</u>
Total	<u>\$ 10,852,832</u>	<u>\$ 2,637,158</u>	<u>\$ 447,694</u>	<u>\$ 13,042,296</u>	<u>\$ 1,433,508</u>

Beginning balances of long-term debt have been restated as described in Note 4.

Changes in long-term liabilities of SCSWA for the year ended June 30, 2010, are as follows:

	Balances June 30, 2009	Increases	Decreases	Balances June 30, 2010	Amount Due Within One Year
Long-term debt					
Due to City of Las Cruces	\$ 4,312,000	\$ -	\$ 660,000	\$ 3,652,000	\$ 680,000
Other noncurrent liabilities					
Estimated landfill closure/ post-closure liability	1,750,880	-	86,420	1,664,460	-
Compensated absences	<u>85,262</u>	<u>56,743</u>	<u>4,712</u>	<u>137,293</u>	<u>27,459</u>
	<u>\$ 6,148,142</u>	<u>\$ 56,743</u>	<u>\$ 751,132</u>	<u>\$ 5,453,753</u>	<u>\$ 707,459</u>

**City of Las Cruces**  
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**8) Interfund Assets, Liabilities and Transfers**

Primary Government

Governmental interfund receivables and payables as of June 30, 2010, are as follows:

	Interfund Receivable	Interfund Payable	Total
<b>Governmental activities</b>			
<i>General fund</i>			
Nonmajor governmental funds	\$ 11,842,033	\$ -	
Las Cruces Convention Center Fund	99,790	-	\$ 11,941,823
<i>Las Cruces Convention Center Fund</i>			
		(99,790)	(99,790)
General fund	-	(11,842,033)	(11,842,033)
Total governmental activities	\$ 11,941,823	\$ (11,941,823)	\$ -

Business-Type Activities

Business-type activities receivables and payables as of June 30, 2010, are as follows:

	Interfund Receivable	Interfund Payable	Total
<b>Business-type activities</b>			
<i>Major enterprise funds</i>			
Gas Fund	\$ 857,035	\$ -	\$ 857,035
Solid Waste Fund	-	(212,500)	(212,500)
Water Fund	-	(1,534,900)	(1,534,900)
Waste Water Fund	890,365	-	890,365
Total business-type activities	\$ 1,747,400	\$ (1,747,400)	\$ -

Interfund Transfers

Interfund transfers for the year ended June 30, 2010, consisted of the following:

Transfers to general fund from		
Nonmajor governmental funds		\$ 2,193,771
Internal service funds		940,712
Total transfers to the general fund		\$ 3,134,483
Transfers to nonmajor governmental funds from		
General fund		\$ 7,628,472
Telshor fund		300,000
Nonmajor governmental funds		8,656,528
Total transfers to the nonmajor governmental funds		\$ 16,585,000

**City of Las Cruces**  
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Transfers to the waste water fund from	
Nonmajor governmental funds	\$ 796,279
Total transfers to the waste water fund	<u>\$ 796,279</u>
Transfers to the water fund from	
Nonmajor governmental funds	\$ 229,995
Total transfers to the water fund	<u>\$ 229,995</u>
Transfers to nonmajor enterprise funds from	
General fund	\$ 1,266,417
Gas fund	54,400
Nonmajor governmental funds	<u>1,071,752</u>
Total transfers to the nonmajor enterprise funds	<u>\$ 2,392,569</u>
Transfers to internal service funds from	
General fund	\$ 1,886,729
Total transfers to internal service funds	<u>\$ 1,886,729</u>
Transfers from the general fund to	
Nonmajor governmental funds	\$ (7,628,472)
Nonmajor enterprise funds	(1,266,417)
Internal service funds	<u>(1,886,729)</u>
Total transfers from the general fund	<u>\$ (10,781,618)</u>
Transfers from the Telshor fund to	
Nonmajor governmental funds	\$ (300,000)
Total transfers from the general fund	<u>\$ (300,000)</u>
Transfers from nonmajor governmental funds to	
General fund	\$ (2,193,771)
Nonmajor governmental funds	(8,656,528)
Waste water fund	(796,279)
Water fund	(229,995)
Nonmajor enterprise funds	<u>(1,071,752)</u>
Total transfers from the nonmajor governmental funds	<u>\$ (12,948,325)</u>
Transfers from the gas fund to	
Nonmajor enterprise funds	\$ (54,400)
Total transfers from the gas fund	<u>\$ (54,400)</u>
Transfers from the internal service funds to	
General fund	\$ (940,712)
Total transfers from the internal service funds	<u>\$ (940,712)</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.

**City of Las Cruces**  
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Component Units

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

	December 31, 2010				Total
	Montana Senior Village, LLC	Montana Senior Village II	Stone Mountain Place LP	Falcon Ridge LP	
Payables to Housing Authority	\$ 677,966	\$ 1,483,940	\$ 247,574	\$ 124,676	\$ 2,534,156
Receivable from component units, net					1,377,130
Total internal balances					\$ (1,157,026)

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

**9) Downtown Tax Increment Development District (TIDD)**

In December of 2007, Las Cruces formed New Mexico's first Tax Increment Development District (TIDD) for downtown revitalization. The Downtown TIDD is defined by certain geographic boundaries, and receives an incremental portion of the City's property tax and gross receipts tax collected in this geographic area. The State of New Mexico also contributes a portion of the gross receipts tax that it collects in the TIDD area to the fund.

Tax revenues allocated to the TIDD are to be used for public improvements and revitalization of the downtown area of the City of Las Cruces. Projects to be supported by TIDD funds include pedestrian safety improvements, roadways, street lighting, and landscaping.

In fiscal year 2010 the City's General Fund advanced \$1 million to the TIDD to begin reconstruction of Main Street. The loan is expected to be repaid during fiscal year 2011.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
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**10) 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 may result in 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 balances available in the self-insurance fund are sufficient to settle such lawsuits. Management is not aware of any other pending or threatened litigation that would adversely affect the City's financial position.

**11) 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 had 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	\$ 5,151,978	\$ 2,575,989
Operating costs	1,459,664	729,832
Completion costs	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). The pollution remediation obligation is an estimate and is subject to revision because of the price increases or reductions, changes in technology or changes in applicable laws or regulations.

**City of Las Cruces**  
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The City and County each received a \$3.5 million loan from the New Mexico Finance Authority (NMFA) to cover some of the costs of the pollution remediation project. No debt service payments are required on these loans until funds have been drawn for project costs. As of June 30, 2010, project costs of \$187,874 had been funded using loan proceeds. The City and County also received \$243,000 in grant funds from the New Mexico Environment Department to fund design and engineering related to the project. As of June 30, 2010, \$75,978 of the grant had been spent and \$167,022 is available for future spending.

The pollution remediation liability could be reduced in subsequent years by the sale of potable water, a by-product of the remediation process, to cover operating and administrative costs. Additionally, EGRT funds may be used for this project.

The construction of the remediation plant is expected to be completed in fiscal year 2011.

**12) 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 623 active participants in the plan as of June 30, 2010.

**13) 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

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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.

*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:

	<u>City</u>	<u>Employees</u>
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%.

**City of Las Cruces**  
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Contribution requirements for the years ended are as follows:

	City	Employee	Total	Percentage Contributed
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 30, 2008	5,870,954	6,776,110	12,647,064	100%
June 30, 2009	6,279,412	7,252,412	13,531,824	100%
June 30, 2010	6,237,934	7,177,733	13,415,667	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.

The payroll for the City's employees covered by PERA for the year ended June 30, 2010, was \$51,433,349; the total payroll of all employees of the City was \$54,073,424.

**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.



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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:

2010	\$ 702,959
2009	692,566
2008	652,275

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.

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

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

Fund	Deficit Fund Balance
TIDD Dedicated Revenues	\$ 259,063
Judicial Education	5,075

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

**City of Las Cruces**  
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The following funds over-expended budgeted amounts as follows:

Fund	Total Budgeted Expenditures	Actual Expenditures	Amount Over- Expended
Gasoline Tax Street Maintenance	\$ 597,228	\$ 622,552	\$ (25,324)
Public Safety Gross Receipts Tax	3,130,699	3,169,205	(38,506)
TIDD Dedicated Revenues	4,163	11,048	(6,885)
Transit	4,157,100	4,193,794	(36,694)
Alternative Fuel Station	-	28,981	(28,981)

**15) Landfill Closure and Post-Closure 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 post-closure 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 post-closure care liability is reported as \$1,925,000 as of the year ended June 30, 2010. Actual closure and post-closure care costs may be higher due to inflation, changes in technology, or changes in regulations. The liability reported reflects an increase in the estimate of total closure and post-closure costs of \$45,000 during the year ended June 30, 2010.

The City enacted a 1/16<sup>th</sup> cent environmental gross receipts tax that became effective January 1, 1995, to raise funds for environmental costs such as for landfill closure and post-closure care. The landfill closure was not funded from the EGRT fund during the year due to additional revenues from landfill charges and investment income.

**City of Las Cruces**  
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**16) 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.

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.

**City of Las Cruces**  
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Development impact fee activity for the year ended June 30, 2010, is shown below. Unspent fees collected in previous years are available for expenditure in the current fiscal year.

**Parks Impact Fees**

Impact fees collected	\$ 262,079
Investment income	31,824
Expenditures	<u>(276,127)</u>
Net Parks Impact Fees	<u>\$ 17,776</u>

**Water Impact Fees**

Impact fees collected	\$ 2,943,499
Investment income	111,762
Expenditures	<u>(2,547,193)</u>
Net Water Impact Fees	<u>\$ 508,068</u>

**Wastewater Impact Fees**

Impact fees collected	\$ 1,087,156
Investment income	211,372
Expenditures	<u>(3,099,377)</u>
Net Wastewater Impact Fees	<u>\$ (1,800,849)</u>

**Total Impact Fees**

Impact fees collected	\$ 4,292,734
Investment income	354,958
Expenditures	<u>(5,922,697)</u>
Net Total Impact Fees	<u>\$ (1,275,005)</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
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**17) Major Construction Commitments**

The City has the following construction commitments as of June 30, 2010. 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	\$ 403,709	\$ 5,498	\$ 398,211	Gas Utility Rates
Gas High Pressure Lines	Gas Capital Improvements	91,465	11,912	79,552	Gas Utility Rates
Water Production Projects	Water Capital Improvements	501,987	427,783	74,204	Water Utility Rates
Water Street Utility Rehabilitation	Water Capital Improvements	338,956	13,885	325,071	Water Utility Rates
Water Transmission Lines West Mesa	Water 2005A Bond Projects	735,714	591,182	144,533	Water Development Impact Fees
Water Jornada Reservoir	Water NMFA Loan Projects	102,897	42,864	60,033	2007 NMFA Loan
South Jornada Water System Phase II	Water NMFA Loan Projects	1,389,391	1,327,568	61,822	2007 NMFA Loan
Wastewater Lift Station Renovation	Wastewater Capital Improvements	650,572	482,711	167,861	Wastewater Utility Rates
Wastewater Treatment Plant Sludge Process	Wastewater Development	770,175	624,750	145,425	Wastewater Development Impact Fees
Wastewater New Interceptors	Wastewater Development	149,502	-	149,502	Wastewater Development Impact Fees
Wastewater Street Utility Rehabilitation	Wastewater Capital Improvements	384,613	38,153	346,460	Wastewater Utility Rates
Wastewater Treatment Plant Sludge Compost	Wastewater Capital Improvements	175,365	59,539	115,826	Wastewater Utility Rates
Wastewater Water Reclamation Project	Wastewater Capital Improvements	143,811	85,983	57,828	Wastewater Utility Rates
Wastewater Street Utility Rehabilitation	Wastewater 2006 Bond Rehab Projects	179,192	79,738	99,455	2006 Joint Utility Bond
Solid Waste Recycling Repurpose Project	Solid Waste NMFA Loan Projects	130,179	-	130,179	2007 NMFA Loan
		<u>6,147,528</u>	<u>3,791,566</u>	<u>2,355,962</u>	
<b>Capital Projects Funds</b>					
Skeet And Trap Range 2009	State Grant Park/Land	65,000	24,651	40,349	State Legislative Grants
Fire Apparatus NMFA 2010	NMFA Equipment Acquisition	877,888	-	877,888	NMFA Loan
Las Cruces Convention Center-NMFA	Convention Center	25,000,000	17,137,053	7,862,947	NMFA Loan
Downtown Plaza	State Grant Park/Land	830,000	201,537	628,463	State Legislative Grants
Downtown Plaza 2009	State Grant Park/Land	295,000	141,049	153,951	State Legislative Grants
Downtown Plaza-La Placita Phase 1	State Grant Park/Land	2,909	-	2,909	State Legislative Grants
Downtown North Main Street	GRT Street Maintenance	131,392	-	131,392	GRT Tax
Downtown North Main Street	NMFA Streets 2007	250,000	-	250,000	NMFA Loan
Downtown North Main Street	TIDD Street Projects	1,300,643	-	1,300,643	TIDD Street Projects
Downtown North Main Street	Flood Control	564,631	-	564,631	Property Tax
La Casa Shelter 2009	Facilities State Grants	91,478	2,332	89,146	State Legislative Grants
La Casa Renovation 2009	Facilities State Grants	52,208	-	52,208	State Legislative Grants
Museum Of Natural History Trackway	Facilities State Grants	100,000	48,633	51,367	State Legislative Grants
Museum Of Natural History 2008	Facilities State Grants	178,000	166,675	11,325	State Legislative Grants
Amador Museum 2008	Facilities State Grants	114,000	96,389	17,611	State Legislative Grants
Police/Fire Training Facility	Facilities State Grants	100,000	69,390	30,610	State Legislative Grants
La Piñon Ctr. For Sexual Assault	Facilities State Grants	41,900	30,962	10,938	State Legislative Grants
East Side Sr Ctr Bldg Imprv 06-4810	Facilities State Grants	18,000	-	18,000	State Legislative Grants
Flood Control D-Firm	Flood Control	7,267	-	7,267	Property Tax
Sandhill Arroyo Modification	NMFA Flood Control	338,959	-	338,959	NMFA Loan
Rinconada Blvd - Nrise Traffic Sig	NMFA Street Projects 2006	256,000	35,632	220,368	NMFA Loan
Solano Drive ADA Improvements 2010	GRT Street Maintenance	25,000	-	25,000	GRT Tax
Museum Of Nature & Science	Federal Stimulus Capital Pr	888,000	-	888,000	Federal Grant
City Hall Parking Deck	NMFA Parking Deck	4,903,890	4,770,292	133,598	NMFA Loan
New City Hall Complex It Facilities	Facilities General Fund	750,000	652,218	97,782	NMFA Loan
City Hall Complex It Infrastructure	Facilities General Fund	128,728	8,928	119,800	NMFA Loan
Mesilla Park Community Center Impro	Facilities State Grants	50,000	49,333	667	State Legislative Grants
Mesilla Park Rec Center 2008	Facilities State Grants	52,019	12,113	39,906	State Legislative Grants
Indoor Swimming Pool 06-1608	Facilities State Grants	3,740,000	3,357,747	382,253	State Legislative Grants
Las Cruces Aquatic & Rec Center 09	Facilities State Grants	158,309	36,831	121,478	State Legislative Grants
Branigan Library Expansion	Facilities State Grants	544,500	106,184	438,316	State Legislative Grants
Branigan Library Children's Wing 08	Facilities State Grants	123,750	33,197	90,553	State Legislative Grants
Veterans' Memorial Wall Phase 2	State Grant Park/Land	136,000	130,163	5,837	State Legislative Grants
Veterans' Memorial Wall Phase 2	State Grant Park/Land	20,000	19,142	858	State Legislative Grants
Burn Lake Complex 2003 Bond	GRT Bond Facilities/Parks	27,721	-	27,721	Bond Proceeds
Burn Lake 2005 Bond	GRT Bond Public Imprvments	504,490	104,491	399,999	Bond Proceeds
Fire/Police Train FAC 2005 Bond	GRT Bond Public Imprvments	169,683	-	169,683	Bond Proceeds
Airprt Impr GRT Runway 12-30 Rehab	Airport Improvements	610,801	601,450	9,351	Airport Improvements
Airport Runway 12-30 Reconstruction	Airport Improvements	2,733,661	2,336,287	397,374	Airport Improvements
Weather Station	Airport Improvements	23,828	-	23,828	Airport Improvements
Calico/Central Drainage Channel	NMFA Flood Control	31,353	26,068	5,285	NMFA Loan
Flood Control Infrastructure 2009	Flood Control	207,509	136,802	70,707	Property Tax
Waterfalls Regional Pond 2009	NMFA Flood Control	3,337,386	3,217,210	120,176	NMFA Loan
Del Rey American Recovery Act	Flood Control	54,315	7,446	46,869	Property Tax

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Del Rey American Recovery Act	State Stimulus Capital Pr	2,000,000	599,756	1,400,244	State Legislative Grants
Union Ave/Stern Drive Intersection	State Grant Street Imprv	40,500	-	40,500	State Legislative Grants
Street Lighting Projects	State Grant Street Imprv	592,000	581,720	10,280	State Legislative Grants
NMFA- Sonoma Ranch Blvd	NMFA Street Projects 2006	3,392,262	3,391,073	1,189	NMFA Loan
NMFA-S. Fork Arroyo Channel Improve	NMFA Street Projects 2006	619,414	42,315	577,099	NMFA Loan
NMFA-S. Fork Arroyo Crossing	NMFA Street Projects 2006	181,964	82,226	99,738	NMFA Loan
NMFA-El Molino Phase V	NMFA Streets 2007	510,910	-	510,910	NMFA Loan
NMFA-ADA Improvements Solono Drive	NMFA Streets 2007	19,833	8,795	11,038	NMFA Loan
Telshor-Lohman Ave Intersec Improve	GRT Street Maintenance	8,738	-	8,738	GRT Tax
Telshor-Lohman Ave Intersec Improve	State Grant Street Imprv	3,705,000	2,052,435	1,652,565	State Legislative Grants
Amador Avenue Reconstruction Map	GRT Street Maintenance	125,000	-	125,000	GRT Tax
Amador Avenue Reconstruction Map	State Grant Street Imprv	228,000	-	228,000	State Legislative Grants
Amador Avenue Reconstruction Map	Flood Control	55,512	-	55,512	Property Tax
		<u>61,315,351</u>	<u>40,318,525</u>	<u>20,996,826</u>	
		<u>\$ 67,462,879</u>	<u>\$ 44,110,091</u>	<u>\$ 23,352,788</u>	

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

The City is a participant in the following seven 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, 2010.

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.

**City of Las Cruces**  
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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, 2010.

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 serves as the fiscal agent for the organization. The City maintains all fiscal records in accordance with generally accepted accounting principles.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

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 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 \$83,990 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 2010, the City of Las Cruces and Dona Ana County paid approximately \$2.4 million and \$850,250, respectively, to SCSWA for services provided.

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**  
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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 \$3,055,886 in 2010 and \$3,654,847 in 2009. Additionally, the Association had gas sales of \$492,385 and \$469,258 to the Village of Hatch during the years ended June 30, 2010 and 2009, respectively. The City accounts for it in an agency fund.

The Association's financial statements for the fiscal year ended June 30, 2010, have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of operations.

Effective July 6, 2010, the governing bodies of the Village of Hatch and the City of Las Cruces adopted resolutions reorganizing the Rio Grande Natural Gas Association. The Village of Hatch remains a member and has 100% ownership interest in the Association and the City of Las Cruces remains a regulatory member only with no ownership interest in the Association. As part of the reorganization, the City of Las Cruces will receive certain utility system assets from the Association and assume responsibility for providing gas service to certain customers currently served by the Association.

The Association's Board of Directors signed a resolution on August 24, 2010 approving the sale of certain utility system assets to Zia Natural Gas Company subject to approval by the New Mexico Public Regulation Commission. Subsequent to the sale, the Board of Directors plans to dissolve the Rio Grande Natural Gas Association.

Animal Service Center of the Mesilla Valley

Animal Service Center of the Mesilla Valley was formed through a joint powers agreement (JPA) between the City of Las Cruces and Dona Ana County. The JPA provides for a governing board for the Authority, with the City of Las Cruces serving as fiscal agent. The operations of the Authority began in February 2009. The City accounts for it in an agency fund.

It is the mission of the center to provide safe shelter for all lost, mistreated, and abandoned animals of the Mesilla Valley and surrounding communities.

The ASCMV is governed by a Board that consists of six members and two ex-officio members. Three members are appointed from the City Council by the Mayor with the advice and consent of the City Council. Three members are appointed from the County Commission by the Chair with the advice and consent of the County Commission. The two ex-officio members are the City Manager and the County Manager, or their designees.

ASCMV receives funding from members of the joint powers agreement. During fiscal year 2010, ASCMV received \$802,151 from the City of Las Cruces and \$848,365 from Dona Ana County.

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

**19) 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, 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>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

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 2010 was \$139,485.

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.

**20) Internal Service Fund Allocations**

The City allocates its internal service funds between governmental and business-type activities based on the utilization of these internal service funds. The allocation of the net assets of internal service funds to governmental activities is:

Net assets, beginning balance		\$ 3,946,619
Revenues less eliminations	\$ 7,229,825	
Expenses less eliminations	(7,738,795)	
Other financing sources	<u>1,066,246</u>	
Change in net assets		<u>557,276</u>
Net assets, ending balance		<u>\$ 4,503,895</u>

The allocation of the net assets of internal service funds to business-type activities is:

Net assets, beginning balance		\$ 2,423,381
Revenues less eliminations	\$ 5,508,964	
Expenses less eliminations	(5,794,288)	
Other financing sources	<u>156,739</u>	
Change in net assets		<u>(128,585)</u>
Net assets, ending balance		<u>\$ 2,294,796</u>

**City of Las Cruces**  
**Notes to Basic Financial Statements**  
**June 30, 2010**

Total net assets of the City's internal service funds are:

Governmental activities allocation	\$ 4,503,895
Business-type activities allocation	<u>2,294,796</u>
Net assets, ending balance	<u>\$ 6,798,691</u>

**21) Subsequent Events**

Tax Refunding and Improvement Revenue Bonds

On September 28, 2010, the City issued \$16,645,000 in municipal gross receipts tax refunding and improvement revenue bonds (Series 2010A & 2010B), to redeem \$5,415,000 of outstanding 1999A & 1999B Series bonds and \$9,634,432 of outstanding New Mexico Finance Authority loans and fund \$3,000,000 in new street projects. The 2010A & 2010B Series bonds are secured by, and payable from the revenues of municipal gross receipts tax. The 1999A & 1999B series bonds were called and fully discharged. The liabilities for the 1999A & 1999B series bonds and NMFA loans have been removed from the debt service fund liabilities.

On September 28, 2010, the City also issued \$24,330,000 in state shared gross receipts tax refunding revenue bonds (Series 2010), to redeem \$25,652,213 of an outstanding New Mexico Finance Authority loan. The 2010 Series bonds are secured by, and payable from the revenues of convention center, lodgers' tax revenues, and state shared gross receipts tax revenues. The liability for the outstanding New Mexico Finance Authority loan has been removed from the debt service fund liabilities.

Additional information is available in the City of Las Cruces, New Mexico Municipal Gross Receipts Tax Refunding and Improvement Revenue Bonds Series 2010A & 2010B Official Statement and State Shared Gross Receipts Tax Refunding Revenue Bonds Series 2010 Official Statement.

On September 14, 2010, the City issued \$24,840,000 in Joint Utility Refunding Revenue bonds to redeem eight outstanding New Mexico Finance Authority loans totaling \$24,839,540. The net present value savings from this refunding was \$2,649,941. Additional information is available in the City of Las Cruces, New Mexico Joint Utility Refunding Revenue Bonds Series 2010 Official Statement.

Combining Balance Sheet—Nonmajor Governmental Funds

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Debt Service	Community Development Block Grant	Court Awarded Funds
<b>Assets</b>			
Cash and investments	\$ -	\$ 4,210	\$ 330,684
Restricted cash and investments	7,225,223	-	-
Receivables, net	5,619	1,046,086	-
Due from other governmental units	-	2,986,326	-
Total assets	<u>\$ 7,230,842</u>	<u>\$ 4,036,622</u>	<u>\$ 330,684</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ -	\$ 65,163	\$ -
Due to other funds	-	237,445	-
Advance from other funds	-	-	-
Accrued liabilities	-	13,764	-
Deferred revenue	-	3,683,292	-
Total liabilities	<u>-</u>	<u>3,999,664</u>	<u>-</u>
Fund balance (deficit)			
Unreserved	<u>7,230,842</u>	<u>36,958</u>	<u>330,684</u>
Total fund balance (deficit)	<u>7,230,842</u>	<u>36,958</u>	<u>330,684</u>
Total liabilities and fund balance	<u>\$ 7,230,842</u>	<u>\$ 4,036,622</u>	<u>\$ 330,684</u>

Special Revenue Fund

MPO Urban Transportation	Fire	Police Protection	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program
\$ -	\$ 355,445	\$ 26,849	\$ 8,562	\$ 77,233	\$ 668,828
-	-	-	-	-	-
-	295	-	-	-	204,552
<u>111,020</u>	<u>-</u>	<u>154,668</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 111,020</u>	<u>\$ 355,740</u>	<u>\$ 181,517</u>	<u>\$ 8,562</u>	<u>\$ 77,233</u>	<u>\$ 873,380</u>
\$ 217	\$ 27,129	\$ 51,652	\$ -	\$ -	\$ 658,456
102,738	-	-	-	-	-
-	-	-	-	-	-
8,065	-	6,888	-	-	30
-	169,952	-	-	-	-
<u>111,020</u>	<u>197,081</u>	<u>58,540</u>	<u>-</u>	<u>-</u>	<u>658,486</u>
<u>-</u>	<u>158,659</u>	<u>122,977</u>	<u>8,562</u>	<u>77,233</u>	<u>214,894</u>
<u>-</u>	<u>158,659</u>	<u>122,977</u>	<u>8,562</u>	<u>77,233</u>	<u>214,894</u>
<u>\$ 111,020</u>	<u>\$ 355,740</u>	<u>\$ 181,517</u>	<u>\$ 8,562</u>	<u>\$ 77,233</u>	<u>\$ 873,380</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Court Automation	Prisoner Care	Juvenile Recreation
<b>Assets</b>			
Cash and investments	\$ 456,838	\$ 928,325	\$ 113,632
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 456,838</u>	<u>\$ 928,325</u>	<u>\$ 113,632</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ 9,316	\$ 116,140	\$ -
Due to other funds	-	-	-
Advance from other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>9,316</u>	<u>116,140</u>	<u>-</u>
Fund balance (deficit)			
Unreserved	<u>447,522</u>	<u>812,185</u>	<u>113,632</u>
Total fund balance (deficit)	<u>447,522</u>	<u>812,185</u>	<u>113,632</u>
Total liabilities and fund balance	<u>\$ 456,838</u>	<u>\$ 928,325</u>	<u>\$ 113,632</u>



continued

Special Revenue Fund

Lodgers' Tax and LCCVB	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease	Legislative Equipment Grants
\$ 3,009,635	\$ 61,862	\$ -	\$ 450,775	\$ 50,529	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>150,620</u>	<u>-</u>	<u>-</u>	<u>273,676</u>	<u>-</u>	<u>102,674</u>
<u>\$ 3,160,255</u>	<u>\$ 61,862</u>	<u>\$ -</u>	<u>\$ 724,451</u>	<u>\$ 50,529</u>	<u>\$ 102,674</u>
\$ 62,414	\$ 744	\$ 3,757	\$ 147,269	\$ 31,699	\$ -
-	-	1,318	-	-	102,674
-	-	-	-	-	-
20,297	-	-	-	-	-
-	-	-	-	-	-
<u>82,711</u>	<u>744</u>	<u>5,075</u>	<u>147,269</u>	<u>31,699</u>	<u>102,674</u>
<u>3,077,544</u>	<u>61,118</u>	<u>(5,075)</u>	<u>577,182</u>	<u>18,830</u>	<u>-</u>
<u>3,077,544</u>	<u>61,118</u>	<u>(5,075)</u>	<u>577,182</u>	<u>18,830</u>	<u>-</u>
<u>\$ 3,160,255</u>	<u>\$ 61,862</u>	<u>\$ -</u>	<u>\$ 724,451</u>	<u>\$ 50,529</u>	<u>\$ 102,674</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Gasoline Tax Street Maintenance Fund	Public Safety Gross Receipts Tax	Keep Las Cruces Beautiful
<b>Assets</b>			
Cash and investments	\$ 87,894	\$ -	\$ -
Restricted cash and investments	-	-	-
Receivables, net	-	-	649
Due from other governmental units	<u>286,331</u>	<u>563,541</u>	<u>15,706</u>
Total assets	<u>\$ 374,225</u>	<u>\$ 563,541</u>	<u>\$ 16,355</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ 135	\$ -	\$ 694
Due to other funds	-	301	15,613
Advance from other funds	-	-	-
Accrued liabilities	11,632	-	(624)
Deferred revenue	<u>-</u>	<u>-</u>	<u>672</u>
Total liabilities	<u>11,767</u>	<u>301</u>	<u>16,355</u>
Fund balance (deficit)			
Unreserved	<u>362,458</u>	<u>563,240</u>	<u>-</u>
Total fund balance (deficit)	<u>362,458</u>	<u>563,240</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 374,225</u>	<u>\$ 563,541</u>	<u>\$ 16,355</u>

continued

Special Revenue Fund					
Older Americans Act Programs	Cash in Lieu of Commodities	RSVP	Children, Youth, and Families	Senior Employment Program	State Library Resources Grant
\$ -	\$ 210	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>136,937</u>	<u>-</u>	<u>11,607</u>	<u>6,581</u>	<u>1,215</u>	<u>133,771</u>
<u>\$ 136,937</u>	<u>\$ 210</u>	<u>\$ 11,607</u>	<u>\$ 6,581</u>	<u>\$ 1,215</u>	<u>\$ 133,771</u>
\$ 4,843	\$ 210	\$ 247	\$ 4,513	\$ -	\$ 2,961
98,621	-	7,979	1,736	910	130,810
-	-	-	-	-	-
33,473	-	3,381	332	305	-
-	-	-	-	-	-
<u>136,937</u>	<u>210</u>	<u>11,607</u>	<u>6,581</u>	<u>1,215</u>	<u>133,771</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 136,937</u>	<u>\$ 210</u>	<u>\$ 11,607</u>	<u>\$ 6,581</u>	<u>\$ 1,215</u>	<u>\$ 133,771</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Street Maintenance Operations	Flood Control Operations	Special Assessments/ Northrise Morningstar
<b>Assets</b>			
Cash and investments	\$ 138,175	\$ 185,357	\$ 98,965
Restricted cash and investments	-	-	-
Receivables, net	-	-	997,626
Due from other governmental units	-	-	1,772,066
Total assets	<u>\$ 138,175</u>	<u>\$ 185,357</u>	<u>\$ 2,868,657</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ 3,817	\$ 11,336	\$ -
Due to other funds	-	-	-
Advance from other funds	-	-	-
Accrued liabilities	4,914	7,686	-
Deferred revenue	-	-	2,769,692
Total liabilities	<u>8,731</u>	<u>19,022</u>	<u>2,769,692</u>
Fund balance (deficit)			
Unreserved	<u>129,444</u>	<u>166,335</u>	<u>98,965</u>
Total fund balance (deficit)	<u>129,444</u>	<u>166,335</u>	<u>98,965</u>
Total liabilities and fund balance	<u>\$ 138,175</u>	<u>\$ 185,357</u>	<u>\$ 2,868,657</u>

continued

Special Revenue Fund				
State Special Projects	Downtown Revitalization	Regulatory Plan	State Operating Grants	Valley View Heske Garden
\$ -	\$ 257,262	\$ -	\$ 55,034	\$ 179,381
-	-	-	-	-
-	50	-	17,055	-
<u>250,000</u>	<u>-</u>	<u>-</u>	<u>92,171</u>	<u>-</u>
<u>\$ 250,000</u>	<u>\$ 257,312</u>	<u>\$ -</u>	<u>\$ 164,260</u>	<u>\$ 179,381</u>
\$ -	\$ -	\$ -	\$ 83,709	\$ -
250,000	-	-	-	-
-	-	-	-	-
-	-	-	7,759	-
-	-	-	24,189	-
<u>250,000</u>	<u>-</u>	<u>-</u>	<u>115,657</u>	<u>-</u>
-	<u>257,312</u>	-	<u>48,603</u>	<u>179,381</u>
-	<u>257,312</u>	-	<u>48,603</u>	<u>179,381</u>
<u>\$ 250,000</u>	<u>\$ 257,312</u>	<u>\$ -</u>	<u>\$ 164,260</u>	<u>\$ 179,381</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Special Revenue Fund		
	Griggs Walnut Plume	TIDD Dedicated Revenues	Las Cruces Convention Center
<b>Assets</b>			
Cash and investments	\$ 53,864	\$ 544,831	\$ -
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	35,640	196,106	-
Total assets	\$ 89,504	\$ 740,937	\$ -
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ 30,867	\$ -	\$ -
Due to other funds	-	-	-
Advance from other funds	-	1,000,000	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	30,867	1,000,000	-
Fund balance (deficit)			
Unreserved	58,637	(259,063)	-
Total fund balance (deficit)	58,637	(259,063)	-
Total liabilities and fund balance	\$ 89,504	\$ 740,937	\$ -

continued

Capital Projects Fund				
Federal Stimulus Operating	Public Parks Development	Street Improvement	Airport Improvement	Sales Tax- Street Maintenance
\$ -	\$ 1,369,905	\$ 173,970	\$ 1,045,613	\$ 2,127,021
-	-	1,640,913	-	-
-	-	1,117,945	10,839	26,358
<u>90,081</u>	<u>334,553</u>	<u>873,788</u>	<u>250,628</u>	<u>1,094,745</u>
<u>\$ 90,081</u>	<u>\$ 1,704,458</u>	<u>\$ 3,806,616</u>	<u>\$ 1,307,080</u>	<u>\$ 3,248,124</u>
\$ 84,132	\$ 4,819	\$ 105,825	\$ 262,888	\$ 116,202
5,949	334,552	988,735	-	-
-	-	-	-	-
-	-	-	-	10,000
-	-	1,118,000	306,229	45,619
<u>90,081</u>	<u>339,371</u>	<u>2,212,560</u>	<u>569,117</u>	<u>171,821</u>
<u>-</u>	<u>1,365,087</u>	<u>1,594,056</u>	<u>737,963</u>	<u>3,076,303</u>
<u>-</u>	<u>1,365,087</u>	<u>1,594,056</u>	<u>737,963</u>	<u>3,076,303</u>
<u>\$ 90,081</u>	<u>\$ 1,704,458</u>	<u>\$ 3,806,616</u>	<u>\$ 1,307,080</u>	<u>\$ 3,248,124</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	Flood Control	Capital Improvement Reserve	Legislative Capital Improvements
<b>Assets</b>			
Cash and investments	\$ 4,387,558	\$ 3,058,315	\$ -
Restricted cash and investments	-	-	-
Receivables, net	48,899	-	-
Due from other governmental units	<u>65,427</u>	<u>-</u>	<u>412</u>
Total assets	<u>\$ 4,501,884</u>	<u>\$ 3,058,315</u>	<u>\$ 412</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ 41,137	\$ 354,291	\$ -
Due to other funds	-	-	412
Advance from other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>41,137</u>	<u>354,291</u>	<u>412</u>
Fund balance (deficit)			
Unreserved	<u>4,460,747</u>	<u>2,704,024</u>	<u>-</u>
Total fund balance (deficit)	<u>4,460,747</u>	<u>2,704,024</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,501,884</u>	<u>\$ 3,058,315</u>	<u>\$ 412</u>



continued

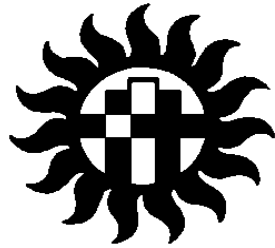
Capital Projects Fund				
		2003		
State Capital Improvements	EDA West Mesa Industrial Park Fund	Sales Tax Facilities and Parks	State Equipment Acquisition	2003 Sales Tax Street Lights
\$ -	\$ 249,437	\$ 28,851	\$ -	\$ 68,957
-	-	-	187,728	-
-	-	-	-	-
<u>7,297,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,297,191</u>	<u>\$ 249,437</u>	<u>\$ 28,851</u>	<u>\$ 187,728</u>	<u>\$ 68,957</u>
\$ 41,040	\$ -	\$ -	\$ -	\$ -
7,256,151	-	-	186,951	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,297,191</u>	<u>-</u>	<u>-</u>	<u>186,951</u>	<u>-</u>
<u>-</u>	<u>249,437</u>	<u>28,851</u>	<u>777</u>	<u>68,957</u>
<u>-</u>	<u>249,437</u>	<u>28,851</u>	<u>777</u>	<u>68,957</u>
<u>\$ 7,297,191</u>	<u>\$ 249,437</u>	<u>\$ 28,851</u>	<u>\$ 187,728</u>	<u>\$ 68,957</u>

**City of Las Cruces**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**June 30, 2010**

	2005 Gross Receipts Tax Public Improvements	NMFA Parking Deck	NMFA Street Improvements
<b>Assets</b>			
Cash and investments	\$ 593,347	\$ 333,130	\$ -
Restricted cash and investments	-	718	1,540,789
Receivables, net	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 593,347</u>	<u>\$ 333,848</u>	<u>\$ 1,540,789</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts and contracts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	717,223
Advance from other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>717,223</u>
Fund balance (deficit)			
Unreserved	<u>593,347</u>	<u>333,848</u>	<u>823,566</u>
Total fund balance (deficit)	<u>593,347</u>	<u>333,848</u>	<u>823,566</u>
Total liabilities and fund balance	<u>\$ 593,347</u>	<u>\$ 333,848</u>	<u>\$ 1,540,789</u>

continued

Capital Projects Fund				
Stimulus Capital Projects	NMFA Griggs/Walnut/ Plume	TIDD Street Projects	2005 Gross Receipts Tax- City Hall	Total
\$ 2	\$ -	\$ 1,000,113	\$ -	\$ 22,580,599
-	-	-	-	10,595,371
69,464	187,874	-	-	3,733,311
1,398,313	-	-	-	18,685,794
<u>\$ 1,467,779</u>	<u>\$ 187,874</u>	<u>\$ 1,000,113</u>	<u>\$ -</u>	<u>\$ 55,595,075</u>
\$ 1,140,994	\$ 112,744	\$ -	\$ -	\$ 3,581,360
326,785	75,130	-	-	10,842,033
-	-	-	-	1,000,000
-	-	-	-	127,902
-	-	-	-	8,117,645
<u>1,467,779</u>	<u>187,874</u>	<u>-</u>	<u>-</u>	<u>23,668,940</u>
-	-	1,000,113	-	31,926,135
-	-	1,000,113	-	31,926,135
<u>\$ 1,467,779</u>	<u>\$ 187,874</u>	<u>\$ 1,000,113</u>	<u>\$ -</u>	<u>\$ 55,595,075</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, 2010**

	Debt Service	Community Development Block Grant	Court Awarded Funds
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	2,811	-
Fees and fines	-	-	(13,948)
Investment income (loss)	235,358	26,292	7,880
Licenses and permits	-	-	-
Intergovernmental	-	3,449,569	-
Other	839,566	152,719	-
Total revenues	<u>1,074,924</u>	<u>3,631,391</u>	<u>(6,068)</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	65,499
Fire	-	-	-
Community development	-	3,557,256	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	-	100,000	6,500
Debt service			
Principal	7,554,567	-	-
Interest and other charges	4,183,455	-	-
Total expenditures	<u>11,738,022</u>	<u>3,657,256</u>	<u>71,999</u>
Revenues over (under) expenditures	<u>(10,663,098)</u>	<u>(25,865)</u>	<u>(78,067)</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	10,131,010	-	-
Transfers out	(81,994)	-	-
Total other financing sources (uses)	<u>10,049,016</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(614,082)	(25,865)	(78,067)
Fund balances, beginning of year	<u>7,844,924</u>	<u>62,823</u>	<u>408,751</u>
<b>Fund balances, end of year</b>	<u>\$ 7,230,842</u>	<u>\$ 36,958</u>	<u>\$ 330,684</u>

Special Revenue Fund

MPO Urban Transportation	Fire	Police Protection	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	35,011	1,184,361
-	11,853	5,146	462	2,093	11,868
-	-	-	-	-	-
284,197	371,360	796,940	21,162	-	-
-	-	92,491	849	-	-
<u>284,197</u>	<u>383,213</u>	<u>894,577</u>	<u>22,473</u>	<u>37,104</u>	<u>1,196,229</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,017,307	-	24,650	1,176,180
-	431,335	-	24,613	-	-
284,197	-	2,540	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	69,818	47,713	9,385	45,126	360,592
-	-	-	-	-	-
<u>284,197</u>	<u>501,153</u>	<u>1,067,560</u>	<u>33,998</u>	<u>69,776</u>	<u>1,536,772</u>
<u>-</u>	<u>(117,940)</u>	<u>(172,983)</u>	<u>(11,525)</u>	<u>(32,672)</u>	<u>(340,543)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(108,863)	-	(199,688)	-	-	-
<u>(108,863)</u>	<u>-</u>	<u>(199,688)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(108,863)	(117,940)	(372,671)	(11,525)	(32,672)	(340,543)
108,863	276,599	495,648	20,087	109,905	555,437
<u>\$ -</u>	<u>\$ 158,659</u>	<u>\$ 122,977</u>	<u>\$ 8,562</u>	<u>\$ 77,233</u>	<u>\$ 214,894</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Court Automation	Prisoner Care	Juvenile Recreation
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	53,593
Charges for services	-	-	-
Fees and fines	122,158	376,359	-
Investment income (loss)	10,201	16,958	2,374
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	41,219	-	-
Total revenues	<u>173,578</u>	<u>393,317</u>	<u>55,967</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	121,014	1,691,135	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	38,330
Public works	-	-	-
Capital outlay	23,837	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>144,851</u>	<u>1,691,135</u>	<u>38,330</u>
Revenues over (under) expenditures	<u>28,727</u>	<u>(1,297,818)</u>	<u>17,637</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	1,780,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,780,000</u>	<u>-</u>
Net change in fund balances	28,727	482,182	17,637
Fund balances, beginning of year	418,795	330,003	95,995
<b>Fund balances, end of year</b>	<u>\$ 447,522</u>	<u>\$ 812,185</u>	<u>\$ 113,632</u>



continued

Special Revenue Fund					
Lodgers' Tax and LCCVB	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease	Legislative Equipment Grants
\$ -	\$ -	\$ -	\$ 2,483,339	\$ -	\$ -
-	-	-	-	-	-
1,717,810	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,125	27,515	-	-	-
75,354	1,313	-	-	443	-
-	-	-	-	-	-
18,700	-	-	-	-	109,171
5,277	-	-	-	-	-
<u>1,817,141</u>	<u>11,438</u>	<u>27,515</u>	<u>2,483,339</u>	<u>443</u>	<u>109,171</u>
-	-	-	997,105	314,692	-
-	-	-	-	-	-
-	(51,293)	28,619	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,818,647	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	109,171
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,818,647</u>	<u>(51,293)</u>	<u>28,619</u>	<u>997,105</u>	<u>314,692</u>	<u>109,171</u>
<u>(1,506)</u>	<u>62,731</u>	<u>(1,104)</u>	<u>1,486,234</u>	<u>(314,249)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,914,295	-	-	-	300,000	-
(2,230,987)	-	-	(1,172,413)	-	-
<u>(316,692)</u>	<u>-</u>	<u>-</u>	<u>(1,172,413)</u>	<u>300,000</u>	<u>-</u>
(318,198)	62,731	(1,104)	313,821	(14,249)	-
<u>3,395,742</u>	<u>(1,613)</u>	<u>(3,971)</u>	<u>263,361</u>	<u>33,079</u>	<u>-</u>
<u>\$ 3,077,544</u>	<u>\$ 61,118</u>	<u>\$ (5,075)</u>	<u>\$ 577,182</u>	<u>\$ 18,830</u>	<u>\$ -</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Gasoline Tax Street Maintenance Fund	Public Safety Gross Receipts Tax	Keep Las Cruces Beautiful
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ 3,211,398	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	1,523,173	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	7,721	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	41,568
Other	-	-	-
Total revenues	<u>1,530,894</u>	<u>3,211,398</u>	<u>41,568</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	2,123,367	41,568
Fire	-	1,045,838	-
Community development	-	-	-
Public services	-	-	-
Public works	622,552	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>622,552</u>	<u>3,169,205</u>	<u>41,568</u>
Revenues over (under) expenditures	<u>908,342</u>	<u>42,193</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(1,331,148)	-	-
Total other financing sources (uses)	<u>(1,331,148)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(422,806)	42,193	-
Fund balances, beginning of year	785,264	521,047	-
<b>Fund balances, end of year</b>	<u>\$ 362,458</u>	<u>\$ 563,240</u>	<u>\$ -</u>

continued

Special Revenue Fund					
Older Americans Act Programs	Cash in Lieu of Commodities	RSVP	Children, Youth, and Families	Senior Employment Program	State Library Resources Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
792,142	143,993	71,480	80,210	8,846	198,702
-	-	-	-	-	-
<u>792,142</u>	<u>143,993</u>	<u>71,480</u>	<u>80,210</u>	<u>8,846</u>	<u>198,702</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
778,200	160,814	71,480	83,890	8,846	119,609
-	-	-	-	-	-
-	-	-	-	-	79,341
-	-	-	-	-	-
-	-	-	-	-	-
<u>778,200</u>	<u>160,814</u>	<u>71,480</u>	<u>83,890</u>	<u>8,846</u>	<u>198,950</u>
<u>13,942</u>	<u>(16,821)</u>	<u>-</u>	<u>(3,680)</u>	<u>-</u>	<u>(248)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(237,863)	-	-	(80,849)	-	-
<u>(237,863)</u>	<u>-</u>	<u>-</u>	<u>(80,849)</u>	<u>-</u>	<u>-</u>
(223,921)	(16,821)	-	(84,529)	-	(248)
<u>223,921</u>	<u>16,821</u>	<u>-</u>	<u>84,529</u>	<u>-</u>	<u>248</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Street Maintenance Operations	Flood Control Operations	Special Assessments/ Northrise Morningstar
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	2,417	5,799	99,858
Licenses and permits	-	-	-
Intergovernmental	-	-	188,937
Other	-	-	-
Total revenues	<u>2,417</u>	<u>5,799</u>	<u>288,795</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	355,359	378,315	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>355,359</u>	<u>378,315</u>	<u>-</u>
Revenues over (under) expenditures	<u>(352,942)</u>	<u>(372,516)</u>	<u>288,795</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	482,386	159,750	-
Transfers out	-	-	(208,000)
Total other financing sources (uses)	<u>482,386</u>	<u>159,750</u>	<u>(208,000)</u>
Net change in fund balances	129,444	(212,766)	80,795
Fund balances, beginning of year	-	379,101	18,170
<b>Fund balances, end of year</b>	<u>\$ 129,444</u>	<u>\$ 166,335</u>	<u>\$ 98,965</u>

continued

Special Revenue Fund				
State Special Projects	Downtown Revitalization	Regulatory Plan	State Operating Grants	Valley View Heske Garden
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,076	-	-	4,015
-	-	-	-	-
1,398,143	-	-	1,034,021	-
-	1,100	-	-	-
<u>1,398,143</u>	<u>7,176</u>	<u>-</u>	<u>1,034,021</u>	<u>4,015</u>
-	-	-	-	-
1,398,143	50,000	-	1,512	2,250
-	-	-	-	-
-	-	-	20,530	-
-	-	-	672,955	-
-	-	-	290,421	-
-	-	-	-	-
-	7,089	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,398,143</u>	<u>57,089</u>	<u>-</u>	<u>985,418</u>	<u>2,250</u>
<u>-</u>	<u>(49,913)</u>	<u>-</u>	<u>48,603</u>	<u>1,765</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(264,675)	-	-
-	-	(264,675)	-	-
-	(49,913)	(264,675)	48,603	1,765
-	307,225	264,675	-	177,616
<u>\$ -</u>	<u>\$ 257,312</u>	<u>\$ -</u>	<u>\$ 48,603</u>	<u>\$ 179,381</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Special Revenue Fund		
	Griggs and Walnut Plume	TIDD Dedicated Revenues	Las Cruces Convention Center
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ 190,719	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	74,264	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	96	7,609	600
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	161,284	-	1,154,370
Total revenues	<u>161,380</u>	<u>272,592</u>	<u>1,154,970</u>
<b>Expenditures</b>			
Current			
General government	296,486	11,048	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	35,640	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>332,126</u>	<u>11,048</u>	<u>-</u>
Revenues over (under) expenditures	<u>(170,746)</u>	<u>261,544</u>	<u>1,154,970</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	64,457	-	-
Transfers out	-	(1,000,000)	(1,154,970)
Total other financing sources (uses)	<u>64,457</u>	<u>(1,000,000)</u>	<u>(1,154,970)</u>
Net change in fund balances	(106,289)	(738,456)	-
Fund balances, beginning of year	164,926	479,393	-
<b>Fund balances, end of year</b>	<u>\$ 58,637</u>	<u>\$ (259,063)</u>	<u>\$ -</u>

continued

Capital Projects Fund				
Federal Stimulus Operating	Public Parks Development	Street Improvement	Airport Improvement	Sales Tax- Street Maintenance
\$ -	\$ -	\$ -	\$ -	\$ 6,425,142
-	-	-	-	275
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	262,079	-	-	-
-	33,315	(17,437)	20,716	27,079
-	-	-	-	-
114,069	386,591	3,977,463	2,419,697	-
-	-	101,126	-	40,973
<u>114,069</u>	<u>681,985</u>	<u>4,061,152</u>	<u>2,440,413</u>	<u>6,493,469</u>
-	-	-	-	-
-	-	-	-	-
55,413	-	-	-	-
-	-	-	-	-
-	-	-	-	-
29,937	-	-	-	-
-	-	-	-	183,045
28,719	688,406	5,062,316	2,419,698	1,857,572
-	-	-	-	-
-	-	-	-	-
<u>114,069</u>	<u>688,406</u>	<u>5,062,316</u>	<u>2,419,698</u>	<u>2,040,617</u>
-	(6,421)	(1,001,164)	20,715	4,452,852
-	-	-	-	-
-	-	-	-	-
-	-	79,653	-	-
-	-	(40,370)	-	(2,770,371)
-	-	39,283	-	(2,770,371)
-	(6,421)	(961,881)	20,715	1,682,481
-	1,371,508	2,555,937	717,248	1,393,822
<u>\$ -</u>	<u>\$ 1,365,087</u>	<u>\$ 1,594,056</u>	<u>\$ 737,963</u>	<u>\$ 3,076,303</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Flood Control	Capital Improvement Reserve	Legislative Capital Improvements
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	3,724,715	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	74,848	89,499	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	58,681	-	-
Total revenues	<u>3,858,244</u>	<u>89,499</u>	<u>-</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	20,536	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	37,247	-	-
Capital outlay	2,385,485	4,125,121	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>2,422,732</u>	<u>4,145,657</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,435,512</u>	<u>(4,056,158)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	650,000	-
Transfers out	(2,066,134)	-	-
Total other financing sources (uses)	<u>(2,066,134)</u>	<u>650,000</u>	<u>-</u>
Net change in fund balances	(630,622)	(3,406,158)	-
Fund balances, beginning of year	<u>5,091,369</u>	<u>6,110,182</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 4,460,747</u>	<u>\$ 2,704,024</u>	<u>\$ -</u>



continued

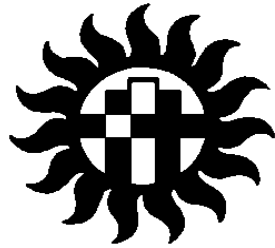
Capital Projects Fund				
State Capital Improvements	EDA West Mesa Industrial Park Fund	2003 Sales Tax Facilities and Parks	State Equipment Acquisition	2003 Sales Tax Street Lights
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,270	915	546	1,655
-	-	-	-	-
10,857,269	-	-	-	-
-	11,469	-	-	-
<u>10,857,269</u>	<u>17,739</u>	<u>915</u>	<u>546</u>	<u>1,655</u>
-	-	-	-	-
19,577	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	23,192	-	-	-
10,837,692	224,092	68,944	822,000	3,632
-	-	-	-	-
-	-	-	-	-
<u>10,857,269</u>	<u>247,284</u>	<u>68,944</u>	<u>822,000</u>	<u>3,632</u>
<u>-</u>	<u>(229,545)</u>	<u>(68,029)</u>	<u>(821,454)</u>	<u>(1,977)</u>
-	-	-	-	-
-	28,308	-	-	-
23,449	-	-	-	-
-	-	-	-	-
<u>23,449</u>	<u>28,308</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,449	(201,237)	(68,029)	(821,454)	(1,977)
<u>(23,449)</u>	<u>450,674</u>	<u>96,880</u>	<u>822,231</u>	<u>70,934</u>
<u>\$ -</u>	<u>\$ 249,437</u>	<u>\$ 28,851</u>	<u>\$ 777</u>	<u>\$ 68,957</u>

**City of Las Cruces**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance—Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	2005 Gross Receipts Tax Public Improvements	NMFA Parking Deck	NMFA Street Improvements
<b>Revenues</b>			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	43,060	10,059	(15,149)
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
Total revenues	<u>43,060</u>	<u>10,059</u>	<u>(15,149)</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	118,146	3,956,978	261,251
Debt service			
Principal	-	-	-
Interest and other charges	-	10,848	-
Total expenditures	<u>118,146</u>	<u>3,967,826</u>	<u>261,251</u>
Revenues over (under) expenditures	<u>(75,086)</u>	<u>(3,957,767)</u>	<u>(276,400)</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	(75,086)	(3,957,767)	(276,400)
Fund balances, beginning of year	<u>668,433</u>	<u>4,291,615</u>	<u>1,099,966</u>
<b>Fund balances, end of year</b>	<u>\$ 593,347</u>	<u>\$ 333,848</u>	<u>\$ 823,566</u>

continued

Capital Projects Fund				
Stimulus Capital Projects	NMFA Griggs/Walnut/ Plume	TIDD Street Projects	2005 Gross Receipts Tax- City Hall	Total
\$ -	\$ -	\$ -	\$ -	\$ 12,310,598
-	-	-	-	3,724,990
-	-	-	-	1,717,810
-	-	-	-	1,651,030
-	-	-	-	2,811
-	-	-	-	2,003,660
-	-	113	401,866	1,219,141
-	-	-	-	-
8,235,996	-	-	-	35,000,226
-	-	-	-	2,661,124
<u>8,235,996</u>	<u>-</u>	<u>113</u>	<u>401,866</u>	<u>60,291,390</u>
-	-	-	-	1,619,331
-	-	-	-	1,492,018
-	-	-	-	6,293,459
-	-	-	-	1,522,316
-	-	-	-	4,516,948
-	-	-	-	3,400,174
-	-	-	-	1,599,710
8,235,996	187,874	-	1,110,116	43,288,250
-	-	-	-	7,554,567
-	-	-	-	4,194,303
<u>8,235,996</u>	<u>187,874</u>	<u>-</u>	<u>1,110,116</u>	<u>75,481,076</u>
<u>-</u>	<u>(187,874)</u>	<u>113</u>	<u>(708,250)</u>	<u>(15,189,686)</u>
-	187,874	-	-	187,874
-	-	-	-	28,308
-	-	1,000,000	-	16,585,000
-	-	-	-	(12,948,325)
<u>-</u>	<u>187,874</u>	<u>1,000,000</u>	<u>-</u>	<u>3,852,857</u>
-	-	1,000,113	(708,250)	(11,336,829)
-	-	-	708,250	43,262,964
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,113</u>	<u>\$ -</u>	<u>\$ 31,926,135</u>



City of Las Cruces

## Nonmajor Enterprise Funds

**City of Las Cruces**  
**Combining Statement of Net Assets—Nonmajor Enterprise Funds**  
**June 30, 2010**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 275,204	\$ -	\$ 43,212	\$ 318,416
Accounts receivable, net of allowance for uncollectible accounts	3,992	-	-	3,992
Due from other governments	837,655	-	-	837,655
Total current assets	<u>1,116,851</u>	<u>-</u>	<u>43,212</u>	<u>1,160,063</u>
Capital assets				
	7,652,341	345,729	163,248	8,161,318
Less: accumulated depreciation	<u>(3,561,916)</u>	<u>(171,584)</u>	<u>(154,767)</u>	<u>(3,888,267)</u>
Net capital assets	<u>4,090,425</u>	<u>174,145</u>	<u>8,481</u>	<u>4,273,051</u>
Total noncurrent assets	<u>4,090,425</u>	<u>174,145</u>	<u>8,481</u>	<u>4,273,051</u>
Total assets	<u>5,207,276</u>	<u>174,145</u>	<u>51,693</u>	<u>5,433,114</u>
<b>Liabilities</b>				
Current liabilities				
Accounts and contracts payable	8,234	-	3,288	11,522
Accrued liabilities	75,774	-	-	75,774
Current portion of noncurrent liabilities	<u>21,492</u>	<u>-</u>	<u>-</u>	<u>21,492</u>
Total current liabilities	<u>105,500</u>	<u>-</u>	<u>3,288</u>	<u>108,788</u>
Noncurrent liabilities				
Compensated absences	<u>85,969</u>	<u>-</u>	<u>-</u>	<u>85,969</u>
Total noncurrent liabilities	<u>85,969</u>	<u>-</u>	<u>-</u>	<u>85,969</u>
Total liabilities	<u>191,469</u>	<u>-</u>	<u>3,288</u>	<u>194,757</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	4,090,425	174,145	8,481	4,273,051
Unrestricted	<u>925,382</u>	<u>-</u>	<u>39,924</u>	<u>965,306</u>
Total net assets	<u>\$ 5,015,807</u>	<u>\$ 174,145</u>	<u>\$ 48,405</u>	<u>\$ 5,238,357</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, 2010**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Operating Revenues</b>				
Sales/charges	\$ 559,226	\$ -	\$ -	\$ 559,226
Other	4,539	-	-	4,539
Total operating revenues	<u>563,765</u>	<u>-</u>	<u>-</u>	<u>563,765</u>
<b>Operating Expenses</b>				
Personnel services	2,626,819	-	-	2,626,819
Supplies	93,869	-	-	93,869
Utilities	28,601	-	10,451	39,052
Professional services	98,769	-	32,500	131,269
Motor pool charges	450,018	-	-	450,018
Motor fuel	262,973	-	-	262,973
Repairs and maintenance	110,032	-	-	110,032
Depreciation and amortization	482,548	28,981	10,306	521,835
Insurance	39,941	-	-	39,941
Other	224	-	-	224
Total operating expenses	<u>4,193,794</u>	<u>28,981</u>	<u>53,257</u>	<u>4,276,032</u>
Operating income (loss)	<u>(3,630,029)</u>	<u>(28,981)</u>	<u>(53,257)</u>	<u>(3,712,267)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Grants and contributions	1,993,756	-	-	1,993,756
Total nonoperating revenue (expenses)	<u>1,993,756</u>	<u>-</u>	<u>-</u>	<u>1,993,756</u>
Income (loss) before transfers	(1,636,273)	(28,981)	(53,257)	(1,718,511)
Transfers in	2,338,169	-	54,400	2,392,569
Increase in fund net assets	701,896	(28,981)	1,143	674,058
Net assets, beginning of year	4,313,911	203,126	47,262	4,564,299
<b>Total net assets, end of year</b>	<u>\$ 5,015,807</u>	<u>\$ 174,145</u>	<u>\$ 48,405</u>	<u>\$ 5,238,357</u>

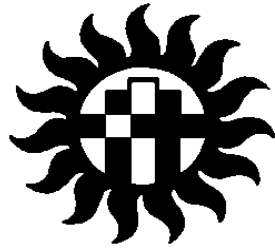
**City of Las Cruces**  
**Combining Statement of Cash Flows—Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2010**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 560,116	\$ -	\$ -	\$ 560,116
Cash paid to suppliers	(1,079,333)	-	(40,811)	(1,120,144)
Cash paid to employees	(2,636,342)	-	-	(2,636,342)
Other receipts	4,539	-	-	4,539
Net cash used by operating activities	<u>(3,151,020)</u>	<u>-</u>	<u>(40,811)</u>	<u>(3,191,831)</u>
<b>Cash flows from noncapital financing activities</b>				
Grants and contributions	1,161,767	-	-	1,161,767
Transfers in	2,338,169	-	54,400	2,392,569
Transfers out	-	-	-	-
Net cash provided by noncapital financing activities	<u>3,499,936</u>	<u>-</u>	<u>54,400</u>	<u>3,554,336</u>
<b>Cash flows from capital financing activities</b>				
Purchase of capital assets	(757,310)	-	-	(757,310)
Grants and contributions	11,555	-	-	11,555
Net cash used by capital financing activities	<u>(745,755)</u>	<u>-</u>	<u>-</u>	<u>(745,755)</u>
<b>Cash flows from investing activities</b>				
Net increase (decrease) in pooled cash and investments	(396,839)	-	13,589	(383,250)
Pooled cash and investments, beginning of year	<u>672,043</u>	<u>-</u>	<u>29,623</u>	<u>701,666</u>
<b>Pooled cash and investments, end of year</b>	<u>\$ 275,204</u>	<u>\$ -</u>	<u>\$ 43,212</u>	<u>\$ 318,416</u>



**City of Las Cruces**  
**Combining Statement of Cash Flows—*Nonmajor Enterprise Funds* — continued**  
**For the Year Ended June 30, 2010**

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
<b>Reconciliation of operating loss to net cash used by operating activities</b>				
Operating loss	\$ (3,630,029)	\$ (28,981)	\$ (53,257)	\$ (3,712,267)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation and amortization	482,548	28,981	10,306	521,835
Change in assets and liabilities				
Accounts receivable	890	-	-	890
Accounts and contracts payable	5,095	-	2,140	7,235
Wages payable and accrued liabilities	(9,524)	-	-	(9,524)
Total adjustments	<u>479,009</u>	<u>28,981</u>	<u>12,446</u>	<u>520,436</u>
Net cash used by operating activities	<u>\$ (3,151,020)</u>	<u>\$ -</u>	<u>\$ (40,811)</u>	<u>\$ (3,191,831)</u>



City of Las Cruces

## Internal Service Funds

**City of Las Cruces**  
**Combining Statement of Net Assets—Internal Service Funds**  
**June 30, 2010**

	Internal Services	Self Insurance	Totals
<b>Assets</b>			
Current assets			
Pooled cash and investments	\$ 567,462	\$ 12,337,576	\$ 12,905,038
Accounts receivable, net of allowance for uncollectible accounts	2,520	16,974	19,494
Inventories	<u>578,311</u>	<u>-</u>	<u>578,311</u>
Total current assets	<u>1,148,293</u>	<u>12,354,550</u>	<u>13,502,843</u>
Capital assets			
Less accumulated depreciation	<u>10,410,831</u>	<u>40,110</u>	<u>10,450,941</u>
Capital assets, net	<u>(9,197,943)</u>	<u>(39,166)</u>	<u>(9,237,109)</u>
	<u>1,212,888</u>	<u>944</u>	<u>1,213,832</u>
Total assets	<u>2,361,181</u>	<u>12,355,494</u>	<u>14,716,675</u>
<b>Liabilities</b>			
Current liabilities			
Accounts and contracts payable	95,386	269,856	365,242
Accrued liabilities	92,078	5,348	97,426
Current portion of noncurrent liabilities	<u>-</u>	<u>2,003,095</u>	<u>2,003,095</u>
Total current liabilities	<u>187,464</u>	<u>2,278,299</u>	<u>2,465,763</u>
Noncurrent liabilities			
Compensated absences	86,661	7,050	93,711
Estimated liability for insurance claims	<u>-</u>	<u>5,358,510</u>	<u>5,358,510</u>
Total noncurrent liabilities	<u>86,661</u>	<u>5,365,560</u>	<u>5,452,221</u>
Total liabilities	<u>274,125</u>	<u>7,643,859</u>	<u>7,917,984</u>
<b>Net Assets</b>			
Invested in capital assets	1,212,888	944	1,213,832
Unrestricted	<u>874,168</u>	<u>4,710,691</u>	<u>5,584,859</u>
Total net assets	<u>\$ 2,087,056</u>	<u>\$ 4,711,635</u>	<u>\$ 6,798,691</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, 2010**

	Internal Services	Self Insurance	Totals
<b>Operating Revenues</b>			
Motor pool charges	\$ 9,242,016	\$ -	\$ 9,242,016
Rental charges and other	164,763	847,577	1,012,340
Charges for insurance	-	2,484,438	2,484,438
Total operating revenues	<u>9,406,779</u>	<u>3,332,015</u>	<u>12,738,794</u>
Cost of services	<u>2,166,185</u>	-	<u>2,166,185</u>
Gross margin	<u>7,240,594</u>	<u>3,332,015</u>	<u>10,572,609</u>
<b>Operating Expenses</b>			
Personnel services	3,245,369	175,119	3,420,488
Supplies	2,495,500	6,632	2,502,132
Utilities	291,500	-	291,500
Professional services	142,407	478,714	621,121
Motor pool charges	13,123	-	13,123
Repairs and maintenance	501,919	-	501,919
Rent	215,682	-	215,682
Depreciation	589,652	1,108	590,760
Claims and judgments	-	3,072,314	3,072,314
Insurance	100,927	-	100,927
Other	32,890	4,044	36,934
Total operating expenses	<u>7,628,969</u>	<u>3,737,931</u>	<u>11,366,900</u>
Operating loss	<u>(388,375)</u>	<u>(405,916)</u>	<u>(794,291)</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, 2010**

	Internal Services	Self Insurance	Totals
<b>Nonoperating Revenues</b>			
Investment income	22,058	254,907	276,965
Total nonoperating revenue	<u>22,058</u>	<u>254,907</u>	<u>276,965</u>
Loss before transfers	(366,317)	(151,009)	(517,326)
Transfers in	130,165	1,756,564	1,886,729
Transfers out	<u>(940,712)</u>	<u>-</u>	<u>(940,712)</u>
Increase (decrease) in fund net assets	(1,176,864)	1,605,555	428,691
Net assets, beginning of year	<u>3,263,920</u>	<u>3,106,080</u>	<u>6,370,000</u>
<b>Net assets, end of year</b>	<u><u>\$ 2,087,056</u></u>	<u><u>\$ 4,711,635</u></u>	<u><u>\$ 6,798,691</u></u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—*Internal Service Funds***  
**For the Year Ended June 30, 2010**

	Internal Services	Self Insurance	Totals
<b>Cash flows from operating activities</b>			
Cash received from customers (including other funds)	\$ 9,436,461	\$ 3,332,015	\$ 12,768,476
Cash paid to suppliers	(6,008,417)	(537,874)	(6,546,291)
Cash paid to employees	(3,330,719)	2,968	(3,327,751)
Claims paid	-	(2,628,193)	(2,628,193)
Net cash provided by operating activities	<u>97,325</u>	<u>168,916</u>	<u>266,241</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	130,165	1,756,564	1,886,729
Transfers out	<u>(940,712)</u>	<u>-</u>	<u>(940,712)</u>
Net cash provided (used) by noncapital financing activities	<u>(810,547)</u>	<u>1,756,564</u>	<u>946,017</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	<u>(41,998)</u>	<u>-</u>	<u>(41,998)</u>
Net cash used by capital and related financing activities	<u>(41,998)</u>	<u>-</u>	<u>(41,998)</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>22,058</u>	<u>254,907</u>	<u>276,965</u>
Net cash provided by investing activities	<u>22,058</u>	<u>254,907</u>	<u>276,965</u>
Net increase (decrease) in cash and cash equivalents	(733,162)	2,180,387	1,447,225
Cash and cash equivalents, beginning of year	<u>1,300,624</u>	<u>10,157,189</u>	<u>11,457,813</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 567,462</u></u>	<u><u>\$ 12,337,576</u></u>	<u><u>\$ 12,905,038</u></u>

**City of Las Cruces**  
**Combining Statement of Cash Flows—*Internal Service Funds* — continued**  
**For the Year Ended June 30, 2010**

	Internal Services	Self Insurance	Totals
<b>Reconciliation of operating loss to net cash provided by operating activities</b>			
Operating loss	\$ (388,375)	\$ (405,916)	\$ (794,291)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	589,652	1,108	590,760
Change in assets and liabilities			
Accounts receivables	29,682	-	29,682
Inventories	(25,548)	-	(25,548)
Accounts and contracts payable	(22,736)	126,636	103,900
Estimated liability for insurance claims	-	444,120	444,120
Wages payable and accrued liabilities	(85,350)	2,968	(82,382)
Total adjustments	<u>485,700</u>	<u>574,832</u>	<u>1,060,532</u>
Net cash provided by operating activities	<u>\$ 97,325</u>	<u>\$ 168,916</u>	<u>\$ 266,241</u>



## Agency Fund

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Mesilla Valley Regional Dispatch Authority</b>				
Assets				
Pooled cash and investments	\$ 148,662	\$ 2,877,237	\$ 2,843,760	\$ 182,139
Accounts receivable	4,954	37,732	18,549	24,137
Due from other governments	14,695	1,406,409	1,412,018	9,086
Total assets	<u>\$ 168,311</u>	<u>\$ 4,321,378</u>	<u>\$ 4,274,327</u>	<u>\$ 215,362</u>
Liabilities				
Due to fiscal agent	\$ -	\$ -	\$ -	\$ -
Accounts and contracts payable	84,684	676,691	728,633	32,742
Accrued wages payable	126,538	798,906	783,068	142,376
Funds held for others	(42,911)	92,875	9,720	40,244
Total liabilities	<u>\$ 168,311</u>	<u>\$ 1,568,472</u>	<u>\$ 1,521,421</u>	<u>\$ 215,362</u>
<b>Metro Narcotics Fund</b>				
Assets				
Pooled cash and investments	\$ 1,030,733	\$ 1,714,208	\$ 1,725,950	\$ 1,018,991
Accounts receivable	-	95,636	90,000	5,636
Due from other governments	49,964	1,136,984	1,069,951	116,997
Total assets	<u>\$ 1,080,697</u>	<u>\$ 2,946,828</u>	<u>\$ 2,885,901</u>	<u>\$ 1,141,624</u>
Liabilities				
Accounts and contracts payable	\$ 7,588	\$ 1,231,222	\$ 1,220,210	\$ 18,600
Accrued wages payable	7,024	70,455	66,301	11,178
Funds held for others	1,066,085	277,967	232,206	1,111,846
Total liabilities	<u>\$ 1,080,697</u>	<u>\$ 1,579,644</u>	<u>\$ 1,518,717</u>	<u>\$ 1,141,624</u>
<b>Lower Rio Grande Water Users Organization</b>				
Assets				
Pooled cash and investments	\$ (1,791)	\$ 163,283	\$ 161,492	\$ -
Accounts receivable	-	-	-	-
Due from other governments	1,798	72,569	74,367	-
Total assets	<u>\$ 7</u>	<u>\$ 235,852</u>	<u>\$ 235,859</u>	<u>\$ -</u>
Liabilities				
Due to fiscal agent	\$ -	\$ -	\$ -	\$ -
Accounts and contracts payable	-	206,910	206,910	-
Funds held for others	7	41	48	-
Total liabilities	<u>\$ 7</u>	<u>\$ 206,951</u>	<u>\$ 206,958</u>	<u>\$ -</u>

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities — continued**  
**Agency Fund**  
**For the Year Ended June 30, 2010**

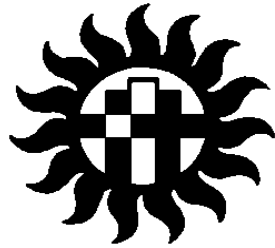
	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Branigan Estate Fund</b>				
Assets				
Pooled cash and investments	\$ 2,817,150	\$ 119,970	\$ 96,006	\$ 2,841,114
Total assets	<u>\$ 2,817,150</u>	<u>\$ 119,970</u>	<u>\$ 96,006</u>	<u>\$ 2,841,114</u>
Liabilities				
Accounts and contracts payable	\$ 311	\$ 38,873	\$ 38,775	\$ 409
Funds held for others	<u>2,816,839</u>	<u>23,866</u>	<u>-</u>	<u>2,840,705</u>
Total liabilities	<u>\$ 2,817,150</u>	<u>\$ 62,739</u>	<u>\$ 38,775</u>	<u>\$ 2,841,114</u>
<b>Gifts and Memorials Fund</b>				
Assets				
Pooled cash and investments	\$ 188,913	\$ 41,321	\$ 23,260	\$ 206,974
Accounts receivable	<u>1,500</u>	<u>500</u>	<u>1,500</u>	<u>500</u>
Total assets	<u>\$ 190,413</u>	<u>\$ 41,821</u>	<u>\$ 24,760</u>	<u>\$ 207,474</u>
Liabilities				
Accounts and contracts payable	\$ 1,513	\$ 5,628	\$ 7,141	\$ -
Funds held for others	<u>188,900</u>	<u>18,574</u>	<u>-</u>	<u>207,474</u>
Total liabilities	<u>\$ 190,413</u>	<u>\$ 24,202</u>	<u>\$ 7,141</u>	<u>\$ 207,474</u>
<b>Mesilla Valley Safety Council</b>				
Assets				
Pooled cash and investments	\$ 17,990	\$ 54,224	\$ 26,313	\$ 45,901
Due from other governments	<u>52,124</u>	<u>-</u>	<u>52,124</u>	<u>-</u>
Total assets	<u>\$ 70,114</u>	<u>\$ 54,224</u>	<u>\$ 78,437</u>	<u>\$ 45,901</u>
Liabilities				
Accounts and contracts payable	\$ 24,213	\$ -	\$ 24,213	\$ -
Funds held for others	<u>45,901</u>	<u>-</u>	<u>-</u>	<u>45,901</u>
Total liabilities	<u>\$ 70,114</u>	<u>\$ -</u>	<u>\$ 24,213</u>	<u>\$ 45,901</u>

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities — continued**  
**Agency Fund**  
**For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Employee Benefits Committee</b>				
Assets				
Pooled cash and investments	\$ 2,215	\$ 11,208	\$ 10,758	\$ 2,665
Total assets	<u>\$ 2,215</u>	<u>\$ 11,208</u>	<u>\$ 10,758</u>	<u>\$ 2,665</u>
Liabilities				
Due to fiscal agent	\$ -	\$ -	\$ -	\$ -
Accounts and contracts payable	-	9,063	9,063	-
Funds held for others	2,215	450	-	2,665
Total liabilities	<u>\$ 2,215</u>	<u>\$ 9,513</u>	<u>\$ 9,063</u>	<u>\$ 2,665</u>
<b>Veteran's Museum</b>				
Assets				
Pooled cash and investments	\$ 150	\$ 5	\$ 2	\$ 153
Total assets	<u>\$ 150</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 153</u>
Liabilities				
Funds held for others	\$ 150	\$ 3	\$ -	\$ 153
Total liabilities	<u>\$ 150</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 153</u>
<b>Veteran's Memorial Wall</b>				
Assets				
Pooled cash and investments	\$ 14,679	\$ 4,482	\$ 370	\$ 18,791
Total assets	<u>\$ 14,679</u>	<u>\$ 4,482</u>	<u>\$ 370</u>	<u>\$ 18,791</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Funds held for others	14,679	4,112	-	18,791
Total liabilities	<u>\$ 14,679</u>	<u>\$ 4,112</u>	<u>\$ -</u>	<u>\$ 18,791</u>
<b>RGNGA</b>				
Assets				
Pooled cash and investments	\$ 1,666,484	\$ 12,724,286	\$ 13,058,522	\$ 1,332,248
Total assets	<u>\$ 1,666,484</u>	<u>\$ 12,724,286</u>	<u>\$ 13,058,522</u>	<u>\$ 1,332,248</u>
Liabilities				
Funds held for others	\$ 1,666,484	\$ 12,724,286	\$ 13,058,522	\$ 1,332,248
Total liabilities	<u>\$ 1,666,484</u>	<u>\$ 12,724,286</u>	<u>\$ 13,058,522</u>	<u>\$ 1,332,248</u>

**City of Las Cruces**  
**Schedule of Changes in Assets and Liabilities — continued**  
**Agency Fund**  
**For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Animal Services of Mesilla Valley</b>				
Assets				
Pooled cash and investments	\$ 257,197	\$ 2,273,915	\$ 2,063,190	\$ 467,922
Accounts receivable	-	705,912	645,755	60,157
Due from other governments	146,102	-	146,102	-
<b>Total assets</b>	<b>\$ 403,299</b>	<b>\$ 2,979,827</b>	<b>\$ 2,855,047</b>	<b>\$ 528,079</b>
Liabilities				
Due to fiscal agent	\$ 35,833	\$ -	\$ 35,833	\$ -
Accounts and contracts payable	5,813	847,259	836,009	17,063
Accrued wages payable	50,494	459,092	451,430	58,156
Funds held for others	311,159	148,810	7,109	452,860
<b>Total liabilities</b>	<b>\$ 403,299</b>	<b>\$ 1,455,161</b>	<b>\$ 1,330,381</b>	<b>\$ 528,079</b>
<b>Total – All Fiduciary Funds</b>				
Assets				
Pooled cash and investments	\$ 6,142,382	\$ 19,984,139	\$ 20,009,623	\$ 6,116,898
Accounts receivable	6,454	839,780	755,804	90,430
Due from other governments	264,683	2,615,962	2,754,562	126,083
<b>Total assets</b>	<b>\$ 6,413,519</b>	<b>\$ 23,439,881</b>	<b>\$ 23,519,989</b>	<b>\$ 6,333,411</b>
Liabilities				
Due to fiscal agent	\$ 35,833	\$ -	\$ 35,833	\$ -
Accounts and contracts payable	124,122	3,015,646	3,070,954	68,814
Accrued wages payable	184,056	1,328,453	1,300,799	211,710
Funds held for others	6,069,508	13,290,984	13,307,605	6,052,887
<b>Total liabilities</b>	<b>\$ 6,413,519</b>	<b>\$ 17,635,083</b>	<b>\$ 17,715,191</b>	<b>\$ 6,333,411</b>



City of Las Cruces

## 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 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 Capital Projects Funds

### ***Major Capital Projects Funds***

- ◆ Las Cruces Convention Center Fund

*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 — Las Cruces Convention Center**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 250,000	\$ 250,000	\$ (65,663)	\$ (315,663)	\$ 182,017
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>(65,663)</u>	<u>(315,663)</u>	<u>182,017</u>
<b>Expenditures</b>					
Current					
Public works	33,796	33,470	4,477	28,993	2,848
Capital outlay	<u>23,000,000</u>	<u>23,665,000</u>	<u>15,372,149</u>	<u>8,292,851</u>	<u>1,354,803</u>
Total expenditures	<u>23,033,796</u>	<u>23,698,470</u>	<u>15,376,626</u>	<u>8,321,844</u>	<u>1,357,651</u>
Net change in fund balance	<u>(22,783,796)</u>	<u>(23,448,470)</u>	<u>(15,442,289)</u>	<u>8,006,181</u>	<u>(1,175,634)</u>
Fund balance, beginning of year	<u>24,305,042</u>	<u>24,305,042</u>	<u>24,305,042</u>	<u>-</u>	<u>25,480,676</u>
<b>Fund balance, end of year</b>	<u>\$ 1,521,246</u>	<u>\$ 856,572</u>	<u>\$ 8,862,753</u>	<u>\$ 8,006,181</u>	<u>\$ 24,305,042</u>

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

## *Debt Service Fund*

### *Special Revenue Funds*

- ◆ Community Development Block Grant
- ◆ Court Awarded Funds
- ◆ MPO Urban Transportation
- ◆ Fire
- ◆ Police Protection
- ◆ Emergency Medical Services
- ◆ Traffic Safety
- ◆ Safe Traffic Operations Program
- ◆ 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
- ◆ Gasoline 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 Assessments—  
Northrise/Morningstar
- ◆ State Special Projects
- ◆ Downtown Revitalization
- ◆ State Operating Grants
- ◆ Valley View Heske Garden Grant
- ◆ Griggs and Walnut Plume Grant
- ◆ TIDD Dedicated Revenues
- ◆ Las Cruces Convention Center
- ◆ Federal Stimulus Operating

***Capital Projects Funds***

- ◆ Public Parks Development
- ◆ Street Improvement
- ◆ Airport Improvement
- ◆ Sales Tax–Street Maintenance
- ◆ NMFA Flood Control
- ◆ Capital Improvement Reserve
- ◆ Legislative Capital Improvements
- ◆ State Capital Improvements
- ◆ EDA West Mesa Industrial Park
- ◆ 2003 Sales Tax Facilities and Parks
- ◆ State Equipment Acquisition
- ◆ 2003 Sales Tax Street Lights
- ◆ 2005 Gross Receipts Tax Public Improvements
- ◆ NMFA Parking Deck
- ◆ NMFA Street Improvements
- ◆ Stimulus Capital Projects
- ◆ NMFA Griggs/Walnut/Plume
- ◆ TIDD Street Projects
- ◆ 2005 Gross Receipts Tax-City Hall

## **Debt Service Fund**

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

## **Special Revenue Funds**

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

*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.

*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.

*Safe Traffic Operations Program:* To account for the programs that use cameras to enforce red light and speeding violations.

## Special Revenue Funds

— continued —

*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.

*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.

*Gasoline 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.

## Special Revenue Funds

— continued —

*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.

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

*State Special Projects:* To account for the purchase, plan and design of a transitional living facility for young adults in Dona Ana County. Funding sources are from the State.

*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.

## Special Revenue Funds

— continued —

*Regulatory Plan:* 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.

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

*Valley View Heske Garden:* 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.

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

*Telshor Facility:* To account for the lease of the Telshor Facility.

*TIDD Dedicated Revenues:* To account for an amount of 75% of the State Gross Receipts Tax increment generated within the district that may be dedicated for the purpose of securing tax increment bonds issued by the district and to provide financing for projects within the TIDD Streets Project fund.

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

*Federal Stimulus Operating:* To account for various public operations and improvements.

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 155,000	\$ 155,000	\$ 235,358	\$ 80,358	\$ 286,650
Other	838,833	838,833	839,566	733	838,766
Total revenues	<u>993,833</u>	<u>993,833</u>	<u>1,074,924</u>	<u>81,091</u>	<u>1,125,416</u>
<b>Expenditures</b>					
Debt service					
Principal	6,646,153	7,536,153	7,554,567	(18,414)	8,069,188
Interest	4,079,586	4,267,454	4,183,455	83,999	4,307,153
Total expenditures	<u>10,725,739</u>	<u>11,803,607</u>	<u>11,738,022</u>	<u>65,585</u>	<u>12,376,341</u>
Revenues under expenditures	<u>(9,731,906)</u>	<u>(10,809,774)</u>	<u>(10,663,098)</u>	<u>146,676</u>	<u>(11,250,925)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	-	-	-	456,383
Transfers in	9,638,355	8,829,630	10,131,010	1,301,380	11,943,446
Transfers out	(102,929)	(81,994)	(81,994)	-	(169,852)
Total other financing sources (uses)	<u>9,535,426</u>	<u>8,747,636</u>	<u>10,049,016</u>	<u>1,301,380</u>	<u>12,229,977</u>
Net change in fund balance	(196,480)	(2,062,138)	(614,082)	1,448,056	979,052
Fund balance, beginning of year	<u>7,844,924</u>	<u>7,844,924</u>	<u>7,844,924</u>	<u>-</u>	<u>6,865,872</u>
<b>Fund balance, end of year</b>	<u>\$ 7,648,444</u>	<u>\$ 5,782,786</u>	<u>\$ 7,230,842</u>	<u>\$ 1,448,056</u>	<u>\$ 7,844,924</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Community Development Block Grant**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Charges for services	\$ 10,000	\$ 10,000	\$ 2,811	\$ (7,189)	\$ 2,099
Investment income	34,000	43,247	26,292	(16,955)	21,601
Other	101,000	91,753	152,719	60,966	178,211
Intergovernmental	<u>6,043,527</u>	<u>5,970,405</u>	<u>3,449,569</u>	<u>(2,520,836)</u>	<u>1,185,971</u>
Total revenues	<u>6,188,527</u>	<u>6,115,405</u>	<u>3,631,391</u>	<u>(2,484,014)</u>	<u>1,387,882</u>
<b>Expenditures</b>					
Current					
Community development	5,711,187	5,718,668	3,557,256	2,161,412	1,244,701
Capital outlay	<u>477,340</u>	<u>421,407</u>	<u>100,000</u>	<u>321,407</u>	<u>107,386</u>
Total expenditures	<u>6,188,527</u>	<u>6,140,075</u>	<u>3,657,256</u>	<u>2,482,819</u>	<u>1,352,087</u>
Net change in fund balance	-	(24,670)	(25,865)	(1,195)	35,795
Fund balance, beginning of year	<u>62,823</u>	<u>62,823</u>	<u>62,823</u>	-	<u>27,028</u>
<b>Fund balance, end of year</b>	<u>\$ 62,823</u>	<u>\$ 38,153</u>	<u>\$ 36,958</u>	<u>\$ (1,195)</u>	<u>\$ 62,823</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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 30,000	\$ 30,000	\$ (13,948)	\$ (43,948)	\$ 22,939
Investment income	5,000	5,000	7,880	2,880	11,109
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>(6,068)</u>	<u>(41,068)</u>	<u>34,048</u>
<b>Expenditures</b>					
Current					
Police	-	66,402	65,499	903	25,313
Capital outlay	21,349	16,349	6,500	9,849	38,280
Total expenditures	<u>21,349</u>	<u>82,751</u>	<u>71,999</u>	<u>10,752</u>	<u>63,593</u>
Net change in fund balance	13,651	(47,751)	(78,067)	(30,316)	(29,545)
Fund balance, beginning of year	408,751	408,751	408,751	-	438,296
<b>Fund balance, end of year</b>	<u>\$ 422,402</u>	<u>\$ 361,000</u>	<u>\$ 330,684</u>	<u>\$ (30,316)</u>	<u>\$ 408,751</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**MPO Urban Transportation**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ (2,000)	\$ -	\$ -	\$ -	\$ 3,485
Intergovernmental	<u>279,792</u>	<u>485,627</u>	<u>284,197</u>	<u>(201,430)</u>	<u>183,080</u>
Total revenues	<u>277,792</u>	<u>485,627</u>	<u>284,197</u>	<u>(201,430)</u>	<u>186,565</u>
<b>Expenditures</b>					
Current					
Community development	<u>348,201</u>	<u>468,901</u>	<u>284,197</u>	<u>184,704</u>	<u>267,239</u>
Revenues over (under) expenditures	<u>(70,409)</u>	<u>16,726</u>	<u>-</u>	<u>(16,726)</u>	<u>(80,674)</u>
<b>Other Financing Uses</b>					
Transfers out	<u>-</u>	<u>-</u>	<u>(108,863)</u>	<u>(108,863)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(108,863)</u>	<u>(108,863)</u>	<u>-</u>
Net change in fund balance	<u>(70,409)</u>	<u>16,726</u>	<u>(108,863)</u>	<u>(125,589)</u>	<u>(80,674)</u>
Fund balance, beginning of year	<u>108,863</u>	<u>108,863</u>	<u>108,863</u>	<u>-</u>	<u>189,537</u>
<b>Fund balance, end of year</b>	<u>\$ 38,454</u>	<u>\$ 125,589</u>	<u>\$ -</u>	<u>\$ (125,589)</u>	<u>\$ 108,863</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Fire*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 5,000	\$ 5,000	\$ <b>11,853</b>	\$ 6,853	\$ 14,188
Intergovernmental	<u>407,228</u>	<u>493,242</u>	<u><b>371,360</b></u>	<u>(121,882)</u>	<u>359,453</u>
Total revenues	<u>412,228</u>	<u>498,242</u>	<u><b>383,213</b></u>	<u>(115,029)</u>	<u>373,641</u>
<b>Expenditures</b>					
Current					
Fire	396,828	662,587	<b>431,335</b>	231,252	308,825
Capital outlay	<u>68,400</u>	<u>92,819</u>	<u><b>69,818</b></u>	<u>23,001</u>	<u>40,661</u>
Total expenditures	<u>465,228</u>	<u>755,406</u>	<u><b>501,153</b></u>	<u>254,253</u>	<u>349,486</u>
Net change in fund balance	(53,000)	(257,164)	<b>(117,940)</b>	139,224	24,155
Fund balance, beginning of year	<u>276,599</u>	<u>276,599</u>	<u><b>276,599</b></u>	<u>-</u>	<u>252,444</u>
<b>Fund balance, end of year</b>	<u>\$ 223,599</u>	<u>\$ 19,435</u>	<u>\$ <b>158,659</b></u>	<u>\$ 139,224</u>	<u>\$ 276,599</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Police Protection**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Investment income	\$ 1,000	\$ 1,000	\$ 5,146	\$ 4,146	\$ 5,850
Other	143,143	82,597	92,491	9,894	129,209
Intergovernmental	1,396,534	1,943,868	796,940	(1,146,928)	918,404
Total revenues	<u>1,540,677</u>	<u>2,027,465</u>	<u>894,577</u>	<u>(1,132,888)</u>	<u>1,053,463</u>
<b>Expenditures</b>					
Current					
Police	1,516,641	2,120,621	1,017,307	1,103,314	821,328
Community development	-	-	2,540	(2,540)	-
Capital outlay	154,391	382,733	47,713	335,020	203,466
Total expenditures	<u>1,671,032</u>	<u>2,503,354</u>	<u>1,067,560</u>	<u>1,435,794</u>	<u>1,024,794</u>
Revenues over (under) expenditures	<u>(130,355)</u>	<u>(475,889)</u>	<u>(172,983)</u>	<u>302,906</u>	<u>28,669</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	47,947
Transfers out	(10,000)	(199,688)	(199,688)	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>(199,688)</u>	<u>(199,688)</u>	<u>-</u>	<u>37,947</u>
Net change in fund balance	(140,355)	(675,577)	(372,671)	302,906	66,616
Fund balance, beginning of year	495,648	495,648	495,648	-	429,032
<b>Fund balance, end of year</b>	<u>\$ 355,293</u>	<u>\$ (179,929)</u>	<u>\$ 122,977</u>	<u>\$ 302,906</u>	<u>\$ 495,648</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Emergency Medical Services*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 462	\$ 462	\$ 785
Intergovernmental	25,000	27,425	21,162	(6,263)	22,000
Other	-	-	849	849	-
Total revenues	<u>25,000</u>	<u>27,425</u>	<u>22,473</u>	<u>(4,952)</u>	<u>22,785</u>
<b>Expenditures</b>					
Current					
Fire	45,354	37,956	24,613	13,343	22,544
Capital outlay	-	9,385	9,385	-	-
Total expenditures	<u>45,354</u>	<u>47,341</u>	<u>33,998</u>	<u>13,343</u>	<u>22,544</u>
Net change in fund balance	(20,354)	(19,916)	(11,525)	8,391	241
Fund balance, beginning of year	<u>20,087</u>	<u>20,087</u>	<u>20,087</u>	<u>-</u>	<u>19,846</u>
<b>Fund balance, end of year</b>	<u>\$ (267)</u>	<u>\$ 171</u>	<u>\$ 8,562</u>	<u>\$ 8,391</u>	<u>\$ 20,087</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, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 43,000	\$ 43,000	\$ <b>35,011</b>	\$ (7,989)	\$ 36,120
Investment income	1,500	1,500	<b>2,093</b>	593	2,231
Total revenues	<u>44,500</u>	<u>44,500</u>	<u><b>37,104</b></u>	<u>(7,396)</u>	<u>38,351</u>
<b>Expenditures</b>					
Current					
Police	18,500	18,500	<b>24,650</b>	(6,150)	3,197
Capital outlay	<u>30,700</u>	<u>100,700</u>	<u><b>45,126</b></u>	<u>55,574</u>	<u>-</u>
Total expenditures	<u>49,200</u>	<u>119,200</u>	<u><b>69,776</b></u>	<u>49,424</u>	<u>3,197</u>
Net change in fund balance	(4,700)	(74,700)	<b>(32,672)</b>	42,028	35,154
Fund balance, beginning of year	<u>109,905</u>	<u>109,905</u>	<u><b>109,905</b></u>	<u>-</u>	<u>74,751</u>
<b>Fund balance, end of year</b>	<u>\$ 105,205</u>	<u>\$ 35,205</u>	<u>\$ <b>77,233</b></u>	<u>\$ 42,028</u>	<u>\$ 109,905</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Safe Traffic Operations Program***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 1,368,750	\$ 1,411,177	<b>\$ 1,184,361</b>	\$ (226,816)	\$ 937,627
Investment income	-	-	<b>11,868</b>	11,868	(29)
Total revenues	<u>1,368,750</u>	<u>1,411,177</u>	<b><u>1,196,229</u></b>	<u>(214,948)</u>	<u>937,598</u>
<b>Expenditures</b>					
Current					
Police	1,072,926	1,406,668	<b>1,176,180</b>	230,488	382,161
Capital outlay	-	500,000	<b>360,592</b>	139,408	-
Total expenditures	<u>1,072,926</u>	<u>1,906,668</u>	<b><u>1,536,772</u></b>	<u>369,896</u>	<u>382,161</u>
Net change in fund balance	295,824	(495,491)	<b>(340,543)</b>	154,948	555,437
Fund balance, beginning of year	<u>555,437</u>	<u>555,437</u>	<b><u>555,437</u></b>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<b><u>\$ 851,261</u></b>	<b><u>\$ 59,946</u></b>	<b><u>\$ 214,894</u></b>	<b><u>\$ 154,948</u></b>	<b><u>\$ 555,437</u></b>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Court Automation***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 110,000	\$ 110,000	\$ <b>122,158</b>	\$ 12,158	\$ 126,343
Investment income	5,000	5,000	<b>10,201</b>	5,201	9,257
Other	2,000	2,000	<b>41,219</b>	39,219	77,734
Total revenues	<u>117,000</u>	<u>117,000</u>	<u><b>173,578</b></u>	<u>56,578</u>	<u>213,334</u>
<b>Expenditures</b>					
Current					
Police	257,112	217,112	<b>121,014</b>	96,098	122,063
Capital outlay	-	40,000	<b>23,837</b>	16,163	-
Total expenditures	<u>257,112</u>	<u>257,112</u>	<u><b>144,851</b></u>	<u>112,261</u>	<u>122,063</u>
Net change in fund balance	(140,112)	(140,112)	<b>28,727</b>	168,839	91,271
Fund balance, beginning of year	418,795	418,795	<b>418,795</b>	-	327,524
<b>Fund balance, end of year</b>	<u>\$ 278,683</u>	<u>\$ 278,683</u>	<u><b>\$ 447,522</b></u>	<u>\$ 168,839</u>	<u>\$ 418,795</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Prisoner Care*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Fees and fines	\$ 225,000	\$ 225,000	\$ 376,359	\$ 151,359	\$ 260,949
Investment income	20,000	20,000	16,958	(3,042)	28,644
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>393,317</u>	<u>148,317</u>	<u>289,593</u>
<b>Expenditures</b>					
Current					
General government	-	-	-	-	-
Police	2,150,000	2,350,590	1,691,135	659,455	2,123,734
Total expenditures	<u>2,150,000</u>	<u>2,350,590</u>	<u>1,691,135</u>	<u>659,455</u>	<u>2,123,734</u>
Revenues under expenditures	<u>(1,905,000)</u>	<u>(2,105,590)</u>	<u>(1,297,818)</u>	<u>807,772</u>	<u>(1,834,141)</u>
<b>Other Financing Sources</b>					
Transfers in	1,400,000	1,780,000	1,780,000	-	1,150,000
Total other financing sources	<u>1,400,000</u>	<u>1,780,000</u>	<u>1,780,000</u>	<u>-</u>	<u>1,150,000</u>
Net change in fund balance	(505,000)	(325,590)	482,182	807,772	(684,141)
Fund balance, beginning of year	330,003	330,003	330,003	-	1,014,144
<b>Fund balance, end of year</b>	<u>\$ (174,997)</u>	<u>\$ 4,413</u>	<u>\$ 812,185</u>	<u>\$ 807,772</u>	<u>\$ 330,003</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, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
State-shared taxes	\$ 50,000	\$ 50,000	\$ <b>53,593</b>	\$ 3,593	\$ 54,643
Investment income	1,000	1,000	<b>2,374</b>	1,374	1,941
Total revenues	<u>51,000</u>	<u>51,000</u>	<u><b>55,967</b></u>	<u>4,967</u>	<u>56,584</u>
<b>Expenditures</b>					
Current					
Public services	20,000	32,168	<b>38,330</b>	(6,162)	8,310
Capital outlay	20,000	20,000	-	20,000	10,728
Total expenditures	<u>40,000</u>	<u>52,168</u>	<u><b>38,330</b></u>	<u>13,838</u>	<u>19,038</u>
Net change in fund balance	11,000	(1,168)	<b>17,637</b>	18,805	37,546
Fund balance, beginning of year	95,995	95,995	<b>95,995</b>	-	58,449
<b>Fund balance, end of year</b>	<u>\$ 106,995</u>	<u>\$ 94,827</u>	<u>\$ <b>113,632</b></u>	<u>\$ 18,805</u>	<u>\$ 95,995</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Lodgers' Tax & LCCVB**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
<b>Revenues</b>					
Local taxes					
Lodgers' tax	\$ 1,673,480	\$ 1,673,480	<b>\$ 1,717,810</b>	\$ 44,330	\$ 1,663,615
Total local taxes	<u>1,673,480</u>	<u>1,673,480</u>	<u><b>1,717,810</b></u>	<u>44,330</u>	<u>1,663,615</u>
Investment income	74,493	74,493	<b>75,354</b>	861	92,422
Licenses and permits	-	-	-	-	1,749
Other	6,000	6,000	<b>5,277</b>	(723)	19,437
Intergovernmental	20,000	18,700	<b>18,700</b>	-	20,000
Total revenues	<u>1,773,973</u>	<u>1,772,673</u>	<u><b>1,817,141</b></u>	<u>44,468</u>	<u>1,797,223</u>
<b>Expenditures</b>					
Current					
Public services	2,120,249	2,213,949	<b>1,818,647</b>	395,302	1,481,611
Capital outlay	-	-	-	-	18,012
Total expenditures	<u>2,120,249</u>	<u>2,213,949</u>	<u><b>1,818,647</b></u>	<u>395,302</u>	<u>1,499,623</u>
Revenues over (under) expenditures	<u>(346,276)</u>	<u>(441,276)</u>	<u><b>(1,506)</b></u>	<u>439,770</u>	<u>297,600</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,464,295	1,914,295	<b>1,914,295</b>	-	1,659,004
Transfers out	<u>(2,332,985)</u>	<u>(2,332,985)</u>	<u><b>(2,230,987)</b></u>	<u>101,998</u>	<u>(2,220,828)</u>
Total other financing sources (uses)	<u>(868,690)</u>	<u>(418,690)</u>	<u><b>(316,692)</b></u>	<u>101,998</u>	<u>(561,824)</u>
Net change in fund balance	(1,214,966)	(859,966)	<b>(318,198)</b>	541,768	(264,224)
Fund balance, beginning of year	<u>3,395,742</u>	<u>3,395,742</u>	<u><b>3,395,742</b></u>	<u>-</u>	<u>3,659,966</u>
<b>Fund balance, end of year</b>	<u><b>\$ 2,180,776</b></u>	<u><b>\$ 2,535,776</b></u>	<u><b>\$ 3,077,544</b></u>	<u><b>\$ 541,768</b></u>	<u><b>\$ 3,395,742</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***DWI Prevention***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 33,282	\$ 33,282	\$ <b>10,125</b>	\$ (23,157)	\$ 14,892
Investment income	1,000	1,000	<b>1,313</b>	313	1,679
Total revenues	<u>34,282</u>	<u>34,282</u>	<u><b>11,438</b></u>	<u>(22,844)</u>	<u>16,571</u>
<b>Expenditures</b>					
Current					
Police	36,364	36,364	<b>(51,293)</b>	87,657	27,132
Total expenditures	<u>36,364</u>	<u>36,364</u>	<u><b>(51,293)</b></u>	<u>87,657</u>	<u>27,132</u>
Net change in fund balance	(2,082)	(2,082)	<b>62,731</b>	64,813	(10,561)
Fund balance, beginning of year	<u>(1,613)</u>	<u>(1,613)</u>	<u><b>(1,613)</b></u>	<u>-</u>	<u>8,948</u>
<b>Fund balance, end of year</b>	<u><u>\$ (3,695)</u></u>	<u><u>\$ (3,695)</u></u>	<u><u><b>\$ 61,118</b></u></u>	<u><u>\$ 64,813</u></u>	<u><u>\$ (1,613)</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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 24,000	\$ 36,000	<b>\$ 27,515</b>	\$ (8,485)	\$ 23,176
Total revenues	<u>24,000</u>	<u>36,000</u>	<u><b>27,515</b></u>	<u>(8,485)</u>	<u>23,176</u>
<b>Expenditures</b>					
Current					
Police	24,000	36,000	<b>28,619</b>	7,381	23,872
Total expenditures	<u>24,000</u>	<u>36,000</u>	<u><b>28,619</b></u>	<u>7,381</u>	<u>23,872</u>
Net change in fund balance	-	-	<b>(1,104)</b>	(1,104)	(696)
Fund balance, beginning of year	<u>(3,971)</u>	<u>(3,971)</u>	<u><b>(3,971)</b></u>	<u>-</u>	<u>(3,275)</u>
<b>Fund balance, end of year</b>	<u><b>\$ (3,971)</b></u>	<u><b>\$ (3,971)</b></u>	<u><b>\$ (5,075)</b></u>	<u><b>\$ (1,104)</b></u>	<u><b>\$ (3,971)</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Environmental Gross Receipts Tax*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 2,380,000	\$ 2,577,051	<b>\$ 2,483,339</b>	\$ (93,712)	\$ 2,607,620
Total revenues	<u>2,380,000</u>	<u>2,577,051</u>	<u><b>2,483,339</b></u>	<u>(93,712)</u>	<u>2,607,620</u>
<b>Expenditures</b>					
Current					
General government	901,538	1,029,330	<b>997,105</b>	32,225	1,088,064
Total expenditures	<u>901,538</u>	<u>1,029,330</u>	<u><b>997,105</b></u>	<u>32,225</u>	<u>1,088,064</u>
Revenues over expenditures	<u>1,478,462</u>	<u>1,547,721</u>	<u><b>1,486,234</b></u>	<u>(61,487)</u>	<u>1,519,556</u>
<b>Other Financing Uses</b>					
Transfers out	(1,478,462)	(1,478,462)	<b>(1,172,413)</b>	306,049	(1,533,028)
Total other financing sources	<u>(1,478,462)</u>	<u>(1,478,462)</u>	<u><b>(1,172,413)</b></u>	<u>306,049</u>	<u>(1,533,028)</u>
Net change in fund balance	-	69,259	<b>313,821</b>	244,562	(13,472)
Fund balance, beginning of year	<u>263,361</u>	<u>263,361</u>	<u><b>263,361</b></u>	<u>-</u>	<u>276,833</u>
<b>Fund balance, end of year</b>	<u><b>\$ 263,361</b></u>	<u><b>\$ 332,620</b></u>	<u><b>\$ 577,182</b></u>	<u><b>\$ 244,562</b></u>	<u><b>\$ 263,361</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Health Care Services From MMC Lease**  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 8,000	\$ 8,000	<b>\$ 443</b>	\$ (7,557)	\$ 862
Total revenues	<u>8,000</u>	<u>8,000</u>	<u><b>443</b></u>	<u>(7,557)</u>	<u>862</u>
<b>Expenditures</b>					
Current					
General government	300,000	317,684	<b>314,692</b>	2,992	285,000
Total expenditures	<u>300,000</u>	<u>317,684</u>	<u><b>314,692</b></u>	<u>2,992</u>	<u>285,000</u>
Revenues under expenditures	<u>(292,000)</u>	<u>(309,684)</u>	<u><b>(314,249)</b></u>	<u>(4,565)</u>	<u>(284,138)</u>
<b>Other Financing Sources</b>					
Transfers in	300,000	300,000	<b>300,000</b>	-	300,000
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u><b>300,000</b></u>	<u>-</u>	<u>300,000</u>
Net change in fund balance	8,000	(9,684)	<b>(14,249)</b>	(4,565)	15,862
Fund balance, beginning of year	33,079	33,079	<b>33,079</b>	-	17,217
<b>Fund balance, end of year</b>	<u><b>\$ 41,079</b></u>	<u><b>\$ 23,395</b></u>	<u><b>\$ 18,830</b></u>	<u><b>\$ (4,565)</b></u>	<u><b>\$ 33,079</b></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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Capital grants and contributions	\$ 254,049	\$ 575,179	\$ 109,171	\$ (466,008)	\$ 776,058
Total revenues	<u>254,049</u>	<u>575,179</u>	<u>109,171</u>	<u>(466,008)</u>	<u>776,058</u>
<b>Expenditures</b>					
Current					
Facilities	-	-	-	-	336,413
Police	20,636	20,636	-	20,636	101,988
Fire	-	-	-	-	5,791
Public services	-	-	-	-	5,000
Capital outlay	314,408	607,518	109,171	498,347	354,812
Total expenditures	<u>335,044</u>	<u>628,154</u>	<u>109,171</u>	<u>518,983</u>	<u>804,004</u>
Net change in fund balance	<u>(80,995)</u>	<u>(52,975)</u>	<u>-</u>	<u>52,975</u>	<u>(27,946)</u>
Fund balance, beginning of year	-	-	-	-	27,946
<b>Fund balance, end of year</b>	<u>\$ (80,995)</u>	<u>\$ (52,975)</u>	<u>\$ -</u>	<u>\$ 52,975</u>	<u>\$ -</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Gasoline Tax Street Maintenance**  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
State-shared taxes	\$ 1,464,064	\$ 1,464,064	<b>\$ 1,523,173</b>	\$ 59,109	\$ 1,500,595
Investment income	150	150	<b>7,721</b>	7,571	9,216
Total revenues	<u>1,464,214</u>	<u>1,464,214</u>	<u><b>1,530,894</b></u>	<u>66,680</u>	<u>1,509,811</u>
<b>Expenditures</b>					
Current					
Public works	597,228	597,228	<b>622,552</b>	(25,324)	602,133
Capital outlay	-	-	-	-	71,178
Total expenditures	<u>597,228</u>	<u>597,228</u>	<u><b>622,552</b></u>	<u>(25,324)</u>	<u>673,311</u>
Revenues over expenditures	<u>866,986</u>	<u>866,986</u>	<u><b>908,342</b></u>	<u>41,356</u>	<u>836,500</u>
<b>Other Financing Uses</b>					
Transfers out	(1,015,000)	(1,331,148)	<b>(1,331,148)</b>	-	(576,560)
Total other financing uses	<u>(1,015,000)</u>	<u>(1,331,148)</u>	<u><b>(1,331,148)</b></u>	<u>-</u>	<u>(576,560)</u>
Net change in fund balance	(148,014)	(464,162)	<b>(422,806)</b>	41,356	259,940
Fund balance, beginning of year	785,264	785,264	<b>785,264</b>	-	525,324
<b>Fund balance, end of year</b>	<u><b>\$ 637,250</b></u>	<u><b>\$ 321,102</b></u>	<u><b>\$ 362,458</b></u>	<u><b>\$ 41,356</b></u>	<u><b>\$ 785,264</b></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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Gross receipts tax	\$ 3,092,000	\$ 3,152,000	<b>\$ 3,211,398</b>	\$ 59,398	\$ 3,123,376
Total revenues	<u>3,092,000</u>	<u>3,152,000</u>	<u><b>3,211,398</b></u>	<u>59,398</u>	<u>3,123,376</u>
<b>Expenditures</b>					
Current					
Police	3,092,000	3,130,699	<b>2,123,367</b>	1,007,332	2,144,547
Fire	-	-	<b>1,045,838</b>	(1,045,838)	1,025,515
Total expenditures	<u>3,092,000</u>	<u>3,130,699</u>	<u><b>3,169,205</b></u>	<u>(38,506)</u>	<u>3,170,062</u>
Net change in fund balance	-	21,301	<b>42,193</b>	20,892	(46,686)
Fund balances, beginning of year	<u>521,047</u>	<u>521,047</u>	<u><b>521,047</b></u>	<u>-</u>	<u>567,733</u>
<b>Fund balances, end of year</b>	<u><b>\$ 521,047</b></u>	<u><b>\$ 542,348</b></u>	<u><b>\$ 563,240</b></u>	<u><b>\$ 20,892</b></u>	<u><b>\$ 521,047</b></u>

**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, 2010**

	2010		<b>Actual</b>	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Intergovernmental	\$ 27,000	\$ 42,622	<b>\$ 41,568</b>	\$ (1,054)	\$ 37,074
Total revenues	<u>27,000</u>	<u>42,622</u>	<u><b>41,568</b></u>	<u>(1,054)</u>	<u>37,074</u>
<b>Expenditures</b>					
Current					
Police	36,648	42,622	<b>41,568</b>	1,054	95,678
Total expenditures	<u>36,648</u>	<u>42,622</u>	<u><b>41,568</b></u>	<u>1,054</u>	<u>95,678</u>
Revenues under expenditures	<u>(9,648)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,604)</u>
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	58,604
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,604</u>
Net change in fund balance	(9,648)	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<u><b>\$ (9,648)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 767,553	\$ 781,770	<b>\$ 792,142</b>	<b>\$ 10,372</b>	\$ 779,505
Total revenues	<u>767,553</u>	<u>781,770</u>	<u><b>792,142</b></u>	<u>10,372</u>	<u>779,505</u>
<b>Expenditures</b>					
Current					
Public services	770,102	818,319	<b>778,200</b>	40,119	1,957,404
Total expenditures	<u>770,102</u>	<u>818,319</u>	<u><b>778,200</b></u>	<u>40,119</u>	<u>1,957,404</u>
Revenues over (under) expenditures	<u>(2,549)</u>	<u>(36,549)</u>	<u><b>13,942</b></u>	<u>50,491</u>	<u>(1,177,899)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	1,279,149
Transfers out	(71,752)	(71,752)	<b>(237,863)</b>	(166,111)	(71,752)
Total other financing sources (uses)	<u>(71,752)</u>	<u>(71,752)</u>	<u><b>(237,863)</b></u>	<u>(166,111)</u>	<u>1,207,397</u>
Net change in fund balance	(74,301)	(108,301)	<b>(223,921)</b>	(115,620)	29,498
Fund balance, beginning of year	<u>223,921</u>	<u>223,921</u>	<u><b>223,921</b></u>	<u>-</u>	<u>194,423</u>
<b>Fund balance, end of year</b>	<u><b>\$ 149,620</b></u>	<u><b>\$ 115,620</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (115,620)</b></u>	<u><b>\$ 223,921</b></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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 140,000	\$ 199,646	<b>\$ 143,993</b>	\$ (55,653)	\$ 152,543
Total revenues	<u>140,000</u>	<u>199,646</u>	<b><u>143,993</u></b>	<u>(55,653)</u>	<u>152,543</u>
<b>Expenditures</b>					
Current					
Public services	142,528	202,174	<b>160,814</b>	41,360	139,593
Total expenditures	<u>142,528</u>	<u>202,174</u>	<b><u>160,814</u></b>	<u>41,360</u>	<u>139,593</u>
Net change in fund balance	(2,528)	(2,528)	<b>(16,821)</b>	(14,293)	12,950
Fund balance, beginning of year	<u>16,821</u>	<u>16,821</u>	<b><u>16,821</u></b>	-	<u>3,871</u>
<b>Fund balance, end of year</b>	<b><u>\$ 14,293</u></b>	<b><u>\$ 14,293</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (14,293)</u></b>	<b><u>\$ 16,821</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, 2010**

	2010		Actual	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Intergovernmental	\$ 86,916	\$ 90,850	<b>\$ 71,480</b>	\$ (19,370)	\$ 87,914
Total revenues	<u>86,916</u>	<u>90,850</u>	<u><b>71,480</b></u>	<u>(19,370)</u>	<u>87,914</u>
<b>Expenditures</b>					
Current					
Public services	107,023	90,850	<b>71,480</b>	19,370	177,089
Total expenditures	<u>107,023</u>	<u>90,850</u>	<u><b>71,480</b></u>	<u>19,370</u>	<u>177,089</u>
Revenues under expenditures	<u>(20,107)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,175)</u>
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	69,672
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,672</u>
Net change in fund balance	(20,107)	-	-	-	(19,503)
Fund balance, beginning of year	-	-	-	-	19,503
<b>Fund balance, end of year</b>	<u><b>\$ (20,107)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

**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, 2010**

	2010		Actual	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Intergovernmental	\$ 116,770	\$ 116,770	<b>\$ 80,210</b>	\$ (36,560)	\$ 116,466
Total revenues	<u>116,770</u>	<u>116,770</u>	<u><b>80,210</b></u>	<u>(36,560)</u>	<u>116,466</u>
<b>Expenditures</b>					
Current					
Public services	129,056	129,056	<b>83,890</b>	45,166	127,653
Total expenditures	<u>129,056</u>	<u>129,056</u>	<u><b>83,890</b></u>	<u>45,166</u>	<u>127,653</u>
Revenues under expenditures	<u>(12,286)</u>	<u>(12,286)</u>	<u><b>(3,680)</b></u>	<u>8,606</u>	<u>(11,187)</u>
<b>Other Financing Uses</b>					
Transfers out	-	-	<b>(80,849)</b>	(80,849)	14,702
Total other financing uses	<u>-</u>	<u>-</u>	<u><b>(80,849)</b></u>	<u>(80,849)</u>	<u>14,702</u>
Net change in fund balance	(12,286)	(12,286)	<b>(84,529)</b>	(72,243)	3,515
Fund balance, beginning of year	<u>84,529</u>	<u>84,529</u>	<u><b>84,529</b></u>	<u>-</u>	<u>81,014</u>
<b>Fund balance, end of year</b>	<u><b>\$ 72,243</b></u>	<u><b>\$ 72,243</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (72,243)</b></u>	<u><b>\$ 84,529</b></u>



**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 8,270	\$ 8,846	<b>\$ 8,846</b>	\$ -	\$ 9,508
Total revenues	<u>8,270</u>	<u>8,846</u>	<u><b>8,846</b></u>	<u>-</u>	<u>9,508</u>
<b>Expenditures</b>					
Current					
Public services	7,883	8,846	<b>8,846</b>	-	5,312
Total expenditures	<u>7,883</u>	<u>8,846</u>	<u><b>8,846</b></u>	<u>-</u>	<u>5,312</u>
Net change in fund balance	387	-	-	-	4,196
Fund balance, beginning of year	-	-	-	-	(4,196)
<b>Fund balance, end of year</b>	<u><b>\$ 387</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 43,412	\$ 321,009	<b>\$ 198,702</b>	\$ (122,307)	\$ 54,803
Total revenues	<u>43,412</u>	<u>321,009</u>	<u><b>198,702</b></u>	<u>(122,307)</u>	<u>54,803</u>
<b>Expenditures</b>					
Current					
Public services	43,660	43,660	<b>119,609</b>	(75,949)	6,218
Capital outlay	-	277,597	<b>79,341</b>	198,256	48,585
Total expenditures	<u>43,660</u>	<u>321,257</u>	<u><b>198,950</b></u>	<u>122,307</u>	<u>54,803</u>
Net change in fund balance	(248)	(248)	<b>(248)</b>	-	-
Fund balance, beginning of year	<u>248</u>	<u>248</u>	<u><b>248</b></u>	<u>-</u>	<u>248</u>
<b>Fund balance, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u><b>\$ -</b></u></u>	<u><u>\$ -</u></u>	<u><u>\$ 248</u></u>

**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, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 2,417	\$ 2,417	\$ -
<b>Expenditures</b>					
Current					
Public works	482,386	482,386	355,359	127,027	-
Revenues under expenditures	(482,386)	(482,386)	(352,942)	129,444	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	482,386	482,386	482,386	-	-
Transfers out	-	-	-	-	(49,930)
Total other financing sources (uses)	482,386	482,386	482,386	-	(49,930)
Net change in fund balance	-	-	129,444	129,444	(49,930)
Fund balance, beginning of year	-	-	-	-	49,930
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,444</b>	<b>\$ 129,444</b>	<b>\$ -</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, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 5,799	\$ 5,799	\$ 11,860
Other revenue	-	-	-	-	(23,975)
Total revenues	-	-	5,799	5,799	(12,115)
<b>Expenditures</b>					
Current					
Public works	450,771	450,771	378,315	72,456	411,224
Revenues under expenditures	(450,771)	(450,771)	(372,516)	78,255	(423,339)
<b>Other Financing Sources</b>					
Transfers in	159,750	159,750	159,750	-	200,000
Net change in fund balance	(291,021)	(291,021)	(212,766)	78,255	(223,339)
Fund balance, beginning of year	379,101	379,101	379,101	-	602,440
<b>Fund balance, end of year</b>	\$ 88,080	\$ 88,080	\$ 166,335	\$ 78,255	\$ 379,101

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Special Assessments—Northrise/Morningstar*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ <b>99,858</b>	\$ 99,858	\$ (2,629)
Intergovernmental	524,148	190,000	<b>188,937</b>	(1,063)	-
Total revenues	<u>524,148</u>	<u>190,000</u>	<u><b>288,795</b></u>	<u>98,795</u>	<u>(2,629)</u>
<b>Other Financing Uses</b>					
Transfers out	(524,148)	(208,000)	<b>(208,000)</b>	-	-
Total other financing uses	<u>(524,148)</u>	<u>(208,000)</u>	<u><b>(208,000)</b></u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(18,000)	<b>80,795</b>	98,795	(2,629)
Fund balance, beginning of year	18,170	18,170	<b>18,170</b>	-	20,799
<b>Fund balance, end of year</b>	<u>\$ 18,170</u>	<u>\$ 170</u>	<u>\$ <b>98,965</b></u>	<u>\$ 98,795</u>	<u>\$ 18,170</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*State Special Projects*  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 1,239,130	\$ 1,398,144	<b>\$ 1,398,143</b>	\$ (1)	\$ 29,446
Total revenues	<u>1,239,130</u>	<u>1,398,144</u>	<b><u>1,398,143</u></b>	<u>(1)</u>	<u>29,446</u>
<b>Expenditures</b>					
Current					
Facilities	<u>1,239,130</u>	<u>1,398,144</u>	<b><u>1,398,143</u></b>	<u>1</u>	<u>29,446</u>
Total expenditures	<u>1,239,130</u>	<u>1,398,144</u>	<b><u>1,398,143</u></b>	<u>1</u>	<u>29,446</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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**  
***Downtown Revitalization***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 6,076	\$ 6,076	\$ 8,372
Other	700	700	1,100	400	650
Total revenues	700	700	7,176	6,476	9,022
<b>Expenditures</b>					
Facilities	15,500	50,000	50,000	-	10,369
Capital outlay	90,000	242,715	7,089	235,626	61,515
Total expenditures	105,500	292,715	57,089	235,626	71,884
Net change in fund balance	(104,800)	(292,015)	(49,913)	242,102	(62,862)
Fund balance, beginning of year	307,225	307,225	307,225	-	370,087
<b>Fund balance, end of year</b>	<b>\$ 202,425</b>	<b>\$ 15,210</b>	<b>\$ 257,312</b>	<b>\$ 242,102</b>	<b>\$ 307,225</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Regulatory Plan**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 3,500	\$ -	\$ -	\$ -	\$ (435)
Total revenues	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(435)</u>
<b>Expenditures</b>					
Current					
Community development	196,478	-	-	-	-
Revenues under expenditures	<u>(192,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(435)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	100,000	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(264,675)</u>	<u>(264,675)</u>	<u>-</u>
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>(264,675)</u>	<u>(264,675)</u>	<u>-</u>
Net change in fund balance	<u>(92,978)</u>	<u>-</u>	<u>(264,675)</u>	<u>(264,675)</u>	<u>(435)</u>
Fund balance, beginning of year	<u>264,675</u>	<u>264,675</u>	<u>264,675</u>	<u>-</u>	<u>265,110</u>
<b>Fund balance, end of year</b>	<u><u>\$ 171,697</u></u>	<u><u>\$ 264,675</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (264,675)</u></u>	<u><u>\$ 264,675</u></u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**State Operating Grant**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 256,536	\$ 1,062,600	<b>\$ 1,034,021</b>	\$ (28,579)	\$ 276,214
Total revenues	<u>256,536</u>	<u>1,062,600</u>	<u><b>1,034,021</b></u>	<u>(28,579)</u>	<u>276,214</u>
<b>Expenditures</b>					
Current					
Facilities	-	-	<b>1,512</b>	(1,512)	-
Fire	-	-	<b>20,530</b>	(20,530)	-
Community development	256,536	1,129,452	<b>672,955</b>	456,497	294,681
Public services	-	-	<b>290,421</b>	(290,421)	-
Total expenditures	<u>256,536</u>	<u>1,129,452</u>	<u><b>985,418</b></u>	<u>144,034</u>	<u>294,681</u>
Revenues over (under) expenditures	<u>-</u>	<u>(66,852)</u>	<u><b>48,603</b></u>	<u>115,455</u>	<u>(18,467)</u>
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	2,846
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846</u>
Net change in fund balance	<u>-</u>	<u>(66,852)</u>	<u><b>48,603</b></u>	<u>115,455</u>	<u>(15,621)</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,621</u>
<b>Fund balance, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ (66,852)</u></u>	<u><u>\$ 48,603</u></u>	<u><u>\$ 115,455</u></u>	<u><u>\$ -</u></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Valley View Heske Garden*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 4,015	\$ 4,015	\$ 4,702
Other	-	-	-	-	22
Total revenues	-	-	4,015	4,015	4,724
<b>Expenditures</b>					
Current					
Facilities	27,500	27,500	2,250	25,250	9,140
Total expenditures	27,500	27,500	2,250	25,250	9,140
Net change in fund balance	(27,500)	(27,500)	1,765	29,265	(4,416)
Fund balance, beginning of year	177,616	177,616	177,616	-	182,032
<b>Fund balance, end of year</b>	\$ 150,116	\$ 150,116	\$ 179,381	\$ 29,265	\$ 177,616

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**Griggs and Walnut Plume**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 96	\$ 96	\$ 3,235
Other	331,000	500,394	161,284	(339,110)	196,296
Total revenues	331,000	500,394	161,380	(339,014)	199,531
<b>Expenditures</b>					
Current					
General government	872,000	722,000	296,486	425,514	309,296
Capital outlay	-	269,394	35,640	233,754	-
Total expenditures	872,000	991,394	332,126	659,268	309,296
Revenues under expenditures	(541,000)	(491,000)	(170,746)	320,254	(109,765)
<b>Other Financing Sources</b>					
Transfers in	61,903	370,506	64,457	(306,049)	-
Total other financing sources	61,903	370,506	64,457	(306,049)	-
Net change in fund balance	(479,097)	(120,494)	(106,289)	14,205	(109,765)
Fund balance, beginning of year	164,926	164,926	164,926	-	274,691
<b>Fund balance, end of year</b>	<b>\$ (314,171)</b>	<b>\$ 44,432</b>	<b>\$ 58,637</b>	<b>\$ 14,205</b>	<b>\$ 164,926</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
**TIDD Dedicated Revenues**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Revenues</b>					
Gross receipts tax	\$ 523,395	\$ 507,476	\$ 190,719	\$ (316,757)	\$ 270,893
State share	-	41,000	74,264	33,264	208,625
Investment	-	-	7,609	7,609	(9)
Total revenues	<u>523,395</u>	<u>548,476</u>	<u>272,592</u>	<u>(275,884)</u>	<u>479,509</u>
<b>Expenditures</b>					
Current					
General government	-	4,163	11,048	(6,885)	116
Total expenditures	<u>-</u>	<u>4,163</u>	<u>11,048</u>	<u>(6,885)</u>	<u>116</u>
Revenues over expenditures	<u>523,395</u>	<u>544,313</u>	<u>261,544</u>	<u>(282,769)</u>	<u>479,393</u>
<b>Other Financing Uses</b>					
Transfers out	-	(300,643)	(1,000,000)	(699,357)	-
Total other financing uses	<u>-</u>	<u>(300,643)</u>	<u>(1,000,000)</u>	<u>(699,357)</u>	<u>-</u>
Net change in fund balance	523,395	243,670	(738,456)	(982,126)	479,393
Fund balance, beginning of year	<u>479,393</u>	<u>479,393</u>	<u>479,393</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,002,788</u>	<u>\$ 723,063</u>	<u>\$ (259,063)</u>	<u>\$ (982,126)</u>	<u>\$ 479,393</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
*Las Cruces Convention Center*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 600	\$ 600	\$ 668
Other	<u>1,114,214</u>	<u>1,114,214</u>	<u>1,154,370</u>	<u>40,156</u>	<u>1,132,660</u>
Total revenues	<u>1,114,214</u>	<u>1,114,214</u>	<u>1,154,970</u>	<u>40,756</u>	<u>1,133,328</u>
<b>Other Financing Uses</b>					
Transfers out	<u>(990,432)</u>	<u>(990,432)</u>	<u>(1,154,970)</u>	<u>(164,538)</u>	<u>(1,133,335)</u>
Total other financing uses	<u>(990,432)</u>	<u>(990,432)</u>	<u>(1,154,970)</u>	<u>(164,538)</u>	<u>(1,133,335)</u>
Net change in fund balance	123,782	123,782	-	(123,782)	(7)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
<b>Fund balance, end of year</b>	<u>\$ 123,782</u>	<u>\$ 123,782</u>	<u>\$ -</u>	<u>\$ (123,782)</u>	<u>\$ -</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance—Budget and Actual**  
***Federal Stimulus Operating***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 1,996,591	<b>\$ 114,069</b>	\$ (1,882,522)	\$ -
Total revenues	<u>-</u>	<u>1,996,591</u>	<u><b>114,069</b></u>	<u>(1,882,522)</u>	<u>-</u>
<b>Expenditures</b>					
Current					
Police	-	1,708,791	<b>55,413</b>	1,653,378	-
Public services	-	29,937	<b>29,937</b>	-	-
Capital outlay	<u>-</u>	<u>257,863</u>	<u><b>28,719</b></u>	<u>229,144</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1,996,591</u>	<u><b>114,069</b></u>	<u>1,882,522</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,765,044)</u>	<u>-</u>
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>\$ -</u></u>	<u><u>\$ (3,765,044)</u></u>	<u><u>\$ -</u></u>

## 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.

*NMFA Flood Control:* To construct a detention pond for the purpose of flood control and to serve as recreation as part of a multi-sport complex to include baseball, softball and soccer fields. The source of funding is from the New Mexico Finance Authority.

*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.

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

*State 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.

## Capital Projects Funds

— continued —

*NMFA Parking Deck:* To provide for the financing and construction of a parking deck and other capital structures. The source of funding is from the New Mexico Finance Authority.

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

*Stimulus Capital Projects:* To account for various public improvements. The source of funding is from the American Recovery and Reinvestment Act.

*NMFA Griggs/Walnut/Plume:* To provide for the construction of the remediation site. The source of funding is from New Mexico Finance Authority loans.

*TIDD Street Projects:* To account for the construction, operation, and maintenance of public infrastructure improvements in the downtown area.

*2005 Gross Receipts Tax City Hall Fund:* To finance capital expenditures related to the new city hall building.



**City of Las Cruces**  
**Budgetary Comparison for Multiple-Year Capital Projects**  
**For the Year Ended June 30, 2010**

Capital Project Fund	Project Appropriations	2010 Expenditures	Expenditures Project to Date	Variance with Project Appropriations- Positive (Negative)
Capital Improvement Reserve	\$ 291,740	\$ 35,321	\$ 61,706	\$ 230,034
Legislative Capital Improvements	1,543,242	96,535	126,309	1,416,933
NMFA Loans-Parking Deck	333,788	-	-	333,788
Public Parks	5,042	-	-	5,042
State Grant/Park/land	1,849,900	457,587	930,367	919,533
Sales Tax-Street Maintenance	605,621	22,757	22,757	582,864
Street Improvement	1,563,371	38,429	38,429	1,524,942
NMFA Street Projects	668,019	112,696	112,696	555,323
NMFA Streets 2007	780,743	8,795	8,795	771,948
TIDD Street Projects	1,300,643	950,000	950,000	350,643
Flood Control	1,333,961	54,315	54,315	1,279,646
Flood Control-NMFA	216,552	7,234	7,234	209,318
State Stimulus Capital Projects	1,400,244	151,807	151,807	1,248,437
Total	<u>\$ 11,892,866</u>	<u>\$ 1,935,476</u>	<u>\$ 2,464,415</u>	<u>\$ 9,428,451</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
***Public Parks Development***  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 92,000	\$ 92,000	\$ <b>33,315</b>	\$ (58,685)	\$ 53,298
Licenses and permits	1,185,000	1,185,000	<b>262,079</b>	(922,921)	269,530
Intergovernmental	<u>2,322,525</u>	<u>2,209,481</u>	<u><b>386,591</b></u>	<u>(1,822,890)</u>	<u>339,642</u>
Total revenues	<u>3,599,525</u>	<u>3,486,481</u>	<u><b>681,985</b></u>	<u>(2,804,496)</u>	<u>662,470</u>
<b>Expenditures</b>					
Current					
General government	-	-	-	-	1,419
Capital outlay	<u>3,535,525</u>	<u>3,603,222</u>	<u><b>688,406</b></u>	<u>2,914,816</u>	<u>1,630,908</u>
Total expenditures	<u>3,535,525</u>	<u>3,603,222</u>	<u><b>688,406</b></u>	<u>2,914,816</u>	<u>1,632,327</u>
Net change in fund balance	<u>64,000</u>	<u>(116,741)</u>	<u><b>(6,421)</b></u>	<u>110,320</u>	<u>(969,857)</u>
Fund balance, beginning of year	<u>1,371,508</u>	<u>1,371,508</u>	<u><b>1,371,508</b></u>	<u>-</u>	<u>2,341,365</u>
<b>Fund balance, end of year</b>	<u><b>\$ 1,435,508</b></u>	<u><b>\$ 1,254,767</b></u>	<u><b>\$ 1,365,087</b></u>	<u><b>\$ 110,320</b></u>	<u><b>\$ 1,371,508</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**Street Improvement**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income (loss)	\$ 5,000	\$ -	\$ (17,437)	\$ (17,437)	\$ 32,006
Other	42,251	112,251	101,126	(11,125)	303,750
Intergovernmental	4,296,870	7,917,335	3,977,463	(3,939,872)	1,481,679
Total revenues	<u>4,344,121</u>	<u>8,029,586</u>	<u>4,061,152</u>	<u>(3,968,434)</u>	<u>1,817,435</u>
<b>Expenditures</b>					
Capital outlay	6,379,754	10,372,538	5,062,316	5,310,222	4,955,789
Total expenditures	<u>6,379,754</u>	<u>10,372,538</u>	<u>5,062,316</u>	<u>5,310,222</u>	<u>4,955,789</u>
Revenues over (under) expenditures	<u>(2,035,633)</u>	<u>(2,342,952)</u>	<u>(1,001,164)</u>	<u>1,341,788</u>	<u>(3,138,354)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	79,653	79,653	-	48,575
Transfers out	-	(40,370)	(40,370)	-	(145,367)
Total other financing sources (uses)	<u>-</u>	<u>39,283</u>	<u>39,283</u>	<u>-</u>	<u>(96,792)</u>
Net change in fund balance	(2,035,633)	(2,303,669)	(961,881)	1,341,788	(3,235,146)
Fund balance, beginning of year	<u>2,555,937</u>	<u>2,555,937</u>	<u>2,555,937</u>	<u>-</u>	<u>5,791,083</u>
<b>Fund balance, end of year</b>	<u>\$ 520,304</u>	<u>\$ 252,268</u>	<u>\$ 1,594,056</u>	<u>\$ 1,341,788</u>	<u>\$ 2,555,937</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
*Airport Improvement*  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 20,000	\$ 20,000	\$ <b>20,716</b>	\$ 716	\$ 25,488
Intergovernmental	<u>16,584,773</u>	<u>4,959,157</u>	<u><b>2,419,697</b></u>	<u>(2,539,460)</u>	<u>694,669</u>
Total revenues	<u>16,604,773</u>	<u>4,979,157</u>	<u><b>2,440,413</b></u>	<u>(2,538,744)</u>	<u>720,157</u>
<b>Expenditures</b>					
Capital outlay	<u>16,064,165</u>	<u>4,438,549</u>	<u><b>2,419,698</b></u>	<u>2,018,851</u>	<u>668,239</u>
Total expenditures	<u>16,064,165</u>	<u>4,438,549</u>	<u><b>2,419,698</b></u>	<u>2,018,851</u>	<u>668,239</u>
Net change in fund balance	<u>540,608</u>	<u>540,608</u>	<u><b>20,715</b></u>	<u>(519,893)</u>	<u>51,918</u>
Fund balance, beginning of year	<u>717,248</u>	<u>717,248</u>	<u><b>717,248</b></u>	<u>-</u>	<u>665,330</u>
<b>Fund balance, end of year</b>	<u><b>\$ 1,257,856</b></u>	<u><b>\$ 1,257,856</b></u>	<u><b>\$ 737,963</b></u>	<u><b>\$ (519,893)</b></u>	<u><b>\$ 717,248</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
***Sales Tax—Street Maintenance***  
**For the Year Ended June 30, 2010**

	2010		Actual	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Local taxes					
Gross receipts	\$ 6,185,000	\$ 6,303,000	\$ 6,425,142	\$ 122,142	\$ 6,249,020
Property	-	-	275	275	-
Total local taxes	<u>6,185,000</u>	<u>6,303,000</u>	<u>6,425,417</u>	<u>122,417</u>	<u>6,249,020</u>
Investment income	1,000	1,000	27,079	26,079	11,442
Other	350,000	350,000	40,973	(309,027)	62,150
Total revenues	<u>6,536,000</u>	<u>6,654,000</u>	<u>6,493,469</u>	<u>(160,531)</u>	<u>6,322,612</u>
<b>Expenditures</b>					
Current					
Public works	176,000	176,000	183,045	(7,045)	216,779
Capital outlay	2,577,100	3,017,673	1,857,572	1,160,101	1,456,898
Total expenditures	<u>2,753,100</u>	<u>3,193,673</u>	<u>2,040,617</u>	<u>1,153,056</u>	<u>1,673,677</u>
Revenues over expenditures	<u>3,782,900</u>	<u>3,460,327</u>	<u>4,452,852</u>	<u>992,525</u>	<u>4,648,935</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	20,000	-	20,000	4,319
Transfers out	(3,484,782)	(2,790,371)	(2,770,371)	(20,000)	(4,629,734)
Total other financing sources (uses)	<u>(3,484,782)</u>	<u>(2,770,371)</u>	<u>(2,770,371)</u>	<u>-</u>	<u>(4,625,415)</u>
Net change in fund balance	298,118	689,956	1,682,481	992,525	23,520
Fund balance, beginning of year	1,393,822	1,393,822	1,393,822	-	1,370,302
<b>Fund balance, end of year</b>	<u>\$ 1,691,940</u>	<u>\$ 2,083,778</u>	<u>\$ 3,076,303</u>	<u>\$ 992,525</u>	<u>\$ 1,393,822</u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
***NMFA Flood Control***  
**For the Year Ended June 30, 2010**

	2010		<b>Actual</b>	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Local taxes					
Property	\$ 3,524,652	\$ 3,608,876	<b>\$ 3,724,715</b>	\$ 115,839	\$ 3,441,031
Total local taxes	<u>3,524,652</u>	<u>3,608,876</u>	<u><b>3,724,715</b></u>	<u>115,839</u>	<u>3,441,031</u>
Investment income	45,000	42,000	<b>74,848</b>	32,848	70,762
Other	<u>46,000</u>	<u>46,000</u>	<u><b>58,681</b></u>	<u>12,681</u>	<u>44,822</u>
Total revenues	<u>3,615,652</u>	<u>3,696,876</u>	<u><b>3,858,244</b></u>	<u>161,368</u>	<u>3,556,615</u>
<b>Expenditures</b>					
Current					
Public works	35,247	36,053	<b>37,247</b>	(1,194)	34,410
Capital outlay	<u>5,482,010</u>	<u>6,209,078</u>	<u><b>2,385,485</b></u>	<u>3,823,593</u>	<u>3,588,061</u>
Total expenditures	<u>5,517,257</u>	<u>6,245,131</u>	<u><b>2,422,732</b></u>	<u>3,822,399</u>	<u>3,622,471</u>
Revenues over (under) expenditures	<u>(1,901,605)</u>	<u>(2,548,255)</u>	<u><b>1,435,512</b></u>	<u>3,983,767</u>	<u>(65,856)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	-	-	-	4,107,446
Transfers out	<u>(2,145,514)</u>	<u>(2,066,135)</u>	<u><b>(2,066,134)</b></u>	<u>(1)</u>	<u>(1,874,199)</u>
Total other financing sources (uses)	<u>(2,145,514)</u>	<u>(2,066,135)</u>	<u><b>(2,066,134)</b></u>	<u>(1)</u>	<u>2,233,247</u>
Net change in fund balance	(4,047,119)	(4,614,390)	<b>(630,622)</b>	3,983,768	2,167,391
Fund balance, beginning of year	<u>5,091,369</u>	<u>5,091,369</u>	<u><b>5,091,369</b></u>	<u>-</u>	<u>2,923,978</u>
<b>Fund balance, end of year</b>	<u><b>\$ 1,044,250</b></u>	<u><b>\$ 476,979</b></u>	<u><b>\$ 4,460,747</b></u>	<u><b>\$ 3,983,768</b></u>	<u><b>\$ 5,091,369</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**Capital Improvement Reserve**  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 75,000	\$ 75,000	\$ <b>89,499</b>	\$ 14,499	\$ 128,314
Capital outlay	-	-	-	-	199,480
Total revenues	<u>75,000</u>	<u>75,000</u>	<u><b>89,499</b></u>	<u>14,499</u>	<u>327,794</u>
<b>Expenditures</b>					
Current					
Facilities	-	-	<b>20,536</b>	(20,536)	-
Capital outlay	<u>2,766,611</u>	<u>6,716,611</u>	<u><b>4,125,121</b></u>	<u>2,591,490</u>	<u>1,828,530</u>
Total expenditures	<u>2,766,611</u>	<u>6,716,611</u>	<u><b>4,145,657</b></u>	<u>2,570,954</u>	<u>1,828,530</u>
Revenues under expenditures	<u>(2,691,611)</u>	<u>(6,641,611)</u>	<u><b>(4,056,158)</b></u>	<u>2,585,453</u>	<u>(1,500,736)</u>
<b>Other Financing Sources</b>					
Transfers in	<u>200,000</u>	<u>650,000</u>	<u><b>650,000</b></u>	<u>-</u>	<u>2,610,000</u>
Total other financing sources	<u>200,000</u>	<u>650,000</u>	<u><b>650,000</b></u>	<u>-</u>	<u>2,610,000</u>
Net change in fund balance	(2,491,611)	(5,991,611)	<b>(3,406,158)</b>	2,585,453	1,109,264
Fund balance, beginning of year	<u>6,110,182</u>	<u>6,110,182</u>	<u><b>6,110,182</b></u>	<u>-</u>	<u>5,000,918</u>
<b>Fund balance, end of year</b>	<u>\$ 3,618,571</u>	<u>\$ 118,571</u>	<u>\$ <b>2,704,024</b></u>	<u>\$ 2,585,453</u>	<u>\$ 6,110,182</u>

**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, 2010**

	2010		Actual	Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts				Actual
	Original	Final			Actual
<b>Revenues</b>					
Intergovernmental	\$ 16,757,865	\$ 15,250,382	<b>\$ 10,857,269</b>	\$ (4,393,113)	\$ 5,777,671
Total revenues	<u>16,757,865</u>	<u>15,250,382</u>	<u><b>10,857,269</b></u>	<u>(4,393,113)</u>	<u>5,777,671</u>
<b>Expenditures</b>					
Current					
Facilities	-	13,172	<b>19,577</b>	(6,405)	33,876
Capital outlay	<u>16,757,865</u>	<u>15,237,210</u>	<u><b>10,837,692</b></u>	<u>4,399,518</u>	<u>5,743,795</u>
Total expenditures	<u>16,757,865</u>	<u>15,250,382</u>	<u><b>10,857,269</b></u>	<u>4,393,113</u>	<u>5,777,671</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>					
Transfers in	<u>-</u>	<u>23,448</u>	<u><b>23,449</b></u>	<u>1</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>23,448</u>	<u><b>23,449</b></u>	<u>1</u>	<u>-</u>
Net change in fund balance	-	23,448	<b>23,449</b>	1	-
Fund balance, beginning of year	<u>(23,449)</u>	<u>(23,449)</u>	<u><b>(23,449)</b></u>	<u>-</u>	<u>(23,449)</u>
<b>Fund balance, end of year</b>	<u><b>\$ (23,449)</b></u>	<u><b>\$ (1)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 1</b></u>	<u><b>\$ (23,449)</b></u>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**EDA West Mesa Industrial Park**  
**For the Year Ended June 30, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 30,000	\$ 30,000	\$ 6,270	\$ (23,730)	\$ 32,314
Other	30,000	30,000	11,469	(18,531)	21,267
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>17,739</u>	<u>(42,261)</u>	<u>53,581</u>
<b>Expenditures</b>					
Current					
Public works	50,000	50,000	23,192	26,808	13,951
Capital outlay	<u>1,793,498</u>	<u>924,548</u>	<u>224,092</u>	<u>700,456</u>	<u>1,358,916</u>
Total expenditures	<u>1,843,498</u>	<u>974,548</u>	<u>247,284</u>	<u>727,264</u>	<u>1,372,867</u>
Revenues under expenditures	<u>(1,783,498)</u>	<u>(914,548)</u>	<u>(229,545)</u>	<u>685,003</u>	<u>(1,319,286)</u>
<b>Other Financing Sources</b>					
Sale of capital assets	<u>1,000,000</u>	<u>500,000</u>	<u>28,308</u>	<u>(471,692)</u>	<u>587,667</u>
Total other financing sources	<u>1,000,000</u>	<u>500,000</u>	<u>28,308</u>	<u>(471,692)</u>	<u>587,667</u>
Net change in fund balance	(783,498)	(414,548)	(201,237)	213,311	(731,619)
Fund balance, beginning of year	<u>450,674</u>	<u>450,674</u>	<u>450,674</u>	<u>-</u>	<u>1,182,293</u>
<b>Fund balance, end of year</b>	<u>\$ (332,824)</u>	<u>\$ 36,126</u>	<u>\$ 249,437</u>	<u>\$ 213,311</u>	<u>\$ 450,674</u>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 2,900	\$ 2,900	<b>\$ 915</b>	\$ (1,985)	\$ 3,115
Total revenues	<u>2,900</u>	<u>2,900</u>	<u><b>915</b></u>	<u>(1,985)</u>	<u>3,115</u>
<b>Expenditures</b>					
Capital outlay	101,907	101,907	<b>68,944</b>	32,963	25,253
Total expenditures	<u>101,907</u>	<u>101,907</u>	<u><b>68,944</b></u>	<u>32,963</u>	<u>25,253</u>
Net change in fund balance	<u>(99,007)</u>	<u>(99,007)</u>	<u><b>(68,029)</b></u>	<u>30,978</u>	<u>(22,138)</u>
Fund balance, beginning of year	<u>96,880</u>	<u>96,880</u>	<u><b>96,880</b></u>	<u>-</u>	<u>119,018</u>
<b>Fund balance, end of year</b>	<u><b>\$ (2,127)</b></u>	<u><b>\$ (2,127)</b></u>	<u><b>\$ 28,851</b></u>	<u><b>\$ 30,978</b></u>	<u><b>\$ 96,880</b></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, 2010**

	2010			Variance with Final Budget - Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 750	\$ 750	<b>\$ 546</b>	\$ (204)	\$ 5,341
Total revenues	<u>750</u>	<u>750</u>	<u><b>546</b></u>	<u>(204)</u>	<u>5,341</u>
<b>Expenditures</b>					
Capital outlay	826,561	826,561	<b>822,000</b>	4,561	192,251
Total expenditures	<u>826,561</u>	<u>826,561</u>	<u><b>822,000</b></u>	<u>4,561</u>	<u>192,251</u>
Net change in fund balance	<u>(825,811)</u>	<u>(825,811)</u>	<u><b>821,454</b></u>	<u>4,357</u>	<u>(186,910)</u>
Fund balance, beginning of year	<u>822,231</u>	<u>822,231</u>	<u><b>822,231</b></u>	<u>-</u>	<u>1,009,141</u>
<b>Fund balance, end of year</b>	<u><b>\$ (3,580)</b></u>	<u><b>\$ (3,580)</b></u>	<u><b>\$ 777</b></u>	<u><b>\$ 4,357</b></u>	<u><b>\$ 822,231</b></u>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 700	\$ 700	<b>\$ 1,655</b>	\$ 955	\$ 8,473
Total revenues	<u>700</u>	<u>700</u>	<u><b>1,655</b></u>	<u>955</u>	<u>8,473</u>
<b>Expenditures</b>					
Capital outlay	35,181	29,179	<b>3,632</b>	25,547	616,341
Total expenditures	<u>35,181</u>	<u>29,179</u>	<u><b>3,632</b></u>	<u>25,547</u>	<u>616,341</u>
Net change in fund balance	<u>(34,481)</u>	<u>(28,479)</u>	<u><b>(1,977)</b></u>	<u>26,502</u>	<u>(607,868)</u>
Fund balance, beginning of year	<u>70,934</u>	<u>70,934</u>	<u><b>70,934</b></u>	<u>-</u>	<u>678,802</u>
<b>Fund balance, end of year</b>	<u><b>\$ 36,453</b></u>	<u><b>\$ 42,455</b></u>	<u><b>\$ 68,957</b></u>	<u><b>\$ 26,502</b></u>	<u><b>\$ 70,934</b></u>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 5,000	\$ 5,000	<b>\$ 43,060</b>	\$ 38,060	\$ (12,104)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u><b>43,060</b></u>	<u>38,060</u>	<u>(12,104)</u>
<b>Expenditures</b>					
Current					
Public works	-	-	-	-	14,178
Capital outlay	<u>347,051</u>	<u>412,830</u>	<u><b>118,146</b></u>	<u><b>294,684</b></u>	<u>1,590,196</u>
Total expenditures	<u>347,051</u>	<u>412,830</u>	<u><b>118,146</b></u>	<u>294,684</u>	<u>1,604,374</u>
Revenues under expenditures	<u>(342,051)</u>	<u>(407,830)</u>	<u><b>(75,086)</b></u>	<u>332,744</u>	<u>(1,616,478)</u>
<b>Other Financing Sources</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,367</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,367</u>
Net change in fund balance	<u>(342,051)</u>	<u>(407,830)</u>	<u><b>(75,086)</b></u>	<u>332,744</u>	<u>(1,471,111)</u>
Fund balance, beginning of year	<u>668,433</u>	<u>668,433</u>	<u><b>668,433</b></u>	<u>-</u>	<u>2,139,544</u>
<b>Fund balance, end of year</b>	<u><b>\$ 326,382</b></u>	<u><b>\$ 260,603</b></u>	<u><b>\$ 593,347</b></u>	<u><b>\$ 332,744</b></u>	<u><b>\$ 668,433</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**NMFA Parking Deck**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 2,642	\$ 12,895	<b>\$ 10,059</b>	\$ (2,836)	\$ 10,735
Total revenues	<u>2,642</u>	<u>12,895</u>	<u><b>10,059</b></u>	<u>(2,836)</u>	<u>10,735</u>
<b>Expenditures</b>					
Capital outlay	3,340,165	4,293,662	<b>3,956,978</b>	336,684	813,314
Debt service					
Interest and other	-	10,849	<b>10,848</b>	1	91,411
Total expenditures	<u>3,340,165</u>	<u>4,304,511</u>	<u><b>3,967,826</b></u>	<u>336,685</u>	<u>904,725</u>
Revenues under expenditures	<u>(3,337,523)</u>	<u>(4,291,616)</u>	<u><b>(3,957,767)</b></u>	<u>333,849</u>	<u>(893,990)</u>
<b>Other Financing Sources</b>					
Issuance of debt	-	-	-	-	5,185,605
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,185,605</u>
Net change in fund balance	(3,337,523)	(4,291,616)	<b>(3,957,767)</b>	333,849	4,291,615
Fund balance, beginning of year	<u>4,291,615</u>	<u>4,291,615</u>	<u><b>4,291,615</b></u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><b>\$ 954,092</b></u>	<u><b>\$ (1)</b></u>	<u><b>\$ 333,848</b></u>	<u><b>\$ 333,849</b></u>	<u><b>\$ 4,291,615</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
*NMFA Street Improvements*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 8,500	\$ 8,500	<b>\$ (15,149)</b>	\$ (23,649)	\$ 4,208
Total revenues	<u>8,500</u>	<u>8,500</u>	<u><b>(15,149)</b></u>	<u>(23,649)</u>	<u>4,208</u>
<b>Expenditures</b>					
Capital outlay	1,399,406	1,054,799	<b>261,251</b>	793,548	1,578,073
Total expenditures	<u>1,399,406</u>	<u>1,054,799</u>	<u><b>261,251</b></u>	<u>793,548</u>	<u>1,578,073</u>
Net change in fund balance	<u>(1,390,906)</u>	<u>(1,046,299)</u>	<u><b>(276,400)</b></u>	<u>769,899</u>	<u>(1,573,865)</u>
Fund balance, beginning of year	<u>1,099,966</u>	<u>1,099,966</u>	<u><b>1,099,966</b></u>	<u>-</u>	<u>2,673,831</u>
<b>Fund balance, end of year</b>	<u><b>\$ (290,940)</b></u>	<u><b>\$ 53,667</b></u>	<u><b>\$ 823,566</b></u>	<u><b>\$ 769,899</b></u>	<u><b>\$ 1,099,966</b></u>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
***Stimulus Capital Projects***  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 10,927,348	<b>\$ 8,235,996</b>	\$ (2,691,352)	\$ 57,815
Total revenues	-	10,927,348	<b>8,235,996</b>	(2,691,352)	57,815
<b>Expenditures</b>					
Capital outlay	-	10,927,348	<b>8,235,996</b>	2,691,352	57,815
Total expenditures	-	10,927,348	<b>8,235,996</b>	2,691,352	57,815
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance — Budget and Actual**  
*NMFA Griggs/Walnut/Plume*  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures</b>					
Capital outlay	5,154,200	3,535,000	<b>187,874</b>	3,347,126	-
Total expenditures	5,154,200	3,535,000	<b>187,874</b>	3,347,126	-
Revenues under expenditures	(5,154,200)	(3,535,000)	<b>(187,874)</b>	(3,347,126)	-
<b>Other Financing Sources</b>					
Issuance of debt	5,154,200	3,535,000	<b>187,874</b>	(3,347,126)	-
Total other financing sources	5,154,200	3,535,000	<b>187,874</b>	(3,347,126)	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Las Cruces**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance —Budget and Actual**  
**TIDD Street Projects**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ -	\$ -	<b>\$ 113</b>	\$ 113	\$ -
Total revenues	-	-	<b>113</b>	113	-
<b>Expenditures</b>					
Capital outlay	-	1,300,643	-	1,300,643	-
Total expenditures	-	1,300,643	-	1,300,643	-
Revenues under expenditures	-	(1,300,643)	<b>113</b>	1,300,756	-
<b>Other Financing Sources</b>					
Transfers in	-	1,300,643	<b>1,000,000</b>	(300,643)	-
Total other financing sources	-	1,300,643	<b>1,000,000</b>	(300,643)	-
Net change in fund balance	-	-	<b>1,000,113</b>	1,000,113	-
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,113</b>	<b>\$ 1,000,113</b>	<b>\$ -</b>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 45,000	\$ 402,553	<b>\$ 401,866</b>	\$ (687)	\$ (213,616)
Total revenues	<u>45,000</u>	<u>402,553</u>	<u><b>401,866</b></u>	<u>(687)</u>	<u>(213,616)</u>
<b>Expenditures</b>					
Capital outlay	5,357,869	1,110,803	<b>1,110,116</b>	687	21,189,007
Total expenditures	<u>5,357,869</u>	<u>1,110,803</u>	<u><b>1,110,116</b></u>	<u>687</u>	<u>21,189,007</u>
Net change in fund balance	<u>(5,312,869)</u>	<u>(708,250)</u>	<u><b>(708,250)</b></u>	<u>-</u>	<u>(21,402,623)</u>
Fund balance, beginning of year	<u>708,250</u>	<u>708,250</u>	<u><b>708,250</b></u>	<u>-</u>	<u>22,110,873</u>
<b>Fund balance, end of year</b>	<u><b>\$ (4,604,619)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 708,250</b></u>

## Schedules of Revenues, Expenses and Changes in Net Assets—Budget and Actual—Proprietary Funds

### *Enterprise Funds*

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

### *Internal Service Funds*

- ◆ Internal Services Fund
- ◆ 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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 31,980,628	\$ 31,980,628	\$ 22,709,632	\$ (9,270,996)	\$ 21,407,966
Provision for uncollectible accounts	(236,105)	(236,105)	(275,228)	(39,123)	(410,953)
Net sales/charges	31,744,523	31,744,523	22,434,404	(9,310,119)	20,997,013
Utility extension/service fee	200,000	200,000	155,003	(44,997)	177,621
Other	2,330,000	2,330,000	2,103,941	(226,059)	2,705,456
Total operating revenues	34,274,523	34,274,523	24,693,348	(9,581,175)	23,880,090
<b>Operating Expenses</b>					
Personnel services	3,491,864	3,491,864	3,144,276	347,588	3,591,805
Cost of gas purchased	22,828,204	22,828,204	14,422,689	8,405,515	13,647,130
Supplies	238,300	238,300	200,244	38,056	241,782
Utilities	38,400	38,400	25,650	12,750	27,767
Professional services	711,100	685,643	374,536	311,107	444,064
Repairs and maintenance	1,041,136	1,041,136	908,247	132,889	909,825
Rent	15,000	15,000	6,191	8,809	5,696
Depreciation and amortization	2,000,900	2,000,900	1,856,366	144,534	1,877,364
Payment in lieu of taxes	765,459	765,459	565,628	199,831	550,380
Administrative charges from other funds	546,649	546,649	546,649	-	526,637
Customer service	3,868,254	4,235,052	3,428,988	806,064	3,017,541
Insurance	214,944	214,944	214,944	-	151,060
Other	102,600	102,600	80,009	22,591	45,536
Total operating expenses	35,862,810	36,204,151	25,774,417	10,429,734	25,036,587
Operating loss	(1,588,287)	(1,929,628)	(1,081,069)	848,559	(1,156,497)
<b>Nonoperating Revenues (Expenses)</b>					
Gain (loss) on sale of capital assets	-	-	-	-	9,119
Investment income	338,952	338,952	218,965	(119,987)	281,364
Grants and contributions	120,000	120,000	49,896	(70,104)	333,176
Interest expense	(32,000)	(32,000)	(18,096)	13,904	(26,118)
Total nonoperating revenue (expense)	426,952	426,952	250,765	(176,187)	597,541
Loss before transfers	(1,161,335)	(1,502,676)	(830,304)	672,372	(558,956)
Transfers out	(54,400)	(54,400)	(54,400)	-	(54,400)
Change in fund net assets	(1,215,735)	(1,557,076)	(884,704)	672,372	(613,356)
Fund net assets, beginning of year	39,295,975	39,295,975	39,295,975	-	39,909,331
<b>Fund net assets, end of year</b>	<b>\$ 38,080,240</b>	<b>\$ 37,738,899</b>	<b>\$ 38,411,271</b>	<b>\$ 672,372</b>	<b>\$ 39,295,975</b>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 13,594,907	\$ 13,594,907	\$ 12,959,785	\$ (635,122)	\$ 12,728,241
Provision for uncollectible accounts	(83,628)	(83,628)	(101,394)	(17,766)	(166,157)
Net sales/charges	13,511,279	13,511,279	12,858,391	(652,888)	12,562,084
Utility extension/service fee	50,000	50,000	55,819	5,819	104,796
Rentals	12,495	12,495	10,920	(1,575)	12,495
Other	160,325	160,325	306,252	145,927	502,153
Total operating revenues	13,734,099	13,734,099	13,231,382	(502,717)	13,181,528
<b>Operating Expenses</b>					
Personnel services	2,535,248	2,535,248	2,514,254	20,994	2,491,493
Supplies	553,384	555,884	436,321	119,563	442,910
Utilities	1,846,550	1,843,020	1,732,948	110,072	1,784,093
Professional services	3,236,929	3,387,349	1,657,739	1,729,610	1,884,837
Repairs and maintenance	825,581	999,306	1,046,488	(47,182)	990,493
Rent	37,000	37,000	28,515	8,485	25,825
Depreciation and amortization	2,702,600	2,702,600	2,137,367	565,233	2,018,618
Payment in lieu of taxes	454,335	454,335	448,530	5,805	424,454
Administrative charges from other funds	552,350	552,350	552,350	-	532,129
Customer service	2,236,353	2,435,308	1,947,100	488,208	1,757,602
Insurance	107,034	107,034	107,034	-	88,235
Other	167,200	172,200	85,915	86,285	110,549
Total operating expenses	15,254,564	15,781,634	12,694,561	3,087,073	12,551,238
Operating income (loss)	(1,520,465)	(2,047,535)	536,821	2,584,356	630,290
<b>Nonoperating Revenues (Expenses)</b>					
Gain (loss) on sale of capital assets	-	-	-	-	8,488
Investment income	737,950	644,820	389,860	(254,960)	467,082
Grants and contributions	524,890	524,890	1,077,060	552,170	1,967,973
Interest expense	(1,938,194)	(1,708,632)	(1,683,040)	25,592	(2,131,025)
Total nonoperating revenue (expense)	(675,354)	(538,922)	(216,120)	322,802	312,518
Income (loss) before transfers	(2,195,819)	(2,586,457)	320,701	2,907,158	942,808
Transfers in	538,598	229,995	229,995	-	420,582
Transfers out	(471,053)	(471,053)	-	471,053	(672,793)
Transfers, net	67,545	(241,058)	229,995	471,053	(252,211)
Change in fund net assets	(2,128,274)	(2,827,515)	550,696	3,378,211	690,597
Fund net assets, beginning of year	70,539,630	70,539,630	70,539,630	-	69,849,033
<b>Fund net assets, end of year</b>	<b>\$ 68,411,356</b>	<b>\$ 67,712,115</b>	<b>\$ 71,090,326</b>	<b>\$ 3,378,211</b>	<b>\$ 70,539,630</b>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 10,796,911	\$ 10,796,911	<b>\$ 10,678,961</b>	\$ (117,950)	\$ 10,642,521
Provision for uncollectible accounts	(71,077)	(71,077)	<b>(87,327)</b>	(16,250)	(147,813)
Net sales/charges	<u>10,725,834</u>	<u>10,725,834</u>	<b><u>10,591,634</u></b>	(134,200)	<u>10,494,708</u>
Line extension/service fee	-	-	-	-	-
Other	75,000	75,000	<b>230,539</b>	155,539	<u>298,217</u>
Total operating revenues	<u>10,800,834</u>	<u>10,800,834</u>	<b><u>10,822,173</u></b>	<u>21,339</u>	<u>10,792,925</u>
<b>Operating Expenses</b>					
Personnel services	2,622,211	2,622,211	<b>2,558,946</b>	63,265	2,564,807
Supplies	826,000	919,400	<b>666,418</b>	252,982	608,064
Utilities	983,100	865,530	<b>817,805</b>	47,725	746,673
Professional services	1,170,933	1,246,044	<b>715,256</b>	530,788	711,625
Repairs and maintenance	703,817	712,187	<b>546,958</b>	165,229	552,259
Rent	24,250	28,650	<b>5,199</b>	23,451	11,725
Depreciation and amortization	3,158,000	3,158,000	<b>2,717,459</b>	440,541	2,430,031
Payment in lieu of taxes	425,685	425,685	<b>422,289</b>	3,396	390,091
Administrative charges from other funds	524,223	524,223	<b>524,223</b>	-	505,032
Customer service	1,065,911	1,161,954	<b>849,283</b>	312,671	723,253
Insurance	42,043	42,043	<b>42,043</b>	-	50,420
Other	17,100	17,600	<b>12,151</b>	5,449	<u>9,338</u>
Total operating expenses	<u>11,563,273</u>	<u>11,723,527</u>	<b><u>9,878,030</u></b>	<u>1,845,497</u>	<u>9,303,318</u>
Operating income (loss)	<u>(762,439)</u>	<u>(922,693)</u>	<b><u>944,143</u></b>	<u>1,866,836</u>	<u>1,489,607</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	480,992	337,092	<b>428,830</b>	91,738	525,132
Grants and contributions	500,000	675,000	<b>531,046</b>	(143,954)	2,382,453
Interest expense	(1,457,884)	(1,262,181)	<b>(1,248,535)</b>	13,646	(1,474,886)
Total nonoperating revenue (expense)	<u>(476,892)</u>	<u>(250,089)</u>	<b><u>(288,659)</u></b>	<u>(38,570)</u>	<u>1,432,699</u>
Income (loss) before transfers	<u>(1,239,331)</u>	<u>(1,172,782)</u>	<b><u>655,484</u></b>	<u>1,828,266</u>	<u>2,922,306</u>
Transfers in	1,267,332	1,267,332	<b>796,279</b>	(471,053)	1,116,360
Transfers out	(39,151)	-	-	-	(420,582)
Transfers, net	<u>1,228,181</u>	<u>1,267,332</u>	<b><u>796,279</u></b>	<u>(471,053)</u>	<u>695,778</u>
Change in fund net assets	(11,150)	94,550	<b>1,451,763</b>	1,357,213	3,618,084
Fund net assets, beginning of year	<u>76,464,156</u>	<u>76,464,156</u>	<b><u>76,464,156</u></b>	<u>-</u>	<u>72,846,072</u>
<b>Fund net assets, end of year</b>	<b><u>\$ 76,453,006</u></b>	<b><u>\$ 76,558,706</u></b>	<b><u>\$ 77,915,919</u></b>	<b><u>\$ 1,357,213</u></b>	<b><u>\$ 76,464,156</u></b>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales/charges	\$ 10,584,030	\$ 9,522,379	\$ 10,272,591	\$ 750,212	\$ 10,386,120
Provision for uncollectible accounts	(76,306)	(76,306)	(92,388)	(16,082)	(153,368)
Net sales/charges	<u>10,507,724</u>	<u>9,446,073</u>	<u>10,180,203</u>	<u>734,130</u>	<u>10,232,752</u>
Rentals	-	-	-	-	11,981
Other	-	-	24,045	24,045	22,495
Total operating revenues	<u>10,507,724</u>	<u>9,446,073</u>	<u>10,204,248</u>	<u>758,175</u>	<u>10,267,228</u>
<b>Operating Expenses</b>					
Personnel services	2,898,049	2,347,697	2,259,110	88,587	2,715,998
Supplies	463,100	348,700	244,851	103,849	382,009
Utilities	46,550	22,200	12,860	9,340	25,075
Professional services	3,846,887	4,807,480	3,451,974	1,355,506	2,659,583
Repairs and maintenance	1,038,651	1,487,407	1,237,677	249,730	1,366,404
Rent	124,950	72,000	4,413	67,587	52,950
Depreciation and amortization	685,400	648,300	742,188	(93,888)	668,866
Payment in lieu of taxes	232,572	214,072	211,866	2,206	231,636
Administrative charges from other funds	228,579	228,579	228,579	-	220,211
Customer service	1,892,921	2,073,064	1,691,731	381,333	1,489,943
Accrued post closure costs	70,000	101,226	94,275	6,951	477,713
Insurance	133,311	133,311	133,311	-	103,605
Other	11,000	13,500	7,439	6,061	8,743
Total operating expenses	<u>11,671,970</u>	<u>12,497,536</u>	<u>10,320,274</u>	<u>2,177,262</u>	<u>10,402,736</u>
Operating income (loss)	<u>(1,164,246)</u>	<u>(3,051,463)</u>	<u>(116,026)</u>	<u>2,935,437</u>	<u>(135,508)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain on sale of capital assets	-	400,000	233,200	(166,800)	16,875
Other receipts	-	-	223,897	223,897	-
Investment income	130,182	130,182	184,613	54,431	167,968
Interest expense	(123,285)	(89,392)	(87,833)	1,559	(125,394)
Total nonoperating revenue (expense)	<u>6,897</u>	<u>440,790</u>	<u>553,877</u>	<u>113,087</u>	<u>59,449</u>
Income (loss) before transfers	<u>(1,157,349)</u>	<u>(2,610,673)</u>	<u>437,851</u>	<u>3,048,524</u>	<u>(76,059)</u>
Transfers in	-	-	-	-	1,000,000
Transfers, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Change in fund net assets	<u>(1,157,349)</u>	<u>(2,610,673)</u>	<u>437,851</u>	<u>3,048,524</u>	<u>923,941</u>
Fund net assets, beginning of year	<u>7,346,856</u>	<u>7,346,856</u>	<u>7,346,856</u>	<u>-</u>	<u>6,422,915</u>
<b>Fund net assets, end of year</b>	<u>\$ 6,189,507</u>	<u>\$ 4,736,183</u>	<u>\$ 7,784,707</u>	<u>\$ 3,048,524</u>	<u>\$ 7,346,856</u>



**City of Las Cruces**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets Budget and Actual**  
**Transit Fund**  
**For the Year Ended June 30, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Sales	\$ 464,785	\$ 464,785	\$ 559,226	\$ 94,441	\$ 402,715
Other	100	100	4,539	4,439	17,729
Total operating revenues	<u>464,885</u>	<u>464,885</u>	<u>563,765</u>	<u>98,880</u>	<u>420,444</u>
<b>Operating Expenses</b>					
Personnel services	2,607,836	2,623,837	2,626,818	(2,981)	2,689,760
Supplies	105,784	115,524	93,869	21,655	87,241
Utilities	30,355	30,466	28,601	1,865	27,663
Professional services	113,121	115,190	98,769	16,421	95,244
Motor pool charges	474,263	431,309	450,018	(18,709)	433,815
Motor fuel	219,808	292,796	262,973	29,823	259,245
Repairs and maintenance	157,650	125,116	110,032	15,084	117,886
Depreciation and amortization	382,130	382,130	482,549	(100,419)	432,085
Insurance	39,941	39,942	39,941	1	23,300
Other	1,040	790	224	566	5,000
Total operating expenses	<u>4,131,928</u>	<u>4,157,100</u>	<u>4,193,794</u>	<u>(36,694)</u>	<u>4,171,239</u>
Operating loss	<u>(3,667,043)</u>	<u>(3,692,215)</u>	<u>(3,630,029)</u>	<u>62,186</u>	<u>(3,750,795)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Operating grants and contributions	<u>3,864,952</u>	<u>3,851,755</u>	<u>1,993,756</u>	<u>(1,857,999)</u>	<u>2,789,487</u>
Total nonoperating revenue (expense)	<u>3,864,952</u>	<u>3,851,755</u>	<u>1,993,756</u>	<u>(1,857,999)</u>	<u>2,789,487</u>
Income (loss) before transfers	197,909	159,540	(1,636,273)	(1,795,813)	(961,308)
Transfers in	2,338,169	2,338,169	2,338,169	-	2,575,752
Transfers out	(15,500)	-	-	-	(15,500)
Transfers, net	<u>2,322,669</u>	<u>2,338,169</u>	<u>2,338,169</u>	<u>-</u>	<u>2,560,252</u>
Change in fund net assets	2,520,578	2,497,709	701,896	(1,795,813)	1,598,944
Fund net assets, beginning of year	<u>4,313,911</u>	<u>4,313,911</u>	<u>4,313,911</u>	<u>-</u>	<u>2,714,967</u>
<b>Fund net assets, end of year</b>	<u>\$ 6,834,489</u>	<u>\$ 6,811,620</u>	<u>\$ 5,015,807</u>	<u>\$ (1,795,813)</u>	<u>\$ 4,313,911</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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Operating Expenses</b>					
Depreciation and amortization	\$ -	\$ -	<b>\$ 28,981</b>	\$ (28,981)	\$ 28,981
Total operating expenses	-	-	<b>28,981</b>	(28,981)	28,981
Change in fund net assets	-	-	<b>(28,981)</b>	28,981	(28,981)
Fund net assets, beginning of year	203,126	203,126	<b>203,126</b>	-	232,107
<b>Fund net assets, end of year</b>	<b>\$ 203,126</b>	<b>\$ 203,126</b>	<b>\$ 174,145</b>	<b>\$ 28,981</b>	<b>\$ 203,126</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, 2010**

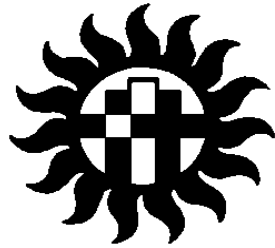
	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
<b>Operating Expenses</b>					
Supplies	1,000	1,000	-	1,000	-
Utilities	14,400	14,400	<b>10,451</b>	3,949	12,418
Special professional services	52,993	52,993	<b>32,500</b>	20,493	27,500
Depreciation and amortization	37,400	37,400	<b>10,306</b>	27,094	37,385
Total operating expenses	105,793	105,793	<b>53,257</b>	52,536	77,303
Loss before transfers	(105,793)	(105,793)	<b>(53,257)</b>	52,536	(77,303)
Transfers in	54,400	54,400	<b>54,400</b>	-	54,400
Change in fund net assets	(51,393)	(51,393)	<b>1,143</b>	52,536	(22,903)
Fund net assets, beginning of year	47,262	47,262	<b>47,262</b>	-	70,165
<b>Fund net assets, end of year</b>	<b>\$ (4,131)</b>	<b>\$ (4,131)</b>	<b>\$ 48,405</b>	<b>\$ 52,536</b>	<b>\$ 47,262</b>

**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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Operating Revenues</b>					
Motor pool charges	\$ 10,163,165	\$ 10,051,953	\$ 9,242,016	\$ (809,937)	\$ 9,937,973
Rental charges and other	108,215	111,917	164,763	52,846	94,411
Total operating revenues	<u>10,271,380</u>	<u>10,163,870</u>	<u>9,406,779</u>	<u>(757,091)</u>	<u>10,032,384</u>
<b>Operating Expenses</b>					
Personnel services	2,999,392	2,440,964	3,245,369	(804,405)	3,359,086
Cost of goods sold	2,456,753	2,456,753	2,166,185	290,568	2,096,519
Supplies	3,044,452	3,045,925	2,495,500	550,425	3,076,567
Utilities	356,564	405,564	291,500	114,064	346,055
Professional services	292,922	230,847	142,407	88,440	168,327
Motor pool charges	26,150	26,150	13,123	13,027	22,007
Repairs and maintenance	604,709	605,738	501,919	103,819	603,441
Rent	242,168	224,168	215,682	8,486	204,666
Insurance	120,340	75,868	100,927	(25,059)	119,873
Depreciation	465,400	593,486	589,652	3,834	573,847
Other	88,424	54,424	32,890	21,534	24,627
Total operating expenses	<u>10,697,274</u>	<u>10,159,887</u>	<u>9,795,154</u>	<u>364,733</u>	<u>10,595,015</u>
Operating income (loss)	<u>(425,894)</u>	<u>3,983</u>	<u>(388,375)</u>	<u>(392,358)</u>	<u>(562,631)</u>
<b>Nonoperating Revenue</b>					
Investment income	37,000	19,511	22,058	2,547	23,705
Total nonoperating revenue	<u>37,000</u>	<u>19,511</u>	<u>22,058</u>	<u>2,547</u>	<u>23,705</u>
Income (loss) before transfers	<u>(388,894)</u>	<u>23,494</u>	<u>(366,317)</u>	<u>(389,811)</u>	<u>(538,926)</u>
Transfers in	130,165	130,165	130,165	-	185,027
Transfers out	(204,905)	(1,003,751)	(940,712)	63,039	(3,978)
Transfers, net	<u>(74,740)</u>	<u>(873,586)</u>	<u>(810,547)</u>	<u>63,039</u>	<u>181,049</u>
Change in fund net assets	<u>(463,634)</u>	<u>(850,092)</u>	<u>(1,176,864)</u>	<u>(326,772)</u>	<u>(357,877)</u>
Fund net assets, beginning of year	<u>3,263,920</u>	<u>3,263,920</u>	<u>3,263,920</u>	<u>-</u>	<u>3,621,797</u>
<b>Fund net assets, end of year</b>	<u>\$ 2,800,286</u>	<u>\$ 2,413,828</u>	<u>\$ 2,087,056</u>	<u>\$ (326,772)</u>	<u>\$ 3,263,920</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, 2010**

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
<b>Operating Revenues</b>					
Rental charges and other	\$ 738,200	\$ 763,423	\$ 847,577	\$ 84,154	\$ 687,131
Charges for insurance	<u>2,374,258</u>	<u>2,374,258</u>	<u>2,484,438</u>	<u>110,180</u>	<u>3,106,599</u>
Total operating revenues	<u>3,112,458</u>	<u>3,137,681</u>	<u>3,332,015</u>	<u>194,334</u>	<u>3,793,730</u>
<b>Operating Expenses</b>					
Personnel services	168,167	168,167	175,118	(6,951)	171,773
Supplies	4,900	7,300	6,632	668	4,264
Professional services	389,200	587,200	478,714	108,486	496,901
Depreciation	-	1,107	1,107	-	1,107
Other	7,000	6,600	4,045	2,555	6,301
Claims and judgments	<u>3,275,199</u>	<u>3,112,758</u>	<u>3,072,314</u>	<u>40,444</u>	<u>3,082,250</u>
Total operating expenses	<u>3,844,466</u>	<u>3,883,132</u>	<u>3,737,930</u>	<u>145,202</u>	<u>3,762,596</u>
Operating income (loss)	<u>(732,008)</u>	<u>(745,451)</u>	<u>(405,915)</u>	<u>339,536</u>	<u>31,134</u>
<b>Nonoperating Revenue</b>					
Investment income	<u>166,000</u>	<u>150,000</u>	<u>254,907</u>	<u>104,907</u>	<u>241,371</u>
Total nonoperating revenue	<u>166,000</u>	<u>150,000</u>	<u>254,907</u>	<u>104,907</u>	<u>241,371</u>
Income (loss) before transfers	(566,008)	(595,451)	(151,008)	444,443	272,505
Transfers in	<u>1,113,787</u>	<u>1,756,564</u>	<u>1,756,564</u>	<u>-</u>	<u>524,525</u>
Change in fund net assets	547,779	1,161,113	1,605,556	444,443	797,030
Fund net assets, beginning of year	<u>3,106,080</u>	<u>3,106,080</u>	<u>3,106,080</u>	<u>-</u>	<u>2,309,050</u>
<b>Fund net assets, end of year</b>	<u>\$ 3,653,859</u>	<u>\$ 4,267,193</u>	<u>\$ 4,711,636</u>	<u>\$ 444,443</u>	<u>\$ 3,106,080</u>



City of Las Cruces

**City of Las Cruces**  
**Schedule of Insurance in Force**  
**June 30, 2010**

<b>Insurer</b>	<b>Deductible</b>	<b>Amount of Coverage</b>	<b>Risks Covered</b>
ACE	\$ 1,000	\$1,000,000 max any one loss	Fine Arts Policy, museum collections and temporary loans
Travelers-commercial pkge			
Commercial Property	5,000	various	Property, earnings & expense, equipment breakdown boiler & machinery.
Inland Marine	5,000/1,000	various	Contractor equipment, vehicles over \$100,000, leased/rented equipment, EDP (electronic data processing)
Crime	50,000	5,000,000.00 per occurrence	Employee dishonesty, forgery, theft, robbery, fraud
Zurich	25,000	\$1,000,000	Pollution liability Environmental impairment. Underground storage tank
ACE Property & Casualty	-	\$10,000,000	Airport liability
Safety National	450,000	\$375,001-\$1,000,000 Statutory liability in excess-per occurrence	Excess workers' compensation liability
City of Las Cruces	N/A	Actual expense up to maximum allowable under State Tort Claims Act	Comprehensive automobile liability, general liability, defense of civil rights litigation, foreign jurisdiction coverage
St. Paul Travelers	-	\$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 and Schedule of Special Appropriations**  
**June 30, 2010**

**Deposits**

Institution/Security	CUSIP #	Maturity Date	Safe Keeping Location	Market Value
<b>Wells Fargo Bank, NA</b>			Wells Fargo Bank	
FED NATL MTG ASSN POOL #256327	31371MVU8	7/1/2036		\$ 12,098,650
FED NATL MTG ASSN POOL #849021	31408EG63	1/1/2036		10,962,729
FED NATL MTG ASSN POOL #995018	31416BK72	6/1/2038		14,507,090
				<u>\$ 37,568,469</u>

**Summary of Collateralization**

**Wells Fargo Bank**

Ending bank balance	\$ 20,320,542
Less: FDIC insurance	<u>(250,000)</u>
Total uninsured public funds	<u>\$ 20,070,542</u>
Pledged collateral held by the pledging bank's trust department in the City's name	\$ 37,568,469
100% collateral requirement	<u>20,070,542</u>
Pledged collateral in excess of requirement	<u>\$ 17,497,927</u>
Uninsured and uncollateralized	<u>\$ -</u>

Appropriation Number	Appropriation Description	Original Appropriation	Amended Appropriation	Appropriation Period	Expended to 6/30/2010	Outstanding	
						Encumbered 6/30/2010	Unencumbered Balance
07-3751	P/D/C/E Downtown Plaza	\$ 830,000	\$ 830,000	2/10 - 6/11	\$ 30,109	\$ 799,891	\$ -
08-3223	P/D/C/E/F Recreation & Aquatic Center	594,000	158,309	2/10 - 6/12	36,862	36,862	84,585
08-3221	P/D/C Downtown Plaza	295,000	151,001	2/10 - 6/12	-	151,001	-
08-3222	P/D/C Transitional Housing Vets Community of Hope	227,700	227,000	2/10 - 6/12	-	145,000	82,000
08-3224	P/C/E/F La Casa Transitional Housing Facilities	215,000	91,478	2/10 - 6/12	-	91,478	-
09-3878	P/D/C/R Improvements to MoNaS (08-4289)	180,000	178,200	2/10 - 6/13	166,675	-	11,525
08-4277	P/D/C/R City Animal Shelter	160,000	18,499	2/10 - 6/12	18,499	-	-
09-3024	Las Cruces Senior Center - Citywide (Vehicles)	84,000	84,000	2/10 - 6/13	-	64,000	20,000
09-3023	Benavidez Senior Center	76,600	76,600	2/10 - 6/13	-	76,600	-
08-4291	P/D/C/Purchase/Install Skeet & Trap Range	65,000	65,000	2/10 - 6/12	-	65,000	-
08-4286	P/D/Purchase/Install Lighting Mesilla Park	20,000	6,730	2/10 - 6/12	6,730	-	-
08-4809	East Side Senior Center	5,000	5,000	2/10 - 6/11	2,062	-	2,938
08-4811	Las Cruces Senior Center - Citywide	6,000	6,000	2/10 - 6/11	-	6,000	-
08-4808	East Mesa Senior Center	18,000	18,000	2/10 - 6/11	11,576	-	6,424
08-4810	East Side Senior Center	18,000	18,000	2/10 - 6/11	-	18,000	-
08-4812	Las Cruces Senior Center - Citywide	40,700	40,700	2/10 - 6/11	-	40,700	-
09-3025	Senior Programs Vehicles - Handicap Access	100,000	100,000	2/10 - 6/12	-	100,000	-



**City of Las Cruces**  
**Schedule of Deposit Accounts and Investments**  
**June 30, 2010**

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit 6/30/2010
<b>Deposit accounts</b>					
<i>Wells Fargo Bank</i>					
Community Development	Checking	\$ -	\$ 89,495	\$ 89,495	\$ 197,752
Community Development Home Rehab	Savings	-	40,739	40,739	40,739
Community Development Home Program	Savings	-	1,270	1,270	1,270
Metro Narcotics Agency	Savings	-	95,421	95,421	95,421
Treasury Fund - Operating	Checking	19,863,617	-	19,863,617	19,951,196
Payroll Direct Deposit Account	Checking	(27,647)	-	(27,647)	-
Accounts Payable	Checking	(2,240,671)	-	(2,240,671)	-
Electronic	Checking	(3,537,060)	-	(3,537,060)	-
Credit Card	Checking	858	-	858	-
On Demand	Checking	34,164	-	34,164	34,164
Rio Grande Natural Gas Assoc Revenue	Checking	(358,107)	-	(358,107)	-
Depository	Checking	1,246,344	-	1,246,344	-
Total deposit accounts		<u>14,981,498</u>	<u>226,925</u>	<u>15,208,423</u>	<u>\$ 20,320,542</u>
<b>Investments</b>					
<i>Wells Fargo Bank</i>					
5375 Wells Fargo MM	Investment	-	1,392,317	1,392,317	
5475 Wells Fargo MM	Investment	-	536,140	536,140	
<i>Wells Fargo Brokerage Services, LLC</i>					
FNMA Step 12/28/2018-10	Investment	3,017,820	-	3,017,820	
FNMA Step 12/30/2015-10	Investment	4,021,240	-	4,021,240	
FNMA Step 2/26/2015-10	Investment	3,009,390	-	3,009,390	
<i>First Tennessee</i>					
FHLMC Step 6/23/2025-10	Investment	-	10,091,600	10,091,600	
FNMA 5 6/24/2030-11	Investment	-	1,002,190	1,002,190	
FNMA 3 4/15/2016-11	Investment	-	1,108,302	1,108,302	
FHLMC 5 2/26/2025-10	Investment	-	1,196,084	1,196,084	
FNMA 3 4/15/2016-11	Investment	-	692,689	692,689	
FHLMC 5 2/26/2025-10	Investment	-	313,516	313,516	
FHLB Step 2/12/2020-10	Investment	2,005,000	-	2,005,000	
FHLMC Step 10/15/2024-10	Investment	5,003,700	-	5,003,700	
FHLMC Step 10/6/2017-10	Investment	2,014,160	-	2,014,160	
FHLMC Step 2/25/2016-11	Investment	3,031,080	-	3,031,080	
FHLMC Step 3/3/2016-10	Investment	2,008,000	-	2,008,000	
FHLMC Step 5/15/2018-11	Investment	9,105,390	-	9,105,390	
FHLMC Step 5/15/2018-11	Investment	2,023,420	-	2,023,420	
FHLMC Step 6/15/2018-11	Investment	5,029,000	-	5,029,000	
FHLMC Step 6/15/2020-11	Investment	2,015,340	-	2,015,340	
FHMLC Step 3/15/2025-11	Investment	3,048,360	-	3,048,360	
FMNA Step 5/26/2020-10	Investment	3,019,680	-	3,019,680	
FNMA Step 11/27/2017-11	Investment	7,065,660	-	7,065,660	
FNMA Step 3/10/2015-10	Investment	2,807,000	-	2,807,000	
FNMA Step 3/30/2020-10	Investment	3,006,570	-	3,006,570	
FNMA Step 6/3/2022-10	Investment	5,012,500	-	5,012,500	
<i>Morgan Keegan</i>					
FHLMC Step 11/15/2016-10	Investment	5,024,600	-	5,024,600	
FHLMC Step 3/10/2015-10	Investment	5,017,500	-	5,017,500	
FHLMC Step 4/15/2020-11	Investment	5,029,000	-	5,029,000	
FNMA Step 11/26/2018-10	Investment	3,019,260	-	3,019,260	
FNMA Step 12/10/2024-10	Investment	3,014,610	-	3,014,610	
FNMA Step 6/30/2020-10	Investment	3,010,890	-	3,010,890	
<i>First Tennessee Safekeeping</i>					
T-Note 0 5/15/2011	Investment	-	510,709	510,709	
T-Bond 7.25 5/15/2016	Investment	-	796,409	796,409	

**City of Las Cruces**  
**Schedule of Deposit Accounts and Investments — continued**  
**June 30, 2010**

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance
<i>State Treasurer New Mexigrow LGIP</i>				
New Mexico State Treasurer LGIP	Investment	-	-	-
New Mexico State Treasurer LGIP	Investment	-	-	-
New Mexico State Treasurer LGIP	Investment	-	-	-
New Mexico State Treasurer LGIP	Investment	-	-	-
<i>NM State Investment Council</i>				
Large Cap Active Equity Pool	Investment	-	3,814,025	3,814,025
Large Cap Index Equity Pool	Investment	-	1,860,242	1,860,242
Non-U.S. Developed Equity Pool	Investment	-	1,476,537	1,476,537
Mid/Small Cap Equity Pool	Investment	-	3,302,555	3,302,555
<i>BNY Mellon</i>				
NMFA Sub PPRF 07A Las Cruces St Res	Trust	-	186,852	186,852
Sub Pprf 2007A Las Cruces Res	Trust	-	912,153	912,153
NMFA 68th 2007E C/Las Cruces Res	Trust	-	1,864,863	1,864,863
NMFA 69th 2008A C/Las Cruces St Res	Trust	-	359,629	359,629
NMFA 69th 2008A C/Las Cruces Fr Res	Trust	-	89,816	89,816
NMFA 69th 2008A Las Cruces Eqp Res	Trust	-	33,682	33,682
NMFA 71st Supp 2008C Las Cruces Res	Trust	-	457,182	457,182
NMFA 68th 2007E C/Las Cruces Prg	Trust	-	12,500,551	12,500,551
NMFA 71st Supp 08C C/Las Cruces Prog	Trust	-	718	718
NMFA Sub PPRF 2007A Las Cruces Prg	Trust	-	1,640,913	1,640,913
NMFA 69th 2008A C/Las Cruces St Prog	Trust	-	1,540,789	1,540,789
NMFA F 69th 2008A C/Las Cruces Fire Pr	Trust	-	40	40
NMFA E 69th 2008A C/Las Cruces Eqp Prg	Trust	-	187,688	187,688
NMFA Sub Lien 07C C/Las Cruces Tnk P	Trust	-	1,922,655	1,922,655
NMFA 69th 2008A C/Las Cruces Wtr Prg	Trust	-	6,400,901	6,400,901
NMFA 58th Supp(2004)Las Cruces Res	Trust	-	22,261	22,261
NMFA Sub Lien 07C Las Cruces Tnk RS	Trust	-	207,480	207,480
NMFA DDCR DTD 7/28/06 C/Las Cruces R	Trust	-	18,584	18,584
NMFA 69th 2008A C/Las Cruces Wt Res	Trust	-	1,250,533	1,250,533
NMFA Sub Lien 07C Las Cruces Plnt Pg	Trust	-	430,027	430,027
NMFA 69th 2008A C/Las Cruces Wtr#2 P	Trust	-	2	2
NMFA 64th Supp(04C)Las Cruces Ds Res	Trust	-	30,277	30,277
NMFA 65th Supp 2005 A Lax Cruces Res	Trust	-	19,747	19,747
NMFA Sub Lien 07C Las Cruces Plnt Res	Trust	-	612,129	612,129
NMFA 69th '08A Las Cruces Wtr R	Trust	-	314,543	314,543
NMFA Sub Lien 07C C/Las Cruces Rec.P	Trust	-	292,871	292,871
NMFA Sub Lien 07C C/Las Cruces Resr	Trust	-	111,306	111,306
NMFA 70th 2008B Las Cruces Res	Trust	-	171,175	171,175
Total investments		<u>90,359,170</u>	<u>59,672,682</u>	<u>150,031,852</u>
Total deposits and investment		<u>105,340,668</u>	<u>59,899,607</u>	<u>165,240,275</u>
<i>Other cash</i>				
Petty cash and change funds	Cash	-	11,446	11,446
<i>New Mexico Finance Authority</i>				
2004 A PPRF - City of Las Cruces	Debt Service	-	1	1
2007 C PPRF Las Cruces City	Debt Service	-	1	1
DL - City of Las Cruces	Debt Service	-	-	-
2008 A PPRF - Las Cruces City	Debt Service	-	7	7
2004 C PPRF - Las Cruces	Debt Service	-	1	1
2005 A PPRF - City of Las Cruces	Debt Service	-	36,744	36,744
2007 C PPRF Las Cruces City	Debt Service	-	3	3
2008 A PPRF - Las Cruces City	Debt Service	-	2	2
2007 C PPRF - Las Cruces City	Debt Service	-	3	3
2008 B PPRF - City of Las Cruces	Debt Service	-	4	4
<i>Accrued interest receivable</i>				
Accrued Interest - Pooled Investments	Accrued int	<u>440,152</u>	-	<u>440,152</u>
Total cash and investments		<u>\$ 105,780,820</u>	<u>\$ 59,947,819</u>	<u>\$ 165,728,639</u>

**City of Las Cruces**  
**Statistical Section Table of Contents**  
**June 30, 2010**

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 Nine Years**  
**(Unaudited)**

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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	\$ 199,706	\$ 258,566
Restricted	21,629	22,263	20,820	19,752	17,301	34,371	32,766	32,625	33,168
Unrestricted	26,910	31,278	50,714	63,166	103,080	103,926	126,919	82,891	57,690
Subtotal governmental activities net assets	177,463	186,563	211,244	232,313	252,026	279,187	306,012	315,222	349,424
<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	126,330	140,672
Restricted	5,333	4,814	-	13,879	20,976	34,894	49,377	30,498	22,870
Unrestricted	22,201	31,764	42,854	35,901	40,051	43,678	41,540	43,807	39,193
Subtotal business-type activities net assets	131,604	136,046	142,003	154,676	167,642	184,128	194,415	200,635	202,735
<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	326,036	399,238
Restricted	26,962	27,077	20,820	33,631	38,277	69,265	82,143	63,123	56,038
Unrestricted	49,111	63,042	93,568	99,067	143,131	147,604	168,459	126,698	96,883
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>	<u>\$ 515,857</u>	<u>\$ 552,159</u>

Note:

\*The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2010 is shown. Data for the remaining year is not available at this time.

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
Governmental activities									
General government	\$ 12,242	\$ 12,948	\$ 14,953	\$ 17,433	\$ 16,800	\$ 25,894	\$ 16,560	\$ 16,914	\$ 16,100
Facilities	6,418	6,953	7,107	7,948	9,018	9,648	9,857	10,372	13,629
Police	16,093	16,745	17,666	19,474	21,822	21,426	23,814	28,112	26,886
Fire	7,646	7,810	7,653	8,464	9,288	10,346	11,290	11,261	11,155
Community development	1,744	3,903	4,728	4,653	5,123	4,641	5,047	4,605	7,586
Public services	8,597	8,862	9,201	9,741	10,889	11,774	12,525	12,797	10,506
Public works	12,900	13,017	13,888	14,334	15,604	16,756	19,728	20,552	19,728
Interest on long-term debt	1,755	2,015	2,166	1,919	2,726	3,148	4,003	4,307	4,564
Subtotal governmental activities expenses	67,395	72,253	77,362	83,966	91,271	103,633	102,824	108,920	110,154
Business-type activities									
Gas	12,782	17,986	22,414	22,934	30,367	29,976	30,478	25,095	25,835
Water	8,522	6,398	9,549	8,621	10,655	12,219	11,679	14,787	14,474
Waste water	6,706	6,260	7,506	7,697	8,362	8,514	8,767	10,878	11,217
Solid waste	6,887	9,124	8,403	8,163	9,335	9,172	10,905	10,534	10,431
Transit	-	-	-	-	-	-	-	4,167	4,310
Other	2,361	2,435	2,492	3,059	3,419	3,801	4,185	107	-
Interest on long-term debt	1,853	1,920	1,665	1,709	1,965	2,626	3,422	-	-
Subtotal business-type activities expenses	39,111	44,123	52,029	52,183	64,103	66,308	69,437	65,568	66,267
Total primary government expenses	106,506	116,376	129,391	136,149	155,374	169,941	172,261	174,488	176,421
<b>Program Revenues</b>									
Governmental activities									
Charges for services									
General government	105	95	99	108	5,291	5,038	4,676	2,042	3,735
Facilities	361	172	173	44	114	396	-	340	340
Police	115	104	63	169	2,234	2,833	2,041	4,638	3,544
Fire	-	-	-	-	-	61	161	-	1
Community development	3	5	8	-	3,662	1,607	3,644	2,618	2,615
Public services	452	531	351	313	1,404	4,879	3,942	1,920	610
Public works	91	134	235	287	698	2,910	2,249	1,987	1,491
Operating grants and contributions									
General government	17	1,010	733	926	1,420	490	540	30	1,701
Facilities	58	-	-	-	-	-	-	-	-
Police	68	1,517	1,061	996	1,019	688	1,669	955	839
Fire	114	251	328	357	349	442	440	381	392
Community development	1,468	2,311	2,977	1,797	2,727	1,896	2,410	1,369	4,768
Public services	2,062	942	1,425	1,497	1,082	1,148	1,262	1,197	1,290
Public works	-	27	21	73	-	554	11	-	2,909
Capital grants and contributions									
General government	6	-	-	-	1,236	3,344	2,531	3,350	15,129
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	11,515	10,857
Subtotal governmental activities revenues	8,928	11,173	9,124	12,153	25,909	38,252	37,084	32,342	50,221

**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	2009	2010
<b>Program Revenues - continued</b>									
<b>Business-type activities</b>									
Charges for services									
Gas	12,565	17,342	22,580	24,019	30,498	31,614	31,991	23,880	24,693
Water	10,354	11,302	13,721	13,289	16,235	15,140	13,941	13,182	13,232
Waste water	6,849	7,518	8,661	9,862	11,829	12,070	10,910	10,793	10,822
Solid waste	5,501	6,066	7,649	8,532	9,854	10,155	10,194	10,267	10,204
Transit	-	-	-	-	-	-	-	-	564
Other	226	221	286	225	233	263	325	420	-
Operating grants and contributions									
Gas	128	114	175	200	-	-	-	-	-
Water	396	547	608	891	-	-	-	-	8
Waste water	464	557	408	938	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	1,520	1,368
Other	911	735	1,297	2,984	1,048	-	1,188	-	-
Capital grants and contributions									
Gas	-	-	-	-	46	342	335	333	50
Water	-	-	-	-	1,569	1,398	1,263	1,968	1,068
Waste water	-	-	-	-	307	2,141	1,926	2,383	531
Solid waste	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	1,267	626
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>	<u>66,013</u>	<u>63,166</u>
Total primary government revenues	<u>46,322</u>	<u>55,575</u>	<u>64,509</u>	<u>73,093</u>	<u>97,955</u>	<u>112,516</u>	<u>109,275</u>	<u>98,355</u>	<u>113,387</u>
<b>Net (Expense)/Revenue</b>									
Governmental activities	(58,467)	(61,079)	(68,237)	(71,814)	(65,362)	(65,381)	(65,740)	(76,578)	(59,933)
Business-type activities	(1,717)	279	3,357	8,758	7,943	7,957	2,755	445	(3,101)
Total primary government net expense	<u>(60,184)</u>	<u>(60,800)</u>	<u>(64,880)</u>	<u>(63,056)</u>	<u>(57,419)</u>	<u>(57,424)</u>	<u>(62,984)</u>	<u>(76,133)</u>	<u>(63,034)</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	73,506	75,230
Property	5,783	6,786	7,234	7,535	8,483	9,355	10,891	12,168	13,216
Franchise/lodgers	2,230	2,459	2,114	2,339	2,609	2,999	2,985	2,699	2,739
Investment income	1,264	1,448	794	1,857	3,881	5,902	3,842	(1,720)	3,569
Hospital net assets received	-	-	18,025	3,760	3,308	-	-	-	-
Telshor Facility income	-	-	-	-	-	2,973	267	278	139
Other	-	-	-	-	-	-	-	-	2,684
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	3,091	-
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)	(4,232)	(3,442)
Total governmental activities	<u>67,388</u>	<u>70,180</u>	<u>92,918</u>	<u>92,882</u>	<u>85,075</u>	<u>92,138</u>	<u>93,816</u>	<u>85,790</u>	<u>94,135</u>
Business-type activities									
Investment income	1,415	1,295	35	1,095	1,857	3,855	3,408	1,517	1,302
Other	-	371	-	-	8	239	40	25	457
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	4,232	3,442
Total business-type activities	<u>(1,719)</u>	<u>4,164</u>	<u>2,599</u>	<u>3,916</u>	<u>5,023</u>	<u>8,528</u>	<u>7,532</u>	<u>5,774</u>	<u>5,201</u>
Total primary government	<u>65,669</u>	<u>74,344</u>	<u>95,517</u>	<u>96,798</u>	<u>90,098</u>	<u>100,665</u>	<u>101,348</u>	<u>91,564</u>	<u>99,336</u>
<b>Change in Net Assets</b>									
Governmental activities	8,920	9,101	24,681	21,069	19,713	26,756	28,076	9,212	34,202
Business-type activities	(3,435)	4,443	5,956	12,674	12,966	16,486	10,287	6,219	2,100
Total primary government	<u>\$ 5,485</u>	<u>\$ 13,544</u>	<u>\$ 30,637</u>	<u>\$ 33,743</u>	<u>\$ 32,679</u>	<u>\$ 43,242</u>	<u>\$ 38,363</u>	<u>\$ 15,431</u>	<u>\$ 36,302</u>

Note:

\*The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2010 is shown. Data for the remaining year is not available at this time.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 451,875	\$ 809,105	\$ 733,540	\$ 657,464	\$ 629,171	\$ 717,666	\$ 732,996	\$ 972,057	\$ 933,966	\$ 1,022,334
Unreserved	<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>	<u>29,923,328</u>	<u>32,379,133</u>
General fund subtotal	<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>	<u>30,857,294</u>	<u>33,401,467</u>
All Other Governmental Funds										
Reserved	3,771,793	-	-	12,100,000	7,903,853	25,493,110	24,829,639	23,899,960	20,317,288	21,691,102
Unreserved, reported in										
Special revenue funds	4,496,396	5,012,957	5,083,027	24,136,265	26,338,605	8,101,600	9,952,018	10,002,577	10,042,420	7,709,359
Capital projects fund	10,406,393	9,242,485	16,783,526	15,512,939	14,289,268	45,701,136	52,354,759	73,463,705	49,730,642	25,899,829
Debt service funds	<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>	<u>7,844,924</u>	<u>7,230,842</u>
Other governmental funds subtotal	<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>87,935,274</u>	<u>62,531,132</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>	<u>\$ 118,792,568</u>	<u>\$ 95,932,599</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)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 49,371,659	\$ 52,953,900	\$ 57,331,966	\$ 63,660,076	\$ 68,819,813	\$ 77,710,596	\$ 85,240,647	\$ 90,955,351	\$ 88,372,353	\$ 91,184,536
Charges for services	2,400,632	1,127,933	1,042,261	930,507	919,973	1,224,934	1,401,332	1,359,566	2,038,227	1,639,472
Fees and fines	976,889	1,635,321	1,773,983	1,814,857	2,198,654	2,498,111	2,849,604	1,935,093	2,975,920	3,313,826
Franchise fees	1,735,414	1,964,238	2,045,459	2,176,607	2,164,259	2,389,962	2,456,015	2,677,024	2,772,546	2,683,038
Investment income	1,703,752	1,263,509	1,241,166	739,313	1,571,350	3,438,111	5,593,370	3,580,256	(1,909,490)	3,371,641
Licenses and permits	944,921	1,026,617	1,633,918	2,007,529	3,194,133	4,307,748	3,792,776	1,963,361	1,340,840	1,240,495
Operating grants and contributions	-	-	-	-	11,232,583	12,481,851	9,233,847	-	-	-
Grants and contracts	7,215,335	-	-	-	-	-	10,072,290	-	-	-
Intergovernmental	-	7,799,610	10,131,917	8,105,548	-	-	-	12,566,035	13,083,996	35,021,604
Other	3,429,786	7,033,198	4,580,702	5,111,599	5,998,934	7,011,904	-	12,030,681	7,805,665	6,780,990
Contributions from other government agencies	928,924	-	-	-	-	-	-	-	-	-
Total revenues	<u>68,707,312</u>	<u>74,804,326</u>	<u>79,781,372</u>	<u>84,546,036</u>	<u>96,099,699</u>	<u>111,063,217</u>	<u>120,639,881</u>	<u>127,067,367</u>	<u>116,480,057</u>	<u>145,235,602</u>
<b>Expenditures</b>										
<b>Current</b>										
General government	10,790,771	10,854,550	12,036,419	13,775,498	16,753,705	16,378,155	18,249,867	16,096,382	15,793,871	15,499,329
Facilities	-	5,709,543	6,519,077	6,842,730	7,227,918	8,089,108	8,919,653	9,029,214	9,567,127	12,899,522
Development services	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	26,930,951	25,629,244
Fire	-	6,601,426	7,426,258	7,398,016	7,909,612	8,663,400	9,717,207	10,620,627	10,611,882	10,461,299
Public safety	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	4,574,265	7,541,002
Community facilities	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	11,524,761	9,085,863
Public works	-	6,194,174	6,576,259	7,276,334	7,213,101	8,003,143	8,950,461	10,909,474	11,083,997	10,260,104
Capital outlay	17,088,512	11,763,159	9,555,113	7,763,925	13,723,810	18,572,968	23,443,820	32,342,749	52,076,944	60,876,060



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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenditures - continued										
Debt service										
Principal	3,520,000	3,028,443	6,350,612	3,894,959	11,920,744	6,421,767	5,628,623	7,260,878	8,298,537	7,554,567
Interest and other charges	2,142,754	1,754,671	1,917,452	2,046,928	1,811,112	2,724,004	3,021,761	4,003,447	4,307,153	4,194,303
Bond issuance costs	-	-	-	-	185,926	498,780	-	-	-	-
Total expenditures	<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>	<u>154,769,488</u>	<u>164,001,293</u>
Excess of revenues over (under) expenditures	<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>	<u>(38,289,431)</u>	<u>(18,765,691)</u>
<b>Other Financing Sources (Uses)</b>										
Bond proceeds	5,020,317	-	10,023,555	-	7,980,000	33,000,000	12,667,476	32,184,395	9,749,434	187,874
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	587,667	28,308
Transfers in	25,087,720	5,271,700	6,283,603	9,020,123	9,870,984	12,951,247	12,616,224	25,472,862	21,088,190	19,719,483
Transfers out	<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>	<u>(25,797,583)</u>	<u>(24,029,943)</u>
Total other financing sources (uses)	<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>	<u>5,627,708</u>	<u>(4,094,278)</u>
Net change in fund balances	<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>	<u>\$(32,661,723)</u>	<u>\$(22,859,969)</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>12.28%</u>	<u>11.39%</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	
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%
2009	1,997,809,308	5,993,427,924	87,600,824	262,802,472	176,456,635	1,908,953,497	5,726,860,491	33%
2010	2,106,691,015	6,320,073,045	57,474,536	172,423,608	196,456,064	1,967,709,487	5,903,128,461	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>
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
2009	6.136	1.150	8.249	9.807	1.961	27.303
2010	6.155	1.530	8.388	9.818	1.977	27.868

<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>
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
2009	7.120	1.150	12.001	10.004	2.000	32.275
2010	7.120	1.530	12.002	10.014	2.000	32.666

Source: New Mexico Department of Finance & Administration, Local Government Division  
Dona Ana County

**City of Las Cruces  
Principal Taxpayers  
June 30, 2010  
Last Ten Years  
(Unaudited)**

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Taxpayer	Type of Business	FY 2010			FY 2009			FY 2008			FY 2007			FY 2006		
		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
El Paso Electric Company	Electricity	\$ 74,944,703	3.81%	1	\$ 67,831,036	3.72%	1	\$ 64,345,540	3.93%	1	\$ 59,515,890	4.27%	1	\$ 58,026,006	4.43%	1
Memorial Medical Center	Medical Center	74,406,896	3.78%	2	17,287,000	0.95%	6	17,169,067	1.05%	5	16,482,767	1.18%	5	13,754,267	1.05%	5
Las Cruces Medical Center LLC	Medical Center	56,276,100	2.86%	3	18,758,700	1.03%	4	19,334,467	1.18%	4	18,392,667	1.32%	4	18,392,667	1.40%	4
Qwest Corporation	Communications	39,251,670	1.99%	4	19,977,512	1.10%	3	26,869,586	1.64%	3	24,800,703	1.78%	3	24,027,370	1.83%	3
Mesilla Valley Mall LLC	Shopping Centers	31,422,000	1.60%	5												
Comcast Cablevision of NM/PA Inc.	Television Services	24,878,595	1.26%	6												
Las Cruces Madison Ownership Co. LLC	Real Estate	15,833,100	0.80%	7	9,171,319	0.50%	9	9,007,400	0.55%	10	7,687,900	0.55%	10			
Casa Bandera Tie LLC	Real Estate	15,454,200	0.79%	8												
Las Cruces - Tmb LLC	Real Estate	15,300,000	0.78%	9												
FS Laguna Seca I LLC	Shopping Centers	13,160,400	0.67%	10												
Public Service Co of NM	Electricity				34,621,991	1.90%	2	34,744,992	2.12%	2	43,703,556	3.14%	2	34,927,202	2.67%	2
Union Pacific Rail Road Company	Railroad				17,964,050	0.99%	5	15,951,623	0.97%	6	13,610,022	0.98%	6	13,267,394	1.01%	6
El Paso Natural Gas Co	Gasoline				12,938,360	0.71%	8	12,558,435	0.77%	7	13,732,645	0.99%	7	11,923,259	0.91%	7
Las Uvas Valley Dairy	Agriculture							11,841,705	0.72%	8						
Burlington Northern & Santa Fe Railroad	Railroad				13,413,383	0.74%	7	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				8,309,100	0.46%	10				8,159,267	0.59%	9	8,249,767	0.63%	9
My Way of Holdings LLC	Casino												6,329,967	0.48%	10	
Sonoma Springs Partners LP	Real Estate															
Park Place Peridot LLC	Business Complex															
Southwest Malls Real Estate	Shopping Centers															
Las Cruces Apartment Co. LLC	Property Development															
Wal-Mart Stores, Inc.	Discount Stores															
Las Cruces Laguna Seca Ltd	Shopping Centers															
CMAT 1999-Ci Town Center LLC	Business Complex															
Sam's East, Inc.	Discount Stores															
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>18.34%</u>			<u>12.10%</u>			<u>13.63%</u>			<u>15.58%</u>			<u>15.16%</u>	

**City of Las Cruces**  
**Principal Taxpayers — continued**  
**June 30, 2010**  
**Last Ten Years**  
**(Unaudited)**

Taxpayer	Type of Business	FY 2005			FY 2004			FY 2003			FY 2002			FY 2001		
		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
El Paso Electric Company	Electricity	\$ 15,985,973	1.39%	2	\$ 14,790,872	1.35%	2	\$ 13,351,410	1.31%	2	\$ 12,873,898	1.32%	1	\$ 11,651,378	1.28%	2
Memorial Medical Center	Medical Center	13,754,267	1.20%	3												
Las Cruces Medical Center LLC	Medical Center	23,386,967	2.04%	1	17,285,900	1.57%	1	17,651,467	1.73%	1						
Qwest Corporation	Communications	12,711,340	1.11%	4	12,965,357	1.18%	3	12,571,205	1.23%	3	11,639,054	1.19%	2			
Mesilla Valley Mall LLC	Shopping Centers															
Comcast Cablevision of NM/PA Inc.	Television Services	4,779,585	0.42%	7												
Las Cruces Madison Ownership Co. LLC	Real Estate															
Casa Bandera Tie LLC	Real Estate	5,748,767	0.50%	6												
Las Cruces - Tmb LLC	Real Estate															
FS Laguna Seca I LLC	Shopping Centers	3,608,233	0.31%	10												
Public Service Co of NM	Electricity															
Union Pacific Rail Road Company	Railroad															
El Paso Natural Gas Co	Gasoline															
Las Uvas Valley Dairy	Agriculture															
Burlington Northern & Santa Fe Railroad	Railroad															
New Mexico Mall Partners LP	Shopping Centers	8,187,367	0.71%	5												
My Way of Holdings LLC	Casino															
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									
Southwest Malls Real Estate	Shopping Centers				7,604,067	0.69%	4	7,411,833	0.73%	4	7,551,300	0.77%	3			
Las Cruces Apartment Co. LLC	Property Development				3,524,333	0.32%	5	3,524,333	0.35%	5						
Wal-Mart Stores, Inc.	Discount Stores				3,493,133	0.32%	6	3,096,833	0.30%	8	3,158,200	0.32%	6	3,158,200	0.35%	6
Las Cruces Laguna Seca Ltd	Shopping Centers				3,115,167	0.28%	7	3,115,167	0.31%	6						
CMAT 1999-Ci Town Center LLC	Business Complex				2,782,267	0.25%	9	2,836,200	0.28%	9						
Sam's East, Inc.	Discount Stores				2,592,833	0.24%	10	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
Raley's of New Mexico, Inc.	Grocery Stores										2,878,533	0.29%	8	3,929,510	0.43%	4
Peak Medical Assisted Living, Inc.	Assisted Living															
Campo Loretto Operating Assoc. LP	Business Complex										2,825,500	0.29%	9	2,825,500	0.31%	8
Loretto Center LTD Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex															
First Security Bank of DAC	Bank															
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
Southwest Shopping Centers	Shopping Centers													7,744,433	0.85%	3
Level 3 Communications LLC	Communications													2,648,076	0.29%	9
			<u>8.45%</u>			<u>6.48%</u>			<u>6.79%</u>			<u>5.57%</u>			<u>5.92%</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
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%
2009	11,824,232	11,249,267	95.1%	574,965	11,824,232	100.0%
2010	12,679,515	12,103,053	95.5%	-	12,103,053	95.5%

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Source: Doña Ana County Property Abstract

**City of Las Cruces**  
**Ratio of Outstanding Debt by Type**  
**Last Nine 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
2009	48,950,000	346,679	49,003,451	324,909
2010	44,145,000	298,717	46,441,758	81,822

**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	5.70%	986
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
2009	44,635,000	27,375	65,147	27,486,462	170,839,023	7.84%	1,824
2010	41,225,000	30,003	-	27,046,307	159,268,607	7.31%	1,700

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 2009 is shown.

Source: City of Las Cruces CAFR, Note 7, Long-Term Obligations. This schedule excludes items for Claims & Judgments, Compensated Absences and Landfill Closure and Post-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>
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
2009	93,680	1,821,352,673	-	-	-	N/A	N/A
2010	93,452	1,921,638,946	-	-	-	N/A	N/A

Source: Doña Ana County Property Abstract



**City of Las Cruces**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2010**  
**(Unaudited)**

Jurisdiction	General Obligation as of June 30, 2010	Percentage Applicable to City of Las Cruces	City of Las Cruces Share of Debt
<b>Direct</b>			
City of Las Cruces	\$ -	100.00%	\$ -
<b>Overlapping</b>			
State of New Mexico	\$ 398,580,000	3.30%	13,153,140
Dona Ana County	2,085,000	50.78%	1,058,763
Las Cruces School District	77,870,000	68.52%	53,356,524
Dona Ana Community College	16,910,000	50.78%	8,586,898
Total overlapping	<u>495,445,000</u>		<u>76,155,325</u>
Total direct and overlapping general obligation bonded debt	<u>\$ 495,445,000</u>		<u>\$ 76,155,325</u>

Notes:

\* Overlapping rates are those of local and county governments that apply to the property owners of the City of Las Cruces.

Source: City of Las Cruces; State of New Mexico; Dona Ana County; Las Cruces School District; Dona Ana Branch Community College.

**City of Las Cruces**  
**Computation of Legal Debt Margin**  
**Last Ten Years**  
**June 30, 2010**  
**(Unaudited)**

	<u>2010</u>
Taxable valuation	\$1,921,638,946
Legal debt limit - 4% of assessed calculation	76,865,558
Amount of long-term debt subject to legal debt limit: general obligation debt outstanding	<u>-</u>
Legal debt margin	<u>\$ 76,865,558</u>

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 36,549,634	\$ 39,114,024	\$ 40,849,254	\$ 43,906,341	\$ 45,906,846	\$ 52,413,994	\$ 55,706,416	\$ 65,486,586	\$ 72,854,107
Total net debt applicable to limit	<u>715,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt margin	<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>	<u>\$ 65,486,586</u>	<u>\$ 72,854,107</u>
Total debt applicable to the limit as a percentage of debt limit	1.96%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

\* The requirement for statistical data is ten years.

Source: Doña Ana County Property Abstract

**City of Las Cruces**  
**Pledged-Revenue Bond/Note Coverage**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**June 30, 2010**

Fiscal Year	Sales Tax Revenue Bonds/Notes			
	Pledged Revenues	Debt Service		Coverage
		Principal	Interest	
2001	\$ 25,245,000	\$ 2,460,000	\$ 1,712,394	6.05
2002	27,766,154	1,793,168	1,637,898	8.09
2003	29,598,948	1,521,087	927,515	12.09
2004	33,236,280	3,089,418	1,213,189	7.72
2005	36,245,275	3,203,196	1,209,419	8.21
2006	40,686,980	3,992,351	1,096,173	8.00
2007	47,195,398	4,583,873	2,447,367	6.71
2008	55,860,863	6,149,329	3,470,509	5.81
2009	52,367,241	7,084,187	3,931,990	4.75
2010	53,767,968	6,529,567	3,844,737	5.18

Fiscal Year	Gas Tax Bonds			
	Pledged Revenues	Debt Service		Coverage
		Principal	Interest	
2001	\$ 1,008,424	\$ -	\$ -	-
2002	1,539,143	-	260,853	5.90
2003	1,512,281	265,000	260,853	2.88
2004	1,544,437	275,000	248,663	2.95
2005	1,451,120	290,000	235,875	2.76
2006	1,532,985	300,000	222,245	2.94
2007	1,506,014	315,000	207,845	2.88
2008	1,439,465	330,000	192,568	2.75
2009	1,500,597	345,000	176,398	2.88
2010	1,523,173	365,000	159,148	2.91

Fiscal Year	Environmental Gross Receipts Tax Bonds			
	Pledged Revenues	Debt Service		Coverage
		Principal	Interest	
2001	\$ 890,199	\$ 380,000	\$ 545,575	0.96
2002	968,127	405,000	522,775	1.04
2003	1,011,472	425,000	498,981	1.09
2004	1,134,753	450,000	477,200	1.22
2005	1,237,329	410,000	189,656	2.06
2006	1,401,404	590,000	253,366	1.66
2007	1,523,163	605,000	235,666	1.81
2008	1,616,819	625,000	217,516	1.92
2009	1,519,556	640,000	198,766	1.81
2010	1,559,777	660,000	179,566	1.86

Fiscal Year	Utility Revenue Bonds/Notes					
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 30,213,313	\$ (22,884,302)	\$ 7,329,011	\$ 1,215,000	\$ 1,598,000	2.61
2002	29,079,551	(22,978,421)	6,101,130	1,325,000	1,668,811	2.04
2003	35,803,200	(27,376,457)	8,426,743	1,550,000	1,607,861	2.67
2004	43,902,605	(34,970,027)	8,932,578	1,643,043	1,542,500	2.80
2005	46,421,742	(34,718,010)	11,703,732	1,739,857	1,473,776	3.64
2006	57,510,802	(44,533,053)	12,977,749	1,838,047	1,781,858	3.59
2007	58,441,509	(45,068,724)	13,372,785	1,940,010	2,330,112	3.13
2008	67,036,667	(55,364,226)	11,672,441	2,480,492	3,013,553	2.12
2009	58,121,771	(50,967,866)	7,153,905	3,197,080	3,415,225	1.08
2010	59,175,048	(58,667,282)	507,766	3,850,158	2,851,760	0.08

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, 2010**  
**(Unaudited)**

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
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%
2009	93,680	4,792,238	19,052	31	24,530	7.2%
2010	93,452	5,832,000	28,251	31	24,400	7.9%

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, 2010**  
**(Unaudited)**

<b>FY 2010</b>	<b>FY 2009</b>
Border Foods Inc.	Border Foods Inc.
Dona Ana Branch Community College	Dona Ana Branch Community College
Dona Ana County	Dona Ana County
Las Cruces Public Schools	Las Cruces Public Schools
Memorial Medical Center	Memorial Medical Center
Mountain View Regional Medical Center	Mountain View Regional Medical Center
National Aeronautics & Space	National Aeronautics & Space
New Mexico State University	New Mexico State University
Tyson Prepared Foods	Tyson Prepared Foods
Wal-Mart	Wal-Mart

**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

**City of Las Cruces**  
**City Government Employees by Function/Program**  
**Last Nine Fiscal Years**  
**June 30, 2010**  
**(Unaudited)**

Function/Program	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>									
City Administration	16	15	11	18	17	17	8	15	18
Human Resources	10	9	11	9	12	12	14	14	15
Financial Services	45	49	52	48	49	47	62	59	58
Legal	29	34	36	35	31	35	46	35	22
Risk Management	6	6	6	6	6	6	7	7	7
<b>Community Development</b>									
Administration	16	16	20	29	22	22	22	21	21
Permits and Inspections	13	17	16	17	19	20	21	22	23
Neighborhood Development	4	5	5	10	6	7	15	16	16
<b>Facilities</b>									
Administration	5	6	7	6	7	7	12	12	10
Airport Operations	6	5	4	3	4	4	4	4	4
Building Services	33	29	39	33	31	32	38	35	34
Fleet Services	16	16	22	21	19	22	24	23	27
Parks	48	53	56	51	56	60	58	58	72
<b>Fire</b>									
Administration	12	12	8	9	10	12	12	13	13
Firefighters and Officers	93	100	97	103	115	109	116	108	104
<b>Police</b>									
Administration	45	50	69	41	58	61	56	56	64
Officers	174	183	189	189	194	192	204	209	213
<b>Public Services</b>									
Convention & Visitors' Bureau	7	7	7	8	7	8	10	10	10
Library	30	32	34	38	39	37	36	43	40
Museum Systems	14	13	14	13	16	15	18	21	19
Public Information	6	6	6	5	6	6	7	7	7
Parks & Recreation	33	34	35	42	39	51	26	41	43
Senior Programs	37	37	37	40	41	46	34	59	51
Transit	42	43	36	37	50	51	49	50	49
<b>Public Works</b>									
Administration	1	1	2	3	2	2	3	3	3
Engineering	39	38	41	40	41	36	53	50	44
Street Systems	47	48	44	44	49	58	58	53	53
<b>Utilities</b>									
Gas	62	63	68	62	66	67	77	69	61
Water	51	50	48	45	48	52	37	33	46
Wastewater	51	51	53	53	53	55	81	73	71
Solid Waste	55	58	57	57	61	63	74	67	53
<b>Support Services</b>									
Information Tech. & Communications	28	30	31	29	26	28	32	27	19
Document Services	3	3	3	3	2	3	2	2	2
Total employees	1,077	1,119	1,164	1,147	1,202	1,243	1,316	1,315	1,292

Notes:

\* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2010 is shown.

**City of Las Cruces**  
**Operating Indicators by Function/Program**  
**Last Nine Fiscal Years**  
**June 30, 2010**  
**(Unaudited)**

Function/Program	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>									
Number of newsletters printed and mailed				108,000	216,000	216,000	231,100	232,000	222,000
Cost per newsletter			\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Average number of days from position postings to position hires			43	44	44	39	80	79	
Operating and maintenance cost per work station			<\$3500	<\$3500	<\$3500	<\$3500	<\$3,600	<\$3,600	
<b>Facilities</b>									
Dollar amount of projects managed per employee			N/A	\$7.13 M	\$8.96 M	\$10.49M	8.94	10.4	
Number of project work orders (over \$10,000) requested			N/A	86	75	79	70	43	
Conduct park safety and maintenance inspections per quarter			120/qtr	126/qtr	126	147/qtr	148/qtr	150/qtr	
Total number of facilities operated and maintained	88	88	88	88	90	94	96	97	99
<b>Police</b>									
Number of citations issued			28,251	32,000	26,374	33,810	30,109	47,193	
Number of clean up events			N/A	25		141	132	146	
Number of codes violations addressed		30,784	33,547	37,073	31,719		30,944	20,082	23,064
<b>Fire</b>									
Number of building inspections	not avail.	1,871	2,535	3,586	3,410	2,696	3,400	1,449	2,279
Number of citizens who receive safety education	not avail.	1,763	4,385	3,653	2,584	3,860	2,224	1,556	2,150
<b>Community Development</b>									
Number of affordable rental and owner occupied housing using CDBG and HOME funds	25	50	147	50	100	108	71	67	96
Miles of bicycle facility lane installed	12	14	11	6	10	5	-	2	4
Number of special events hosted in downtown area	10	11	12	22	23	23	21	15	25
Number of vendors participating in the Farmer's and Crafts Market	100	110	125	135	121	126	255	295	275
Number of residential building permits issued	1,108	1,389	1,435	2,044	1,756	1,547	1,158	490	468
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	\$ 1,370,971	\$ 1,272,140
Number of commercial building permits issued	166	170	218	177	131	147	125	22	17
Amount collected for commercial permits	\$ 383,684	\$ 417,162	\$ 589,046	\$ 342,056	\$ 551,029	\$ 532,631	\$ 367,385	\$ 156,315	\$ 83,232

**City of Las Cruces**  
**Operating Indicators by Function/Program — continued**  
**Last Nine Fiscal Years**  
**June 30, 2010**  
**(Unaudited)**

Function/Program - continued	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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	\$ 26,426	\$ 30,657
Walk-in visitors to CVB office	3,483	4,824	3,702	5,544	5,674	5,153	5,464	4,834	3,332
Number of congregate meals served to seniors	73,036	72,877	76,500	78,877	73,138	82,205	88,215	95,192	87,017
Number of home-delivered meals served to seniors	83,961	130,852	155,000	172,141	173,048	184,615	192,192	156,828	135,014
Number of homemaker units	6,257	3,334	5,510	7,135	8,200	9,905	10,103	10,027	8,235
Museum visitors				159,630	172,245	279,202	301,318	270,512	291,232
Museum exhibit openings attendance				10,271	11,409	9,659	18,056	16,415	16,345
Museum program participants				13,248	32,755	13,643	19,494	31,550	26,436
Fixed route ridership				622,560	690,000	733,128	671,727	656,590	601,782
Cost per trip on fixed route				\$ 2.90	\$ 2.90	\$ 2.90	\$ 3.85	\$ 3.81	\$ 4.13
Total library circulations	393,500	421,925	425,757	423,340	475,156	533,294	540,936	550,687	583,892
Total number of library sponsored programs	277	308	283	304	445	1,040	971	676	665
Computer sessions at library	32,027	47,817	59,515	54,654	97,932	104,382	106,539	100,428	97,058
<b>Public Works</b>									
Percentage of potholes patched within 24 hours of report				95.7%	90.0%	92.0%	76.0%	59.0%	75.5%
Maintain major arterials and intersections through routine striping program				1/yr	2/yr		3/yr	3/yr	2/yr
<b>Utilities</b>									
Meter reading complaints	<1%	<1%	<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	\$ 0.61	\$ 0.67
Operating and maintenance cost per dekatherm (Gas)	\$ 0.93	\$ 1.10	\$ 1.24	\$ 1.03	\$ 1.48	\$ 1.83	\$ 2.05	\$ 2.37	\$ 1.83
Operating and maintenance cost per 1,000 gallons produced (Water)	\$ 0.86	\$ 0.93	\$ 1.07	\$ 1.05	\$ 1.10	\$ 1.37	\$ 1.23	\$ 1.20	\$ 1.13
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	\$ 1.81	\$ 1.83	\$ 2.23	\$ 2.03	\$ 2.02	\$ 2.44	\$ 1.97	\$ 1.80	\$ 1.73
Total operating cost per ton collected (Solid Waste)	\$ 31.79	\$ 42.27	\$ 48.40	\$ 43.04	\$ 44.42	\$ 49.34	\$ 57.82	\$ 77.43	\$ 60.06

\* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2010 is shown.



**City of Las Cruces**  
**Capital Assets and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**June 30, 2010**  
**(Unaudited)**

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Area in square miles	50.46	50.46	50.46	51.5	52.25	56.07	76.18	76.38	76.38	76.99
Government facilities and services										
Miles of streets	380	438	438	438	992	524	537	556	558	563
Number of street lights	3,600	5,400	4,245	5,019	5,488	4,889	6,392	6,641	7,138	7,360
Culture and Recreation										
Community centers	5	5	5	6	6	5	5	5	5	5
Lakes	1	1	1	1	1	1	1	1	1	1
Pond	1	1	1	1	1	1	1	1	1	1
Parks	59	72	72	51	75	78	77	80	80	82
Park acreage	736	736	303	308	308	373	373	600	600	646
Sports complex	12	12	12	13	13	13	13	13	13	13
Swimming pools	3	3	3	3	3	3	3	4	4	4
Shooting range	1	1	1	1	1	1	1	1	1	1
Tennis courts	18	18	18	18	18	18	18	18	18	18
Bike path	2	2	2	2	2	2	2	2	2	2
Miles of bike paths						10	10	10	10	10
Fire Protection										
Number of stations	6	7	7	7	7	7	7	7	7	7
Police Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Sewerage Systems										
Miles of sanitary sewers (est.)	321	321	369	373	393	435	476	507	525	530
Miles of storm sewers (mains)	29	29	29	111	18	17	17.5	17	17	17
Number of treatment plants	2	2	2	2	2	2	2	2	2	3
Number of service connections	21,518	22,264	23,117	23,955	25,180	33,806	26,018	28,323	29,329	30,866
Water System										
Miles of water mains (est.)	353	356	389	412	462	476	505	525	547	558
Number of service connections	22,971	23,852	24,525	25,616	27,040	28,835	29,980	31,193	30,521	31,249
Transit System										
Miles of Bus Routes				81.7	81.7	86	86	125	133	133
Number of Bus Stops				358	358	358	358	337	350	350
Number of Buses				17	17	16	16	15	15	15
Number of Dial-a-Ride Vehicles				11	11	17	17	17	17	17

Sources: Various City departments.

**City of Las Cruces**  
**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2008 and 2010**  
**(Unaudited)**  
**June 30, 2010**

Industry	Fiscal Year 2009				Fiscal Year 2010			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	9,809	20.30%	\$ 57,692,756	36.81%	9,485	19.78%	\$ 57,662,658	35.71%
Construction	6,859	14.20%	21,576,264	13.77%	5,972	12.45%	21,149,490	13.10%
Other Services (except Public Admin)	11,074	22.92%	15,741,662	10.05%	11,558	24.10%	14,829,585	9.18%
Health Care and Social Assistance	5,596	11.58%	20,425,524	13.03%	5,683	11.85%	23,866,680	14.78%
Accommodation and Food Services	2,932	6.07%	14,315,226	9.13%	2,949	6.15%	15,363,382	9.52%
Professional, Scientific and Technical Svcs	5,678	11.75%	10,649,058	6.80%	6,023	12.56%	10,371,267	6.42%
Wholesale Trade	2,410	4.99%	3,571,603	2.28%	2,242	4.68%	3,178,722	1.97%
Unclassified Establishments	682	1.41%	812,425	0.52%	665	1.39%	1,112,128	0.69%
Utilities	94	0.19%	6,225,175	3.97%	90	0.19%	5,903,990	3.66%
Information and Cultural Industries	1,114	2.31%	3,808,499	2.43%	1,264	2.64%	6,247,725	3.87%
Real Estate and Rental and Leasing	2,064	4.27%	1,892,641	1.21%	2,018	4.21%	1,773,614	1.10%
	<u>48,312</u>	<u>100%</u>	<u>\$ 156,710,833</u>	<u>100%</u>	<u>47,949</u>	<u>100%</u>	<u>\$ 161,459,241</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.

## Independent Auditors' Report on Schedule of Expenditures of State and Federal Awards

Mr. Hector H. Balderas, New Mexico 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, 2010, and have issued our report thereon dated November 22, 2010. 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 22, 2010

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards**  
**For the Year Ended June 30, 2010**

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		10-624-4000-0058	07/09 – 06/10	\$ 15,469	\$ 11,630
Senior Employment Program		2009-10-64014	07/09 – 06/10	8,846	8,846
Title IIIB, IIIC1, IIIC2, IIID, IIIE		2009-10-64014	07/09 – 06/10	382,257	382,527
Title XX		10-624-6000-004	07/08 – 06/09	116,770	87,570
East Mesa Multigenerational Center		2006-326	11/05 – 06/10	100,000	10,504
Munson Senior Center		2006-0329	11/05 – 06/10	148,500	120,434
Munson Center Construction		2007-2318	06/07 – 06/10	198,000	198,000
Munson Center Equipment		2007-2319	06/07 – 06/10	100,000	97,000
Munson Center Renovations		2010-005	07/09 – 06/10	19,000	19,000
East Mesa Multigenerational Center		2007-2317	06/07 – 06/10	600,000	600,000
Total New Mexico Aging & Long-Term Services				<u>1,688,842</u>	<u>1,535,511</u>
<b>New Mexico State Department of Transportation</b>					
Arterial Street Lights		TPZ-4532(3)04	03/06 – 09/10	592,000	10,000
Davis/Jefferson		SP-GA-5583 (200)	09/06 – 06/10	100,000	4,913
Solano Drive ADA Sidewalk Improvements		SP-1-08-(910)	08/07 – 12/08	55,000	6,788
East Mesa Road Improvements		SP-GA-7613(240)	05/08 – 06/11	500,000	360,895
Elks Drive		OSE Dam File# D-405	01/07 – 06/10	75,000	63,147
Del Rey Boulevard Widening		MAP-5557(902)00	08/08 – 06/10	541,441	541,441
Union Avenue Multiuse Path		TPE-0373(3)	06/06 – 09/10	187,500	178,125
Union Avenue Lighting		SP-GA-5615(200)	09/08 – 06/12	70,000	7,178
Jack Rabbit Interchange		SP-GA-010-2(211)135	09/06 – 06/10	500,000	346,385
Telshore/Lohman Intersection Improvements		ST-4532(200)01	04/09 – 06/13	3,705,000	1,971,657
Safe Routes to School Funds		SRSI-7700 (150)	07/09 – 06/10	66,281	55,353
MPO Section 112		PL-92A-1(73)	07/09 – 06/10	145,805	145,805
MPO Section 5303		PL-92A-2(042)	07/08 – 06/10	115,826	38,789
MPO Traffic Count Program		PL-92-A-2(80)	07/09 – 06/10	18,000	18,000
MPO FHWA 112 PL		PL-92-A-2(94)	07/09 – 12/10	139,715	26,320
OBD-Traffic Safety Bureau		09-OP-RF-049	10/20/08 – 09/09	7,972	2,292
OBD-Traffic Safety Bureau		10-OP-RF-049	11/03/09 – 09/10	5,898	3,911
STEP-Traffic Safety Bureau		10-PT-RF-049	10/01/09 – 09/30/10	12,721	12,721
School Safe Routes		SRSI-7700 (150)	07/09 – 06/10	66,281	41,951
Airport Improvements GRT Runway Rehab		3-35-0024-023-2009	06/09 – 06/11	88,012	61,766
Total New Mexico State Department of Transportation				<u>6,992,452</u>	<u>3,897,437</u>
<b>New Mexico Economic Development Department</b>					
La Placita Phase I		09-419-A073924-9004		298,720	99,912
Total New Mexico Economic Development Department				<u>298,720</u>	<u>99,912</u>
<b>New Mexico Energy, Minerals and Natural Resources Department</b>					
Rideshare NMEMNR		10-521-032000000-0074	07/09 – 06/10	30,000	30,000
Total New Mexico Energy, Minerals and Natural Resources Department				<u>30,000</u>	<u>30,000</u>
<b>New Mexico Children, Youth and Families Department</b>					
Juvenile Citation Program		10-690-10483	07/09 – 06/10	214,091	213,775
Juvenile Citation Program		10-690-10339	07/09 – 06/10	35,500	35,062
Total New Mexico Children, Youth and Families Department				<u>249,591</u>	<u>248,837</u>
<b>New Mexico Environment Department</b>					
New Mexico Recycling and Illegal Dumping (RAID)		09NT-12	07/01/09 – 06/30/10	10,000	10,000
Willow / Glen Area Sewer Line		SAP 08-3856-GF	10/09/08 – 06/30/12	125,000	37,603
WWTP Sludge Compost Relocation		SAP 08-3857-GF	10/09/08 – 06/30/12	50,000	50,000
Total New Mexico Environment Department				<u>185,000</u>	<u>97,603</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2010**

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 Tourism Department</b>					
New Mexico Clean and Beautiful		10-418-6001-0027	06/11/09 – 06/30/10	\$ 31,000	\$ 30,619
Total New Mexico Tourism Department				<u>31,000</u>	<u>30,619</u>
<b>New Mexico Department of Health</b>					
EMS Fund Act Local System Improvement Project		-	to 6/30/10	15,000	15,000
Total New Mexico Department of Health				<u>15,000</u>	<u>15,000</u>
<b>State Grantor/Pass-Through</b>					
New Mexico State Legislative Appropriations/Dona Ana County					
City of Las Cruces		05-L-G-1441	to 6/30/10	148,500	22,513
City of Las Cruces		06-L-G-1577	to 6/30/10	321,750	321,750
City of Las Cruces		07-L-G-5166	to 6/30/11	358,380	358,380
City of Las Cruces		08-L-G-4264	to 6/30/12	445,500	445,000
City of Las Cruces		09-L-G-3375	to 6/30/11	250,000	250,000
Total State Grantor/Pass-Through				<u>1,524,130</u>	<u>1,397,643</u>
<b>New Mexico Department of Finance and Administration</b>					
Animal Shelter		08-L-4277	07/08 – 06/12	18,499	18,499
Burn Lake/Esslinger Park		05-L-1431	09/05 – 06/10	4,227	4,227
Burn Lake/Esslinger Park		08-L-4279	07/08 – 06/12	30,000	29,999
Bus Shelters		SP-GA-713(237)	05/08 – 06/11	50,100	37,500
Community of Hope		06-L-1581	05/06 – 06/10	128,680	1,551
Community of Hope-Garden		07-L-5195	08/07 – 06/11	751	751
Mesilla Valley Community of Hope		07-L-5212	07/09 – 6/30/11	2,174	2,174
Indoor Swimming Pool & Rec.		06-L-G-1608	05/06 – 06/10	3,740,000	513,010
Indoor Swimming Pool & Rec.		06-L-1608	05/06 – 06/10	344,490	637
LC Aquatic & Family Rec Ctr		06-L-411	09/06 – 06/10	9,026,389	8,269,812
LC Aquatic & Family Rec Ctr		08-L-3223	to 06/12	158,309	36,831
LC Downtown Revitalization		05-L-0292	to 06/10	410,895	370,711
LC Downtown Revitalization		05-L-1429	08/12/05 – 06/30/10	143,205	116,225
Mainstreet Central Business District		05-L-G-1043	04/06 – 06/30/10	140,000	18,996
LC Downtown Revitalization		06-L-416	09/06 – 06/10	170,125	165,510
Downtown Plaza		07-L-G-3751	to 06/11	830,000	30,109
Mesilla Park Rec Ctr Parking Lot		06-L-G-2493	05/06 – 06/10	50,000	7,860
Mesilla Park Community Center Renov		2008-3008	09/07 – 06/11	10,339	9,673
Mesilla Park Rec Ctr		08-L-4285	06/08 – 06/12	52,019	12,120
Mesquite Historic District		05-L-301	08/05 – 06/10	50,518	2,376
Mesquite Historic District		05-L-1457	09/05 – 06/10	2,062	2,062
Mesquite Historic District		06-L-G-1583	06/06 – 06/10	150,000	2,741
Mesquite Historic District		06-L-1583	06/06 – 06/10	147,259	147,259
Mesquite Historic District		07-L-5205	08/07 – 06/11	17,080	17,080
Skeet & Trap Range		08-L-4291	07/08 – 06/12	65,000	24,651
Neighborhood Stabilization Program		09-NSP-2-G-02	07/10 – 6/30/12	1,500,000	1,060,969
North Las Cruces Park		05-L-NR-I-3-G-0291	09/05 – 06/10	10,898	9,533
Thomas Branigan Memorial Library GO Bond		50500-0000005260	07/07 – 06/10	214,782	67,010
Branigan Library		06-L-1586	05/06 – 06/10	228,140	228,138
Branigan Library Childrens Wing		08-L-4278	07/08 – 06/12	98,858	11,250
Civil Air Patrol		08-L-5407	to 06/10	150,000	149,857
Amador Museum		08-L-4276	07/08 – 06/12	96,162	79,691
Branigan Library Expansion		07-L-5193	07/08 – 06/30/11	544,500	66,909
Dog Park		07-L-5197	07/08 – 06/30/11	436	333
Museum of Natural History		07-L-5207	08/07 – 06/11	55,600	233
Museum of Natural History		09-L-3878	07/08 – 06/12	178,000	166,675
La Pinon Center for Sexual Assault		07-L-5202	08/07 – 06/11	41,900	30,962
Total New Mexico Department of Finance and Administration				<u>18,861,397</u>	<u>11,713,924</u>
Total state awards				<u>29,876,132</u>	<u>19,066,486</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2010**

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	05/30/09 – 08/31/09	\$ 277,853	\$ 143,212
Summer Food Program	10.559	3027	05/30/10 – 08/31/10	265,000	110,396
Total U.S. Department of Agriculture				<u>542,853</u>	<u>253,608</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 Completion	1,277,435	10,185
B-06-MC-35-0002	14.218	B-06-MC-35-0002	10/06 to Completion	1,019,805	5,000
B-07-MC-35-0002	14.218	B-07-MC-35-0002	10/07 to Completion	1,022,960	29,575
B-08-MC-35-0002	14.218	B-08-MC-35-0002	10/08 to Completion	992,600	312,583
B-09-MC-35-0002	14.218	B-09-MC-35-0002	07/09 to Completion	1,010,375	875,498
Community Development Block Grant ARRA	14.253	B-09-MY-NM-0002	07/09 – 06/10	269,562	269,562
Total Community Development Block Grant				<u>5,592,737</u>	<u>1,502,403</u>
<b>Other HUD</b>					
Supportive Housing Program	14.238	NM0025B6B010800	12/09 – 12/12	311,353	21,222
Shelter Plus Care	14.238	NM0023C6B010800	10/09 – 11/14	330,720	17,045
Shelter Plus Care	14.238	NM0030C6B010801	06/09 – 06/10	98,424	63,213
Shelter Plus Care	14.238	NM02C3-01-006	09/04 – 08/09	327,060	14,202
Total other HUD				<u>1,067,557</u>	<u>115,682</u>
<b>Home Program Grant</b>					
M-06-MC-35-0222	14.239	M-06-MC-35-0222	10/06 to Completion	502,636	39,871
M-07-MC-35-0222	14.239	M-07-MC-35-0222	10/07 to Completion	496,988	443,404
M-08-MC-35-0222	14.239	M-08-MC-35-0222	10/08 to Completion	481,937	437,444
M-09-MC-35-0222	14.239	M-09-MC-35-0222	07/09 to Completion	537,892	327,044
Total Home Investment Partnerships Program				<u>2,019,453</u>	<u>1,247,763</u>
Total U. S. Department of Housing and Urban Development				<u>8,679,747</u>	<u>2,865,848</u>
<b>U.S. Department of Interior - Bureau of Reclamation</b>					
Lush & Lean Demonstration Program Grant, Ph I	15.517	06-FG-40-2481	10/31/05 – 11/30/09	25,000	15,021
Lush & Lean Demonstration Program Grant, Ph II	15.517	07-FG-40-2612	02/23/07 – 11/30/09	12,300	8,094
Total U.S. Department of Interior - Bureau of Reclamation				<u>37,300</u>	<u>23,115</u>
<b>U.S. Department of Justice</b>					
Victim Assistance Unit	16.575	2010-VA-533	07/01/09 – 06/30/10	31,950	31,119
Bullet Proof Vest Program*	16.607	2007-BUBX05027165	04/07 – 04/12	16,777	2,429
Bullet Proof Vest Program*	16.607	2009-BUBX05027165	04/09 – 09/11	24,600	17,164
2005 Cops Technology	16.710	2005-CKWX-0257	12/08/04 – 12/07/10	236,794	62,082
2007 Cops Technology	16.710	2007-CKWX-0047	09/01/07 – 08/28/11	570,303	1,240
2005 Cops Interoperability	16.710	2005-INWX-0014	09/05 – 02/10	981,360	34,663
2007 Justice Assistance	16.738	2007-DJ-BX-1021	10/06 – 09/10	84,306	2,062
2008 Justice Assistance	16.738	2008-DJ-BX-0424	10/07 – 09/11	28,927	20,723
2009 ARRA Justice Assistance	16.804	2009-SB-B9-0497	03/01 – 02/13	281,558	28,719
2009 ARRA Justice Assistance	16.804	2009-SB-B9-0497	03/01 – 02/13	166,312	55,413
2009 Justice Assistance	16.804	2009-DJ-BX-0264	10/08 – 09/12	106,409	43,442
Subtotal U.S. Department of Justice				<u>2,529,296</u>	<u>299,056</u>

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2010**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
U.S. Department of Justice - continued					
Pass-through New Mexico Department of Public Safety Project Safe Neighborhoods	16.609	08-PSN-LCPD-FY09	10/01/08 – 09/30/09	\$ 17,467	\$ 1,931
Pass-through New Mexico Department of Public Safety Region VII	16.738	Letter Agreement 3 22 10	06/21/10 – 07/6/10	12,500	10,917
Pass-through New Mexico Department of Public Safety through Town of Silver City Justice Assistance-Silver City	16.804	DPSJAG09REGVII	10/01/09 – 06/30/11	54,000	56,950
Pass-through New Mexico Department of Public Safety through Town of Tatum Justice Assistance-Town Of Tatum ARRA	16.804	RA-JAG-Region VII-	03/01/09 – 06/30/10	1,500	1,362
Total New Mexico Department of Public Safety				<u>85,467</u>	<u>71,160</u>
Pass-through Federal Bureau of Investigation Federal Bureau of Investigation	16.xxx	281D-AQ-C49017-CE	07/01/09 – 06/30/10	25,000	18,328
Total U.S. Department of Justice				<u>2,639,763</u>	<u>388,544</u>
<b>Executive Office of the President</b>					
Office of National Drug Control Policy					
HIDTA	16.xxx	I8PSNP562Z	07/08 – 06/10	799,219	37,377
HIDTA	16.xxx	G09SN0006A	01/09 – 12/10	822,764	790,884
Pass-through New Mexico Investigative Support Center					
HIDTA-DHE	16.xxx	G09SN0012A	06/21/10 – 07/6/10	6,600	4,444
HIDTA-DHE	16.xxx	G09SN0012A	06/21/10 – 07/6/10	7,200	4,115
Total Executive Office of the President				<u>1,635,783</u>	<u>836,820</u>
<b>U.S. Department of Transportation</b>					
Airport Improvement					
Airport Air Traffic Control Tower	20.106	OTA City of Las Cruces	7/04 to Completion	400,000	21,644
Airport Runway Reconstruction	20.106	AIP 03-35-0024-23-2009	06/09 – 02/11	2,733,661	2,336,287
Total Airport Improvement				<u>3,133,661</u>	<u>2,357,931</u>
Federal Aviation Administration					
ARRA-Runway 12-30	20.106	3-35-0024-0022	07/20/09 – 05/05/10	8,097,163	7,505,786
Total Federal Aviation Administration				<u>8,097,163</u>	<u>7,505,786</u>
Federal Transportation Administration					
Section 5309	20.500	NM 04-0007	09/08 to Completion	626,650	620,171
Section 5309	20.500	NM 90-0083	01/08 to Completion	5,900	2,257
Section 5309	20.500	NM 90-0084	12/07 to Completion	13,500	10,786
Section 5307	20.507	NM 90-0071	01/05 to Completion	34,500	1,275
Section 5307	20.507	NM 90-0088	09/08 to Completion	111,680	4,465
Section 5307	20.507	NM 90-4092	09/09 to Completion	1,291,703	1,291,703
Total Federal Transportation Administration				<u>2,083,933</u>	<u>1,930,657</u>
Federal Highway Administration					
Pass-through State Highway Department					
Federal Highway Administration					
Del Rey Boulevard - ARRA	20.205	D12743	07/09 – 09/12	2,000,000	599,756
Rideshare NMDOT	20.205	M00927	07/09 – 06/10	31,000	31,000
S.T.E.P. 100 DAYS & NIGHTS	20.600	09-PT-RF-049	06/11/09 – 6/30/10	18,007	8,834
S.T.E.P. 100 DAYS & NIGHTS	20.600	10-RF-01-049	10/01/09 – 09/30/10	18,007	18,007
Teen Seat Belt-Traffic Safety Bureau	20.600	10-OP-TD-049	10/09 – 10/09	1,959	1,657
Teen Seat Belt-Traffic Safety Bureau	20.600	10-OP-TD1-049	02/22/10 – 09/30/10	1,959	1,959
Click it or Ticket	20.600	10-OP-CIOT-049	05/24/10 – 06/6/10	9,870	9,342

**City of Las Cruces**  
**Schedule of Expenditures of State and Federal Awards — continued**  
**For the Year Ended June 30, 2010**

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
U.S. Department of Transportation - continued					
Federal Highway Administration - continued					
Pass-through State Highway Department					
Federal Highway Administration					
OBD/DWI-Traffic Safety Bureau	20.608	09-AL-64-049	11/20/2008 – 09/09	\$ 96,216	\$ 16,621
OBD/DWI-Traffic Safety Bureau	20.608	09-AL-64-049	11/08 – 09/10	51,242	50,609
OBD/DWI-Traffic Safety Bureau	20.608	09-AL-64-049	11/08 – 09/10	27,381	24,133
DWI-Traffic Safety Bureau	20.608	09-AL-64-049	10/09 – 09/10	<u>96,216</u>	<u>71,794</u>
Total Pass-through State Highway Department				<u>2,351,857</u>	<u>833,712</u>
Total U.S. Department of Transportation				<u><b>15,666,614</b></u>	<u><b>12,628,086</b></u>
<b>Environmental Protection Agency</b>					
Las Cruces Drinking Water Transmission Line Grant	66.202	XP-966347-01-2	10/01/06 – 09/30/10	<u>955,600</u>	<u>616,496</u>
Total Environmental Protection Agency				<u><b>955,600</b></u>	<u><b>616,496</b></u>
<b>U.S. Department of Energy</b>					
EECBG NM - City of Las Cruces - ARRA	81.128	DE-SC0001888	09/09 – 09/12	<u>888,000</u>	<u>130,454</u>
Total U.S. Department of Energy				<u><b>888,000</b></u>	<u><b>130,454</b></u>
<b>U.S. Department of Health and Human Services</b>					
Disease Prev. & Health Prom. - Title III-Part D	93.043	2009-10-64014	07/09 – 06/10	15,943	15,943
Supportive Services & Senior Ctrs - Title III-Part B	93.044	2009-10-64014	07/09 – 06/10	21,752	21,752
Meals/Transportation Grant - Title III-Part C1 & C2	93.045	2009-10-64014	07/09 – 06/10	115,081	115,081
National Family Caregivers Support - Title III-Part E	93.052	2009-10-64014	07/09 – 06/10	35,503	35,503
Nutrition Services Incentive Program - Title III	93.053	2009-10-64014	07/09 – 06/10	143,993	160,814
Meals/Transportation Grant - Title III-Part C1 & C2 ARRA	93.705	2009-10-64014	07/09 – 06/10	6,412	6,411
Meals/Transportation Grant - Title III-Part C1 & C2 ARRA	93.707	2009-10-64014	07/09 – 06/10	<u>23,525</u>	<u>23,525</u>
Total U.S. Department of Health and Human Services				<u><b>362,209</b></u>	<u><b>379,029</b></u>
<b>Corporation for National &amp; Community Service</b>					
Retired and Senior Volunteer Program	94.002	U08SRWNM001	07/08 – 06/09	<u>61,131</u>	<u>45,600</u>
Total Corporation for National & Community Service				<u><b>61,131</b></u>	<u><b>45,600</b></u>
<b>U.S. Department of Homeland Security</b>					
State Preparedness Equip Support	97.044	007-6E-T7-0023-DONA AN.	03/08 – 06/09	132,381	20,530
FEMA DHS/AFG for EMS Equip	97.044	EMW-2009-FO-02521	01-22-10 – 01-21-11	<u>83,036</u>	<u>82,595</u>
Total U.S. Department of Homeland Security				<u><b>215,417</b></u>	<u><b>103,125</b></u>
Total federal awards				<u><b>31,684,417</b></u>	<u><b>18,270,725</b></u>
Total state and federal awards				<u><b>\$ 61,560,549</b></u>	<u><b>\$ 37,337,211</b></u>



**City of Las Cruces**  
**Notes to Schedule of Expenditures of State and Federal Awards**  
**June 30, 2010**

**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.

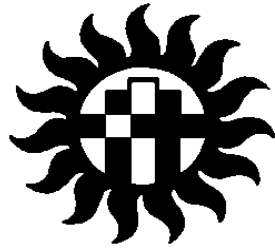
**2) Basis of Presentation**

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	\$ 18,270,725
Expenditures financed by other funding sources	<u>145,730,568</u>
Expenditures reported in the statement of revenues, expenditures and changes in fund balance—governmental funds	<u><u>\$ 164,001,293</u></u>



City of Las Cruces

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*

Mr. Hector H. Balderas, New Mexico 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, 2010, 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, 2010, and have issued our report thereon dated November 22, 2010. 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 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items FS 10-1 through FS 10-3 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### *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 rule findings as SA 10-1 and SA 10-2.

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 22, 2010

Independent Auditors' Report on Compliance With  
Requirements That Could Have a Direct and Material Effect  
on Each Major Program and on Internal Control Over  
Compliance in Accordance With OMB Circular A-133

Mr. Hector H. Balderas, New Mexico 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### *Internal Control Over Compliance*

The City's management 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 City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Mayor, City Council, others within the entity, 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 22, 2010

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

**Section I — Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
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?	None reported
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

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

Section I — Summary of Auditors' Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218/14.253	Community Development Block Grants/Entitlement Grants Cluster
14.239	Home Investment Partnerships Program
20.106	Airport Improvement Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:	\$548,122
Auditee qualified as low-risk auditee?	No



**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

**Section II — Financial Statement Findings**

**FS 10-1 — Payroll**

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*Conditions:* Some pay rates and hours worked were not entered into the payroll system correctly. Controls within the Human Resources department have been established to ensure accuracy of pay rates and hours worked; however, the controls were not implemented and did not detect the errors. As a result, certain employees were paid based on inaccurate pay rates and hours worked.

Procedures required department supervisor approvals for clothing allowances but such approvals were not always obtained.

*Criteria:* Adequate internal controls should be in place to ensure that payroll data is entered correctly and approval of allowable clothing allowance reimbursements is obtained.

*Effect:* Without adequate internal controls, the risks of errors occurring, and not being detected, is increased. Amounts were paid during the year based on inaccurate pay rates and hours worked.

*Cause:* Internal controls were not enforced to ensure adjusted pay rates and approved hours worked were correctly entered into the payroll system. In addition, department supervisors are not always approving clothing allowance reimbursements.

*Auditors' Recommendations:* Established internal control procedures should be enforced to ensure pay rate adjustments and hours worked are accurately entered and independently reviewed at all times. In addition, department supervisors should always review and approve clothing allowances disbursements.

*Management's Response:* The City has established internal controls regarding pay rates and payroll approvals. The policies and procedures will be reinforced to City departments. In addition, spot audits of payroll records will be initiated to ensure the accuracy of employee payroll.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

**Section II — Financial Statement Findings**

**FS 10-2 — Capital Assets**

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*Condition:* Internal controls were not in place to ensure accurate recording of construction in progress and asset sales in the City's general ledger and capital assets subsidiary ledger. During the year, construction in progress for certain projects was recorded as depreciable capital assets before the projects were complete. As a result, balances of non-depreciable and depreciable assets at year-end were incorrect and certain costs of non-depreciable assets were depreciated prematurely. Also, a capital asset was sold during the year but was not removed from the City's capital assets listing.

*Criteria:* Construction in progress and corresponding capital assets should be analyzed, tracked and reconciled to subsidiary ledgers and supporting documents on a regular basis. Construction in progress should not be transferred to depreciable assets until completed. Capital assets should be removed from the capital asset listing when sold.

*Effect:* The City had to devote additional resources to resolve discrepancies between the cost to complete the projects and the general ledger in order to properly reconcile the ending balances at year-end. Audit adjusting journal entries were required to correct capital asset balances.

*Cause:* A complete capital assets reconciliation of construction in progress and depreciable assets between the capital assets subsidiary ledger and general ledger balances was not performed on a regular basis.

*Auditors' Recommendation:* Complete a full reconciliation between construction in progress, asset sale, and capital asset subsidiary ledgers monthly. These reconciliations should analyze monthly construction in progress and sale activities and correct any variances to ensure that all construction in progress and sale transactions are accurately accounted for in the accounting records.

*Management Response:* A reconciliation process will be established on all asset categories to ensure proper recording and depreciation of capital assets.

**City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

**Section II — Financial Statement Findings**

**FS 10-3 — Utility Accounts Receivable**

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*Condition:* Internal controls were not in place to ensure City's accounts receivable for utility billings are accurate. The City did not perform monthly reconciliations of accounts receivable for utility billings throughout fiscal year 2010.

*Criteria:* Adequate controls should be in place to ensure accounts receivable for utility billings are accurate. Accounts receivable subsidiary ledger or equivalent reports should be generated and reconciled to general ledger balances at least monthly.

*Effect:* Utility accounts receivable balances recorded in the general ledger and/or subsidiary ledger may not be accurate.

*Cause:* Because the City's utility billing system's inability to generate a detailed accounts receivable listing, monthly reconciliations to subsidiary or other equivalent reports were not performed for utility accounts receivable balances during fiscal year 2010.

*Auditors' Recommendation:* Accounts receivable for utilities should be analyzed and reconciled on a regular basis. Reconciliations should include sufficient detail to ensure the accuracy of recorded balances. An aged accounts receivable listing (or equivalent reports) from the utility system should be generated at the end of each month and reconciled to the general ledger. This will ensure accounts receivable balances recorded in the general ledger are accurate and supported by a detailed subsidiary ledger or other appropriate support.

*Management's Response:* The City will work with the ERP software provider to develop the necessary reports and establish a reconciliation process.

**Section III — Federal Award Findings and Questioned Costs**

**None**

**City of Las Cruces**  
**Schedule of State Auditor Rule Findings**  
**For the Year Ended June 30, 2010**

The following findings are reported in accordance with the New Mexico State Audit Rule 2.2.2 NMAC, *Requirements for Contracting and Conducting Audits of Agencies*.

**SA 10-1 — Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)**

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*Condition:* The following funds over-expended budgeted amounts as of June 30, 2010:

- Gasoline Tax Street Maintenance (\$25,324)
- Public Safety Gross Receipts Tax (\$38,506)
- TIDD Dedicated Revenues (\$6,885)
- Transit (\$36,694)
- Alternative Fuel Station (\$28,981)

*Criteria:* Actual expenditures should not exceed budgeted expenditures at the legal level of compliance.

*Context:* Five funds over-expended approved budgeted amounts.

*Effect:* Actual expenditures exceed budgeted amounts in nine of the City's funds.

*Cause:* Procedures were not in place to ensure budgetary compliance.

*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.

*Management's Response:* The City will continue to improve 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, 2010**

**SA 10-2 — Workers' Compensation**

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*Condition:* Internal controls were not in place to ensure workers' compensation claims were processed in accordance with state law. It was determined by the City's internal audit department that actual and potential overpayments of approximately \$118,259 occurred related to 17 claims. Some payments may have been in violation of workers' compensation state law, as leave was taken before receiving Temporary Total Disability (TTD) benefits and accelerated payments were made without approval from the Worker's Compensation Administration. In addition, required documentation of claims paid is not always maintained.

*Criteria:* Adequate internal controls should be in place to ensure the City's workers' compensation claims are accurate, supported, and approved before payments are made.

*Effect:* Workers' compensation claim payments may be inaccurate and are not always made in accordance with state law. Documentation supporting some workers' compensation payments is not maintained.

*Cause:* Internal controls are not in place to ensure the City's workers' compensation payments are accurate, supported and approved. Claims filed are not reviewed to verify their accuracy and compliance with state law. In addition, documentation is not always maintained to support workers' compensation claims processed and paid.

*Auditors' Recommendation:* Controls should be strengthened to ensure the City's workers' compensation program is administered properly. Claims filed should be reviewed by appropriate personnel for accuracy to ensure claims are made in accordance with state law. In addition, workers' compensation documentation should always be maintained.

*Management's Response:* The City will evaluate the internal controls and review processes to ensure the workers' compensation program is administered properly.

**City of Las Cruces**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2010**

<b>Prior Audit Findings</b>	<b>Current Status</b>
<b>Financial Statement Findings</b>	
FS 09-1 — Cash and Investment Reconciliations (Repeat)	Resolved
FS 09-2 — Payroll Processing	Resolved
<b>Federal Award Findings – Public Safety Partnership and Community Policing Grants</b>	
FA 09-1 — Allowable Costs	Resolved
FA 09-2 — Procurement	Resolved
<b>State Auditor Findings</b>	
SA 09-1 — Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)	Repeat finding; see SA 10-1
SA 09-2 — Record Retention	Resolved
SA 09-3 — Information Technology (Repeat Finding)	Resolved
SA 09-4 — Mileage Reimbursements	Resolved
SA 09-5 — Reporting	Resolved

**City of Las Cruces**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2010**

<b>Audit Finding</b>	<b>Corrective Action Plan</b>	<b>Person Responsible</b>	<b>Estimated Completion Date</b>
FS 10-1 Payroll	See management's response.	Human Resources Director	June 30, 2011
FS 10-2 Capital Assets	See management's response.	Comptroller's Office	June 30, 2011
FS 10-3 Utility Accounts Receivable	See management's response.	Treasurer's Office	June 30, 2011

**City of Las Cruces**  
**Corrective Action Plan — continued**  
**For the Year Ended June 30, 2010**

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
SA 10-1 Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)	See management's response.	Budget Manager	June 30, 2011
SA 10-2 Workers' Compensation	See management's response.	Human Resources Director	June 30, 2011



**Housing Authority of the City of Las Cruces**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract/Grant or State Number	Grant Period	Program or Award Amount	Expenditures of Federal Awards
<b>U.S. Department of Housing and Urban Development</b>					
Section 8 New Construction and Substantial Rehabilitation	14.182	NM02-0002-004	7/1/09-6/30/10	\$ 389,907	\$ 389,907
Public and Indian Housing	14.850	NM003000001010D	7/1/09-6/30/10	590,200	590,200
		NM00388888010D	7/1/09-6/30/10	13,838	<u>13,838</u>
					604,038
Section 8 Housing Choice Vouchers	14.871	NM003V0	7/1/08-6/30/09	4,235,495	4,134,862
Public Housing Capital Fund (CFP)	14.872	NM02S003501-09 (ARRA)	3/18/09-3/17/12	480,323	453,400
		NM02P003501-09	5/24/09-6/12/13	342,819	138,563
		NM02P003501-08	5/24/08-6/12/12	379,462	45,018
		NM02P003501-07	9/19/07-9/12/11	355,272	134,554
		NM02P003501-06	6/8/06-7/17/10	421,103	<u>86,471</u>
					<u>858,006</u>
Total expenditures of federal awards					<b><u>\$ 5,986,813</u></b>

**Housing Authority of the City of Las Cruces**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

**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*

Mr. 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, 2010, and have issued our report thereon dated November 22, 2010. 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. Other auditors audited the financial statements of component units of the Housing Authority, as described in our report on the Housing Authority's financial statements and budgetary comparison. This report describes our testing of internal control over financial reporting or compliance and other matters of the Housing Authority. We did not test internal controls, compliance and other matters of the component units of the Housing Authority.

*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.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified one deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item FS 10-1 that we consider to be a significant deficiency in internal control over financial reporting

### *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 response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

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 22, 2010

Independent Auditors' Report on Compliance  
with Requirements That Could Have a Direct  
and Material Effect on Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133

Mr. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FA 10-1 through FA 10-3.

### *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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FA 10-1 through FA 10-3.

The Housing Authority's responses to the findings identified in our audit are described 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 relates to our audit of the Housing Authority, excluding its component units, which were audited by other auditors.

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 22, 2010

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

**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?	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



**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

Section I — Summary of Auditors' Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund

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, 2010**

**Section II — Financial Statements Findings**

**FS 10-1 — Component Unit Financial Reporting**

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*Criteria or Specific Requirement:* Housing Authority management should review financial statements of its tax credit project component units and reconcile to the Housing Authority records.

*Condition:* The Housing Authority did not reconcile the Falcon Ridge, LP's financial statements to the Housing Authority records and failed to record \$124,676 of deferred developer fees receivable from Falcon Ridge, LP.

*Cause:* The Housing Authority did not reconcile Falcon Ridge's financial statements to the Housing Authority's general ledger.

*Effect:* The Housing Authority failed to record \$124,676 of deferred developer fees receivable from Falcon Ridge, LP.

*Auditors' Recommendations:* The Housing Authority should establish procedures ensuring that all component units' financial statements are reconciled to the Housing Authority's records on a timely basis.

*Management's Response:* Management will be more diligent in reading the component unit audit reports, including the information contained in the footnotes.

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

**Section III — Federal Award Findings and Questioned Costs**

**FA 10-1 — Rental Contracts, Lease Agreements and W-9s**

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*Federal program information:*

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Section 8 Housing Choice Vouchers Program
CFDA Number:	14.871
Award number:	N/A
Award period:	7/1/09 – 6/30/10

*Criteria or Specific Requirement:* For landlords participating in the Section 8 Voucher program, the Housing Authority is required by federal regulations to obtain a signed W-9 that matches the landlord name and address on the rental contract and a signed rental contract, and maintain lease agreements in the file.

*Condition:* Out of twenty five files reviewed, three did not have a W-9, one did not have a signed rental contract, and one did not contain a lease agreement in the file.

*Questioned Costs:* None.

*Cause:* Procedures were not in place to ensure that the Housing Authority maintained W-9's and signed contracts and lease agreements for all landlords participating in the Section 8 Voucher Program.

*Effect:* Failure to maintain signed contracts, lease agreements and W-9 forms for all landlords causes the Housing Authority to be out of compliance with their policy.

*Auditors' Recommendations:* Establish procedures to ensure that a signed W-9 agreeing to the landlord name and address on the signed rental agreement are maintained by the Housing Authority.

*Management's Response:* Management will ensure that a W-9 is kept in the file for all owners; however, if the payment is not made directly to the owner and is made to a management company, a management agreement will be kept in the file that will contain all the required information.

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

Section III — Federal Award Findings and Questioned Costs — continued

**FA 10-2 — Special Tests and Provisions — Reasonable Rent**

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*Federal program information:*

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Section 8 Housing Choice Vouchers Program
CFDA Number:	14.871
Award number:	N/A
Award period:	7/1/09 – 6/30/10

*Criteria:* Federal requirements indicate that the Public Housing Authority's (PHA) administrative plan must state the method used by the PHA to determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. The PHA determination must consider unit attributes such as the location, quality, size, unit type, and age of the unit, and any amenities, housing services, maintenance and utilities provided by the owner.

The PHA must determine that the rent charged is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract: (a) before any increase in the rent; and (b) at the HAP contract anniversary if there is a five percent decrease in the published Fair Market Rent (FMR) in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent is reasonable (initially and during the term of the HAP contract) (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

*Condition:* Six out of twenty-five files did not contain evidence of rent reasonableness determination. There was no evidence that rent reasonableness testing was performed.

*Questioned Costs:* None.

*Cause:* Procedures were not in place to ensure required determination of rent reasonableness.

*Effect:* Failure to perform and document a rent reasonableness determination may cause the Housing Authority to be out of compliance with HUD requirements.

*Auditors' Recommendations:* Establish procedures to ensure reasonable rent at the time of initial leasing and during the term of contract. Procedures should require documentation be included in every tenant file.

*Management's Response:* Machuca & Associates has been operating the program for approximately one year and the tenants in these files moved in over three years ago. The rent reasonableness should have been completed at that time; however, if rent is increased it will be done at the time of the increase. Management will begin to go through all files to ensure that rent reasonableness has been completed and updated.

**Housing Authority of the City of Las Cruces**  
**Schedule of Findings and Questioned Costs — continued**  
**For the Year Ended June 30, 2010**

Section III — Federal Award Findings and Questioned Costs — continued

**FA 10-3 — Payroll Allocation**

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*Federal program information:*

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Section 8 Housing Choice Vouchers Program
CFDA Number:	14.871
Award number:	N/A
Award period:	7/1/09 – 6/30/10

*Criteria:* In order to appropriately account for the expenditures of federal grant money, internal controls should ensure that expenses are properly coded and allocated to the correct department/programs.

*Condition:* Two out of the thirty timesheets tested were allocated incorrectly.

*Questioned Costs:* None.

*Cause:* Internal controls were not being followed to ensure that timesheet coding and allocation was correct. One timesheet had 13 hours coded to the wrong department, and a second timesheet allocation form had inaccurate dates causing the amount allocated to each program to be incorrect.

*Effect:* Inaccurate coding and allocation will cause amounts to be charged to departments/programs incorrectly.

*Auditors' Recommendations:* Controls should be strengthened to ensure that all the allocation amounts and coding is correct prior to processing payroll.

*Management's Response:* Management will ensure the maintenance distribution entered into the system matches the allocation form. Additionally, we'll ensure mid-month allocation changes are accompanied by a revised salary allocation form bearing the date of the change.

**Housing Authority of the City of Las Cruces**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2010**

<b>Prior Audit Findings</b>	<b>Current Status</b>
<b>SA 09-1</b> Rental Contracts and W-9s	Unresolved – see FA 10-1
<b>FA 09-1</b> Special Test and Provisions-HAP Payments	Resolved.
<b>FA 09-2</b> Special Test and Provisions-Reasonable Rent	Unresolved – see FA 10-2

**Housing Authority of the City of Las Cruces**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2010**

<b>Federal Award Finding</b>	<b>Corrective Action Plan</b>	<b>Person Responsible</b>	<b>Estimated Completion Date</b>
FA 10-1 Rental Contracts, Lease Agreements and W-9s	See management response.	Annettie Machuca, Acting Program Manager	Immediately
FA 10-2 Special Tests and Provisions – Reasonable Rent	See management response.	Annettie Machuca, Acting Program Manager	Immediately
FA 10-3 Payroll Allocation	Management will update the dates on any mid-month salary allocation forms, while keeping the original form. The computer system will also be reviewed at the start of each fiscal year to ensure the general maintenance distribution is updated to match the current fiscal year budget and to match the maintenance salary allocation forms.	Sharon Hansen, Accountant	Immediately

**City of Las Cruces**  
**Other Disclosures**  
**For the Year Ended June 30, 2010**

**Exit Conference**

An exit conference was conducted on November 15, 2010, in a closed meeting pursuant to *Section 12-6-5 NMSA, 1978* with the following individuals in attendance:

City of Las Cruces

Dolores Connor	Councilor
Ken Miyagishima	Mayor
Miguel G. Silva	Councilor
Sharon Thomas	Councilor
Olga Pedroza	Councilor
Gil Sorg	Councilor
Terrence Moore	City Manager
Harry (Pete) Connelly	Interim City Attorney
Esther Martinez	City Clerk
Pat Degman	Interim Finance Director
Audrey Evins	Interim Comptroller
Carlos Lobato	Interim Internal Audit Manager
Candace Brown	Internal Auditor
Melissa Nelson	Accounting Supervisor
Karin DeVogel	Interim Accounting Supervisor

REDW LLC

Bruce Bleakman	Principal
Chien-chih Yeh	Manager
By phone	
Angie Olvera	Manager
By phone	

**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.





**City of Las Cruces<sup>®</sup>**  
PEOPLE HELPING PEOPLE

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(575) 541-2200 | [www.las-cruces.org](http://www.las-cruces.org)

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made available in alternative formats by calling the  
City of Las Cruces Public Information Office at  
(575) 541-2200 or TTY 541-2182.