CITY OF LAS CRUCES, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Period Ended June 30, 2008

STATE OF NEW MEXICO

CITY OF LAS CRUCES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008

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

Cover photo courtesy of Ms. Jane Mulvihill

City of Las Cruces

Table of Contents

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal	1-5
List of Principal Officials	7
Organizational Chart	8
GFOA Certificate	9
II. FINANCIAL SECTION	
Independent Auditors' Report	11-12
Management's Discussion and Analysis	13-28
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	31
Statement of Activities	32-33
Fund Financial Statements	
Major Government Funds	
Balance Sheet—Governmental Funds	34-35
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	37
Statement of Revenues, Expenditures and Changes in Fund Balance—Governmental Funds	38-39
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	40
Budgetary Comparison Statements—General Fund and Major Special Revenue Funds	
General Fund	41
Telshor Facility	42
Sonoma Ranch	43
Proprietary Funds	
Statement of Net Assets	44-47
Statement of Revenues, Expenses and Changes in Fund Net Assets	48-51
Statement of Cash Flows	52-55
Agency Funds	
Statement of Fiduciary Assets and Liabilities	56
Notes to Basic Financial Statements	57-104
Combining Financial Statements	
Nonmajor Governmental Funds	
Combining Balance Sheet	106-117
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	120-131

City of Las Cruces

Table of Contents — continued

	Page
II. FINANCIAL SECTION — CONTINUED	
Nonmajor Enterprise Funds	
Combining Statement of Net Assets	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	135
Combining Statement of Cash Flows	136-137
Internal Service Funds	
Combining Statement of Net Assets	140
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	141-142
Combining Statement of Cash Flows	143-144
Agency Funds	
Schedule of Changes in Assets and Liabilities	146-148
Budgetary Comparison Schedules	
Major Governmental Funds	151-152
Nonmajor Governmental Funds	159-220
Nonmajor Proprietary Funds	222-223
Supplementary Information	
Schedule of Insurance in Force	225
Schedule of Pledged Collateral	226-227
Schedule of Deposit Accounts and Investments	228-229
III. STATISTICAL SECTION	
Financial Trends	
Net Assets by Category	232
Changes in Net Assets	233-234
Fund Balances, Governmental Funds	235
Changes in Fund Balances, Governmental Funds	236-237
Revenue Capacity	
Taxable Assessed Value and Actual Value of Property	238
Direct and Overlapping Property Tax Rates	239
Principal Property Tax Payers	240-241
Property Tax Levies and Collections	242
Debt Capacity	
Ratios of Outstanding Debt by Type	243
Ratios of General Bonded Debt Outstanding	244
Direct and Overlapping Governmental Activities Debt	245
Legal Debt Margin Information	246
Pledged-Revenue Bond/Note Coverage	247
Demographic and Economic Information	
Demographic and Economic Statistics	248
Principal Employers	249

City of Las Cruces

Table of Contents — continued

	Page
III. STATISTICAL SECTION — CONTINUED	
Operating Information	
City Government Employees by Function/Program	250
Operating Indicators by Function/Program	251-252
Capital Asset and Infrastructure Statistics by Function/Program	253
Sales Tax Revenue Payers by Industry	254
IV. SINGLE AUDIT SECTION	
City of Las Cruces	
Independent Auditors' Report on Schedule of Expenditures of State and Federal Awards	255
Schedule of Expenditures of State and Federal Awards	256-261
Notes to Schedule of Expenditures of State and Federal Awards	262
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	263-264
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance	265-266
Schedule of Findings and Questioned Costs	267-276
Schedule of State Auditor Rule Findings	277-280
Summary Schedule of Prior Audit Findings	281
Corrective Action Plan	282-283
City of Las Cruces Housing Authority	
Schedule of Expenditures of Federal Awards	285
Notes to Schedule of Expenditures of Federal Awards	286
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*	287-288
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	289-290
Schedule of Findings and Questioned Costs	291-295
Summary Schedule of Prior Audit Findings	296
Corrective Action Plan	297
Other Disclosures	298

City of Las Cruces

City of Las Cruces

December 1, 2008

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

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

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

Profile of the City

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

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

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

Economic Condition and Outlook

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

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

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

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

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

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

Long Term Plans and Major Initiatives

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

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

Internal Control Framework

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

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

Financial Information, Management and Control

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

Budgetary Control

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

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

Taxes

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

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

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

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

	Tax Rate	**Percent of Total Rate**
State General Fund	3.7750%	53.0%
State shared-municipal distribution	1.2250%	17.2%
Municipal GRT- general purpose	1.2500%	17.5%
Municipal GRT-infrastructure	0.1250%	1.8%
Municipal GRT-public safety	0.1250%	1.8%
Municipal Environmental GRT	0.0625%	0.9%
Dona Ana County-local option taxes	0.5625%	7.9%
	7.1250%	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 $50 million. The City currently has no outstanding G.O. bonds.

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

Cash Management

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

Risk Management

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

Independent Audit

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

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

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

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

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

GFOA Awards

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

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

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

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

Acknowledgments

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

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

Respectfully submitted,

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

City of Las Cruces

City of Las Cruces
June 30, 2008

LIST OF PRINCIPAL OFFICIALS

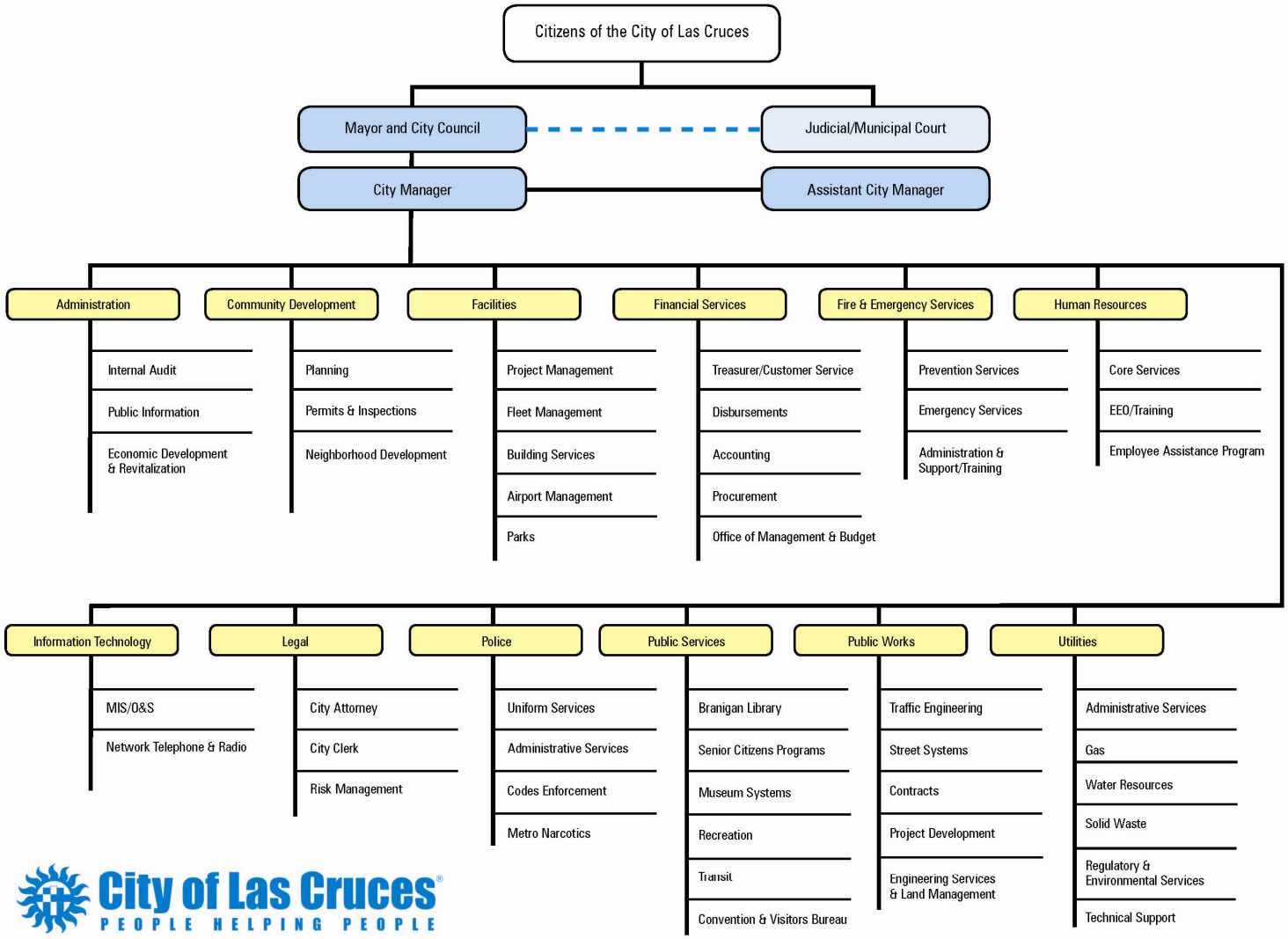
Councilors

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

Other officials

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

City Government Organization Chart: FY 2007-2008



City of Las Cruces®
PEOPLE HELPING PEOPLE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Las Cruces New Mexico

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

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

President

Executive Director

City of Las Cruces

Independent Auditors' Report

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

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

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

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

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

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

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

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

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

REDW LLC

November 26, 2008

Management's Discussion and Analysis

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

Financial Highlights

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

Statistics

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

Government-wide Financial Analysis

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

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

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

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

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

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

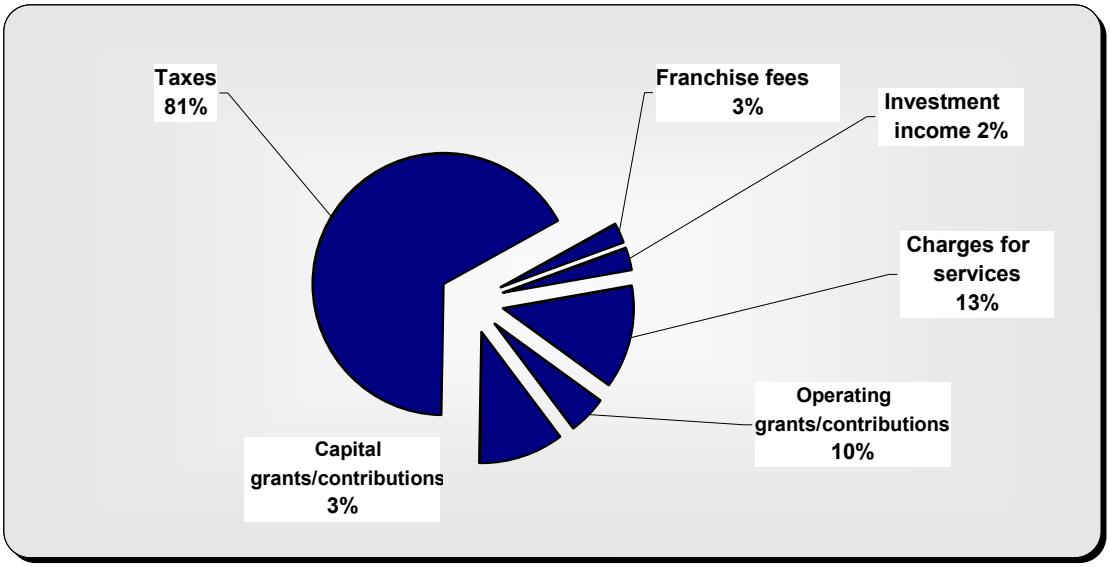
Summary of Changes in Net Assets (in thousands)

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

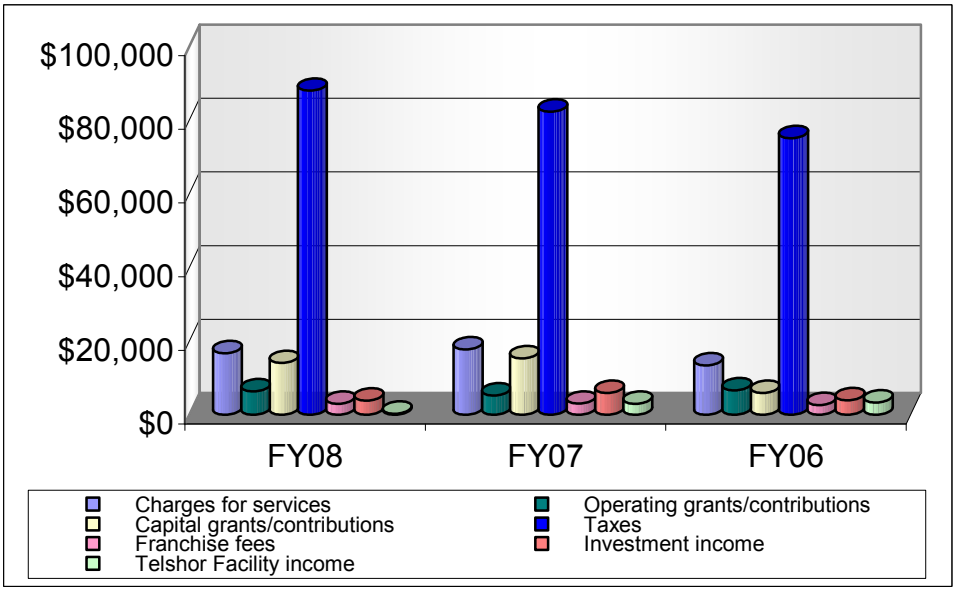
Governmental Activities

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

Governmental Revenues



Revenue by Source – Governmental Activities

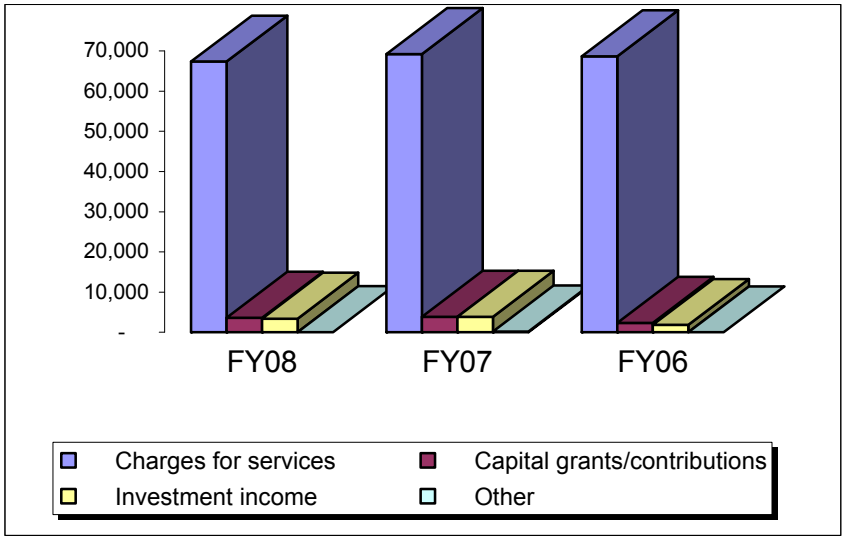


Expenses of the City's governmental activities decreased from $103.6 million in fiscal year 2007 to $102.8 million in 2008. The decrease resulted primarily from controlled spending in the general government.

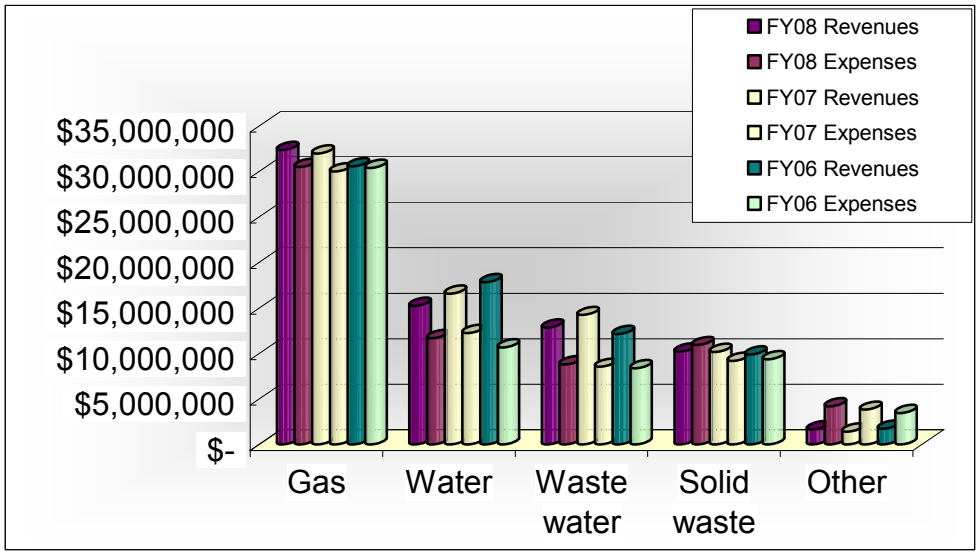
Business-type Activities

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

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Business-type Activities



Financial Analysis of the City's Funds

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

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

Governmental Funds

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

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

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

General Fund

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

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

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

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

- Actual revenues from property tax exceeded budget by approximately $622 thousand due to an increase in property value assessments.

- Actual revenues from licenses and permits were lower than budgeted revenues by approximately $1.2 million. This was due to a decrease in construction activity throughout the City.

- Actual revenues from operating grants and contributions exceeded budgeted revenues by $320 thousand.

- Actual revenues from charges for services were lower than the budgeted revenues by approximately $200 thousand.

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

- The City reduced the budget for salary reserve for general government by $1.8 million. The salary reserve provides funding for salary and merit increases.

- The City increased the budget for public works by $605,843 due to increases in electricity costs.

- The City increased the budget for public safety by $1.1 million for police and fire activities.

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

- Actual expenditures were $664 thousand less than budget as public works projects were delayed.

- The general government actual expenditures were approximately $2.4 million less than the final budget. Activities less than budget within general government include: $674 thousand for personnel expenditures, $704 thousand for software, and $1.0 million for operating costs.

- The actual expenditures for public services were approximately $1.2 million less than actual expenditures due to reduced operating costs in the library of $584 thousand and recreation of $634 thousand.

Telshor Facility

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

2005 Gross Receipts Tax Fund for City Hall

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

Las Cruces Convention Center

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

Sonoma Ranch

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

Proprietary Funds

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

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

Gas Utility

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

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

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

These variances can be summarized as follows:

- The budget for personnel expenses was $469,627 higher than actual expenses because the estimate for employee insurance was high.

- The budget for cost of gas was $2.3 million more than actual expenses as a warm winter reduced the demand for gas. The negative variance in the cost of gas is also reflected in revenues as the cost of gas is a pass-through cost.

- The budget for customer services was $696,960 more than actual cost due to personnel vacancies and projects that were postponed.

Water Utility

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

The expenditures budget in Water reflects increases in the budget for professional services of $512,171, repair and maintenance of $498,000 and customer service of $169,608. Total budget increases for expenditures from the original budget to the final budget were $1,038.898.

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

- Utilities were under budget by $356,324 due to the reduction in electricity related to the retirement of water wells.

- Professional services were below budget by $1,166,968 as fees and services related to the water funds studies were lower than expected. The downturn in the economy also fueled the variance as new connections declined.

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

Wastewater Utility

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

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

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

- Personnel expenses were lower than the final budget by $226,486 due to vacancies in Wastewater.

- Professional services were lower than budget by $686,845, due largely to a lower than expected cost for wastewater studies. In addition, the sluggish economy resulted in fewer new connections. As the number new subdivisions decreased, so did engineering fees.

- The budget for customer services was $421,270 more than actual due to personnel vacancies and projects that were postponed.

Solid Waste Utility

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

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

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

- The budget for personnel expenses was $357,320 more than actual expenses, mainly due to vacancies in the solid waste department.

- Professional services were lower than budget by $2.2 million. The budget includes the expense for post closure costs which were $932,700. The remainder of the $1.3 million variance is due to lower than expected cost for solid waste studies.

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

Debt Service

Long-term Debt

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

Outstanding Bonds and Liabilities to Financial Institutions 2008

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

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

Outstanding Bonds and Liabilities to Financial Institutions 2007

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

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

Capital Assets

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

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

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

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

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

Economic Outlook

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

Las Cruces Economic Indicators

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

* Preliminary - Data for Metropolitan Statistical Area
** Census Bureau Estimates as of July 1

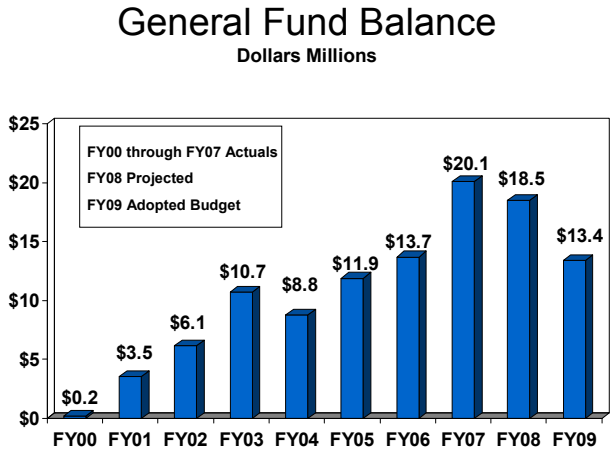
For fiscal year 2008/2009 the economic assumptions call for marked slowdown in growth. The City's largest revenue source is the gross receipts tax (GRT). The recent past has seen

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

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

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

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



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

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

Requests for Information

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

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

Government-Wide Financial Statements

City of Las Cruces

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

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

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

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

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

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

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

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

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

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

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

2005 GRT Bond New City Hall	Las Cruces Convention Center	Other Governmental Funds	Total Governmental Funds
$ 23,462,763	$ 25,730,947	$ 35,792,164	$ 136,771,682
-	-	6,860,131	6,860,131
81,821	-	5,382,001	14,044,234
-	-	-	714,449
-	-	6,903,048	17,683,568
-	-	-	972,057
$ 23,544,584	$ 25,730,947	$ 54,937,344	$ 177,046,121
$ 1,433,711	$ 250,271	$ 3,665,136	$ 6,920,319
-	-	-	2,861
-	-	714,449	714,449
-	-	121,680	2,177,309
-	-	7,744,224	15,776,892
1,433,711	250,271	12,245,489	25,591,830
-	-	-	972,057
-	-	-	23,899,960
-	-	-	36,250,120
-	-	9,953,827	10,002,577
-	-	6,865,872	6,865,872
22,110,873	25,480,676	25,872,156	73,463,705
22,110,873	25,480,676	42,691,855	151,454,291
$ 23,544,584	$ 25,730,947	$ 54,937,344	$ 177,046,121

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

City of Las Cruces

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

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

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

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

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

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

City of Las Cruces

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

Net change in fund balances—governmental funds	$ 25,461,333
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of $32,342,749 exceeded depreciation expense of $12,547,659.	19,795,090
Bond issuance costs are amortized to interest expense over the life of the bond in the statement of activities. This is the current year amortization.	(15,067)
Proceeds from the issuance of long-term obligations provide current financial resources to governmental funds and increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the current year principal repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds of $32,184,395 exceeded repayments of $7,260,878 and the change in bond premium/discount of $49,003.	(24,874,514)
Principal payments by South Central Solid Waste to the City's debt service fund are reported as revenue in the debt service fund but reduce assets on the statement of net assets.	(574,583)
The change in the liability for compensated absences affects expenses reported in the statement of activities but does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds.	(57,755)
Revenues from donated capital assets are reported in the statement of activities, but do not provide current financial resources and are not reported as revenues in the governmental funds.	7,804,296
Payments received related to the Telshor facility lease are recognized over the term of the lease in the statement of net assets, but not in the funds. This is the amount recognized in the current year.	266,790
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. A portion of the change in net assets of internal service funds is reported with governmental activities.	270,454
Change in net assets of governmental activities	$ 28,076,044

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

City of Las Cruces

Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

General Fund

For the Year Ended June 30, 2008

(With Comparative Actual Amounts for the Year Ended June 30, 2007)

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

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

City of Las Cruces

Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Telshor Facility

For the Year Ended June 30, 2008

(With Comparative Actual Amounts for the Year Ended June 30, 2007)

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

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

City of Las Cruces

Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Sonoma Ranch

For the Year Ended June 30, 2008

(With Comparative Actual Amounts for the Year Ended June 30, 2007)

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

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

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

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

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

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

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

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

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

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

Net assets of business-type activities

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

continued

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

City of Las Cruces

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2008

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

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

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

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

City of Las Cruces

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2008

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

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

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

continued

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

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

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

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

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

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

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

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

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

continued

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

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

City of Las Cruces

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2008

Assets	
Pooled cash and investments	$ 6,244,449
Accounts receivable	536
Due from other governments	286,950
Total assets	$ 6,531,935
Liabilities	
Due to fiscal agent	$ 58,836
Accounts and contracts payable	86,939
Accrued wages payable	123,455
Funds held for others	6,262,705
Total liabilities	$ 6,531,935

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

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

1) Description and Reporting Entity

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

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

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

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

2) Basis of Presentation, Basis of Accounting

Basis of Presentation

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

2) Basis of Presentation, Basis of Accounting — continued

Basis of Presentation — continued

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

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

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

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

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

The City reports the following as major governmental funds:

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

2) Basis of Presentation, Basis of Accounting — continued

Basis of Presentation — continued

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

The City reports the following major enterprise funds:

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

The City also reports the following fund types:

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

2) Basis of Presentation, Basis of Accounting — continued

Measurement Focus, Basis of Accounting

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

2) Basis of Presentation, Basis of Accounting — continued

Fair Value of Financial Instruments

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

Assets, Liabilities and Equity

Cash Equivalents and Investments

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

Investments are stated at fair value.

Restricted Cash and Investments

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

Receivables

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

2) Basis of Presentation, Basis of Accounting — continued

Assets, Liabilities and Equity — continued

Receivables — continued

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

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

2) Basis of Presentation, Basis of Accounting — continued

Assets, Liabilities and Equity — continued

Capital Assets — continued

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

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

Compensated Absences

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

Pollution Remediation

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

Budgets

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

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

2) Basis of Presentation, Basis of Accounting — continued

New Accounting Pronouncements

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

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

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

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

3) Cash and Investments

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

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

3) Cash and Investments — continued

Total cash and investments at fair value are as follows:

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

Bank Balance of Deposits

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

Investments

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

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

3) Cash and Investments — continued

Investments — continued

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

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

3) Cash and Investments — continued

Investments — continued

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

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

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. All of the City's securities are held by a third-party financial institution in the City's name.

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

4) Capital Assets

Primary Government

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

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

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

4) Capital Assets — continued

Primary Government — continued

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

4) Capital Assets — continued

Primary Government — continued
Depreciation expense was charged to functions as follows:

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

4) Capital Assets — continued

Component Units

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

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

4) Capital Assets — continued

Component Units — continued

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

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

5) Receivables and Payables

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

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

5) Receivables and Payables — continued

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

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

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

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

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

5) Receivables and Payables — continued

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

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

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.

6) Risk Management — continued

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

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

Changes in the insurance fund's claims liabilities were:

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

7) Long–Term Liabilities

Primary Government

Changes in long-term liabilities are as follows:

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

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

Description of Bonds

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

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

7) Long–Term Obligations — continued

Description of Bonds — continued

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

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

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

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

Bonds payable are summarized as follows:

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

7) Long–Term Obligations — continued

Debt Service Requirements
Future debt service requirements for governmental activities revenue bonds are:

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

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

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

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

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

7) Long–Term Obligations — continued

Nonrecourse (Conduit) Debt — continued
liabilities in the accompanying financial statements. As of June 30, 2008, there were five series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $39,963,184.

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

Governmental Activities Notes Payable
Details of governmental activities notes payable are:

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

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

7) Long–Term Obligations — continued

Debt Service Requirements
Future debt service requirements for governmental activities notes payable are:

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

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

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

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

7) Long–Term Obligations — continued

Joint Utility Revenue Bonds — continued

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

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

Schedule of Bonded Indebtedness–Joint Utility Revenue Bonds

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

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

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

7) Long–Term Obligations — continued

Joint Utility Revenue Bonds — continued

Provisions of the Joint Utility Bond Ordinances

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

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

7) Long–Term Obligations — continued

Joint Utility Revenue Bonds — continued

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

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

Business-Type Activities Notes Payable

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

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

Details of business-type activities notes payable are:

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

7) Long–Term Obligations — continued

Business-Type Activities Notes Payable — continued
Future debt service requirements for business-type activities notes payable are:

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

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

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

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

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

7) Long–Term Obligations — continued

Capital Leases — continued

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

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

Component Units

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

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

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

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

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

8) Interfund Assets, Liabilities and Transfers

Primary Government

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

Description	Interfund Receivable	Interfund Payable	Total
General fund			
Nonmajor governmental fund	$ 714,449	$ -	$ 714,449
Nonmajor governmental fund			
General fund	-	(714,449)	(714,449)
Total governmental activities	$ 714,449	$ (714,449)	$ -

Interfund Transfers

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

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

8) Interfund Assets, Liabilities and Transfers — continued

Interfund Transfers — continued

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

8) Interfund Assets, Liabilities and Transfers — continued

Interfund Transfers — continued

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

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

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

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

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

9) Contingent Liabilities

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

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

10) Pollution Remediation Obligation

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

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

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

11) Deferred Compensation Plan

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

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

12) Employee Benefit Plans

Retirement Plan

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

Retirement Eligibility

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

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

12) Employee Benefit Plans — continued

Retirement Plan — continued

Disability Benefits

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

Funding Policy

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

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

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

Contribution requirements for the years ended are as follows:

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

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

12) Employee Benefit Plans — continued

Retirement Plan — continued
Funding Policy — continued
The payroll for the City's employees covered by PERA for the year ended June 30, 2008, was $48,856,009; the total payroll of all employees of the City was $55,523,880

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

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

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

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

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

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

12) Employee Benefit Plans — continued

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

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

13) Individual Fund Deficits and Budget Variances

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

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

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

The following funds over-expended budgeted amounts as follows:

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

14) Landfill Closure and Postclosure Care Cost

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

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

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

15) Development Impact Fees

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

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

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

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

15) Development Impact Fees — continued

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

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

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

Parks Impact Fees	
Impact fees collected	$ 174,094
Investment income	93,905
Expenditures	(474,945)
Net Parks Impact Fees	$ (206,946)
Water Impact Fees	
Impact fees collected	$ 1,772,398
Investment income	298,489
Expenditures	(7,108,472)
Net Water Impact Fees	$ (5,037,585)
Wastewater Impact Fees	
Impact fees collected	$ 1,529,691
Investment income	381,569
Expenditures	(3,189,917)
Net Wastewater Impact Fees	$ (1,278,657)
Total Impact Fees	
Impact fees collected	$ 3,476,183
Investment income	773,963
Expenditures	(10,773,334)
Net Total Impact Fees	$ (6,523,188)

16) Major Construction Commitments

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

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

17) Affiliated Organizations and Joint Powers Agreements

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

Mesilla Valley Regional Dispatch Authority

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

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

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

Metro Narcotics Agency

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

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

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

17) Affiliated Organizations and Joint Powers Agreements — continued

Metropolitan Planning Organization

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

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

Lower Rio Grande Water Users Organization

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

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

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

South Central Solid Waste Authority

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

17) Affiliated Organizations and Joint Powers Agreements — continued

South Central Solid Waste Authority — continued
three members are appointed from the County Commission by the Chairman. The two ex-officio members are the City Manager and the County Manager or their designees.

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

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

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

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

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

17) Affiliated Organizations and Joint Powers Agreements — continued

Rio Grande Natural Gas Association — continued

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

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

18) Telshor Facility Lease

Memorial Medical Center / Province Hospital (Telshor Facility)

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

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

18) Telshor Facility Lease — continued

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

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

	Total	City Portion
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	1,000	500
Cash paid by PHC to the City and County	$ 52,166,746	$ 26,083,373

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:

	Total	City Portion
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	5,000,000	2,500,000
	$ 26,465,680	$ 13,232,840

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

18) Telshor Facility Lease — continued

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

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

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

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

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

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

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

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

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

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

Governmental activities allocation	$ 3,560,662
Business-type activities allocation	2,370,181
Net assets, ending balance	$ 5,930,843

20) Restatement of Beginning Net Assets/Fund Balance-Community Development Block Grant

The City holds certain receivables in connection with home rehabilitation loans and/or rental loans made under both the Community Development Block Grant (CDBG) and HOME Programs. In previous years revenue was recognized when the receivable was recorded but it should have been recorded as unearned revenue until payments on loans outstanding are received. Accordingly, beginning of the year net assets of governmental activities and fund balance of the CDBG fund have been restated in the accompanying financial statements as follows:

	Governmental Activities	Other Governmental Funds
Net assets/fund balance, beginning of year, as previously reported	$ 279,323,313	$ 42,741,168
Adjustment to correct amounts due from other governments	(1,387,584)	(1,387,584)
Net assets/fund balance, beginning of year, as restated	$ 277,935,729	$ 41,353,584

Comparative information presented in the Community Development fund budget to actual statement has been restated to apply the change retroactively.

Combining Balance Sheet—Nonmajor Governmental Funds

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

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

Revenue Fund

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

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

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

continued

Revenue Fund

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

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

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

continued

Revenue Fund

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

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

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

continued

Revenue Fund

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

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

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

continued

Projects Fund

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

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

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

continued

Projects Fund

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

City of Las Cruces

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

Revenue Fund

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

continued

Revenue Fund

DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease	Legislative Equipment Grants	Gasoline Tax Street Maintenance Fund
$ -	$ -	$ 2,560,652	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,439,465
-	-	-	-	-	-
37,441	22,178	-	-	-	-
2,470	-	-	6,337	-	8,899
-	-	-	-	-	-
-	-	-	-	184,737	-
-	-	-	-	-	-
39,911	22,178	2,560,652	6,337	184,737	1,448,364
-	22,207	943,831	204,755	155,890	-
-	-	-	-	-	-
28,895	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	436,754
-	-	-	-	28,901	-
-	-	-	-	-	-
-	-	-	-	-	-
28,895	22,207	943,831	204,755	184,791	436,754
11,016	(29)	1,616,821	(198,418)	(54)	1,011,610
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,000	363,092
-	-	(1,601,098)	-	-	(1,267,839)
-	-	(1,601,098)	-	28,000	(904,747)
11,016	(29)	15,723	(198,418)	27,946	106,863
(2,068)	(3,246)	261,110	215,635	-	418,461
-	-	-	-	-	-
(2,068)	(3,246)	261,110	215,635	-	418,461
$ 8,948	$ (3,275)	$ 276,833	$ 17,217	$ 27,946	$ 525,324

City of Las Cruces

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

For the Year Ended June 30, 2008

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

continued

Revenue Fund

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

continued

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

continued

Projects Fund

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

City of Las Cruces

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

For the Year Ended June 30, 2008

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

continued

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

City of Las Cruces

Nonmajor Enterprise Funds

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

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

City of Las Cruces

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets—*Nonmajor Enterprise Funds*

For the Year Ended June 30, 2008

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

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

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

City of Las Cruces

Combining Statement of Cash Flows—*Nonmajor Enterprise Funds* — continued

For the Year Ended June 30, 2008

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

City of Las Cruces

Internal Service Funds

City of Las Cruces

Combining Statement of Net Assets—*Internal Service Funds*

June 30, 2008

	Internal Services	Self Insurance	Totals
Assets			
Current assets			
Pooled cash and investments	$ 1,638,808	$ 9,163,479	$ 10,802,287
Accounts receivable, net of allowance for uncollectible accounts	33,874	11,467	45,341
Due from other governments	20,288	-	20,288
Inventories	666,906	-	666,906
Total current assets	2,359,876	9,174,946	11,534,822
Capital assets	9,985,227	40,110	10,025,337
Less accumulated depreciation	(8,071,143)	(36,953)	(8,108,096)
Capital assets, net	1,914,084	3,157	1,917,241
Total assets	4,273,960	9,178,103	13,452,063
Liabilities			
Current liabilities			
Accounts and contracts payable	312,980	511,613	824,593
Accrued liabilities	85,909	4,160	90,069
Current portion of noncurrent liabilities	50,655	1,719,134	1,769,789
Total current liabilities	449,544	2,234,907	2,684,451
Noncurrent liabilities			
Compensated absences	202,619	4,261	206,880
Estimated liability for insurance claims	-	4,629,885	4,629,885
Total noncurrent liabilities	202,619	4,634,146	4,836,765
Total liabilities	652,163	6,869,053	7,521,216
Net Assets			
Invested in capital assets, net of related debt	1,914,084	3,157	1,917,241
Unrestricted	1,707,713	2,305,893	4,013,606
Total net assets	$ 3,621,797	$ 2,309,050	$ 5,930,847

City of Las Cruces

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

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

City of Las Cruces

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

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

City of Las Cruces

Combining Statement of Cash Flows—*Internal Service Funds*

For the Year Ended June 30, 2008

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

City of Las Cruces

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

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

Agency Fund

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

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

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

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

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

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

Budgetary Comparison Schedules

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

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

Capital Projects Fund

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

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

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Capital Projects—2005 GRT City Hall

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Capital Projects — Las Cruces Convention Center

For the Year Ended June 30, 2008

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

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

Special Revenue Funds

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

Capital Projects Funds

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

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds
— continued —

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds
— continued —

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds
— continued —

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

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

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

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Debt Service Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Community Development Block Grant Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Court Awarded Funds

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

MPO Urban Transportation Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Fire Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Police Protection Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Animal Services Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Emergency Medical Services Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Traffic Safety

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Court Automation Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Prisoner Care Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Juvenile Recreation

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Lodgers' Tax & LCCVB Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

DWI Prevention Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Judicial Education

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Environmental Gross Receipts Tax Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Health Care Services From MMC Lease Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Legislative Equipment Grants

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Gas Tax Street Maintenance Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Public Safety Gross Receipts Tax

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Keep Las Cruces Beautiful

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Older Americans Act Programs

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Cash in Lieu of Commodities

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

RSVP

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Children, Youth, and Families

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Senior Employment Program

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

State Library Resources Grant

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Street Maintenance Operations

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Flood Control Operations

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Special Projects–Northrise/Morningstar

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Downtown Revitalization

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Regulatory Plan

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

State Operations Grant

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Heske Garden Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Griggs Walnut Plume Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Las Cruces Convention Center Fund

For the Year Ended June 30, 2008

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Public Parks Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Street Improvement Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Airport Improvement Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Sales Tax–Street Maintenance Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Flood Control Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Capital Improvement Reserve Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

Legislative Capital Improvements

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

State Capital Improvements

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

EDA West Mesa Industrial Park Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

1999 Sales Tax Street Projects Series A Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

2003 Sales Tax Facilities and Parks

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

State Equipment Acquisition

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

2003 Sales Tax Street Lights

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

2005 Gross Receipts Tax Public Improvements

For the Year Ended June 30, 2008

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

City of Las Cruces

Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual

2007 NMFA Street Improvements

For the Year Ended June 30, 2008

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

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

Enterprise Funds

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

Internal Service Funds

- Support Services
- Self-Insurance

City of Las Cruces

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

Gas Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Water Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Waste Water Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Solid Waste Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Bus Transit Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Alternative Fuel Station Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Clean Community Commission Fund

For the Year Ended June 30, 2008

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

Proprietary Funds

Internal Service Funds

City of Las Cruces

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

Internal Services Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

Self-Insurance Fund

For the Year Ended June 30, 2008

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

City of Las Cruces

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

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

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

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

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

Institution/Security	Safe Keeping Location	Market Value
Wells Fargo Bank, NA	Wells Fargo Bank Northwest	
WFBS 01, 5.50%, 06/01/2037, 3128MS7G9		$ 1,916,077
		$ 1,916,077

Summary of Collateralization	
Wells Fargo Bank	
Ending bank balance	$ 435,777
Less: FDIC insurance	(100,000)
Total uninsured public funds	$ 335,777
Pledged collateral held by the pledging bank's trust department in the City's name	$ 1,916,077
50% collateral requirement	167,889
Pledged collateral in excess of requirement	$ 1,748,188
Uninsured and uncollateralized	$ -

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

Repurchase Agreements

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

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

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

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

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

City of Las Cruces

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

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

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

Content

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

City of Las Cruces

Changes in Fund Balances – Governmental Funds — continued

Last Ten Years

(Unaudited)

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

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 Taxable Value	Real Property Assessed Value	Personal Property Taxable Value	Personal Property Assessed Value	Exemptions Real/Personal Property	Total Taxable Value	Total Assessed Value	Ratio of Total Taxable Value To Total Assessed Value
1999	$ 837,419,199	$2,512,257,597	$ 50,934,191	$ 152,802,573	$ 98,350,159	$ 790,003,231	$2,370,009,693	33%
2000	914,501,016	2,743,503,048	56,104,663	168,313,989	100,624,433	869,981,246	2,609,943,738	33%
2001	957,148,748	2,871,446,244	61,926,754	185,780,262	105,334,645	913,740,857	2,741,222,571	33%
2002	1,022,737,173	3,068,211,519	65,787,419	197,362,257	110,673,980	977,850,612	2,933,551,836	33%
2003	1,069,314,271	3,207,942,813	64,125,478	192,376,434	112,208,406	1,021,231,343	3,063,694,029	33%
2004	1,145,299,951	3,435,899,853	71,335,260	214,005,780	118,976,695	1,097,658,516	3,292,975,548	33%
2005	1,201,648,115	3,604,944,345	72,472,540	217,417,620	125,099,497	1,149,021,158	3,447,063,474	33%
2006	1,380,287,657	4,140,862,971	75,179,023	225,537,069	145,116,822	1,310,349,858	3,931,049,574	33%
2007	1,465,644,191	4,396,932,573	78,063,717	234,191,151	151,047,500	1,392,660,408	4,177,981,224	33%
2008	1,727,610,513	5,182,831,539	80,241,171	240,723,513	170,687,030	1,637,164,654	4,911,493,962	33%

Source: Dona Ana County Property Abstract

City of Las Cruces

Property Tax Rates Per $1,000 Assessed Valuation
Both Residential and Non-Residential—Overlapping Governments
Last Ten Years
(Unaudited)

Residential

Fiscal Year	City	State	County	School District	Other	Total Residential
1999	6.862	1.438	8.374	10.033	1.929	28.636
2000	6.582	1.482	7.858	9.874	1.872	27.668
2001	6.055	1.529	7.924	9.986	1.882	27.376
2002	5.748	1.765	8.066	10.053	1.899	27.531
2003	5.813	1.123	8.134	9.838	1.907	26.815
2004	5.841	1.520	7.896	9.835	1.895	26.987
2005	5.985	1.028	8.120	9.832	1.899	26.864
2006	5.781	1.234	7.852	9.722	1.904	26.493
2007	5.879	1.221	7.979	9.795	1.927	26.801
2008	5.960	1.250	8.029	9.809	1.936	26.984

Non-Residential

Fiscal Year	City	State	County	School District	Other	Total Non-Residential
1999	7.757	1.438	12.252	10.147	2.000	33.594
2000	7.427	1.482	12.207	10.080	2.000	33.196
2001	6.946	1.529	12.184	10.120	2.000	32.779
2002	6.480	1.765	12.184	10.164	2.000	32.593
2003	6.617	1.123	12.184	9.976	2.000	31.900
2004	6.551	1.520	11.700	9.970	1.971	31.712
2005	6.794	1.028	12.079	9.982	2.000	31.883
2006	6.831	1.234	12.082	9.954	2.000	32.101
2007	7.120	1.221	12.017	10.014	2.000	32.372
2008	7.120	1.250	11.992	10.014	2.000	32.376

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

City of Las Cruces
Principal Taxpayers
June 30, 2008
Last Ten Years
(Unaudited)

		FY 2008			FY 2007			FY 2006			FY 2005			FY 2004		
Taxpayer	Type of Business	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
Las Cruces Medical Center LLC	Medical Center	$ 19,334,467	1.18%	4	$ 18,392,667	1.32%	4	$ 18,392,667	1.40%	4	$ 23,386,967	2.04%	1	$ 17,285,900	1.57%	1
El Paso Electric Company	Electricity	64,345,540	3.93%	1	59,515,890	4.27%	1	58,026,006	4.43%	1	15,985,973	1.39%	2	14,790,872	1.35%	2
Memorial Medical Center	Medical Center	17,169,067	1.05%	5	16,482,767	1.18%	5	13,754,267	1.05%	5	13,754,267	1.20%	3			
Public Service Co of NM		34,744,992	2.12%	2	43,703,556	3.14%	2	34,927,202	2.67%	2						
Qwest Corporation	Communications	26,869,586	1.64%	3	24,800,703	1.78%	3	24,027,370	1.83%	3	12,711,340	1.11%	4	12,965,357	1.18%	3
Union Pacific Rail Road Company	Railroad	15,951,623	0.97%	6	13,610,022	0.98%	6	13,267,394	1.01%	6						
El Paso Natural Gas Co	Gasoline	12,558,435	0.77%	7	13,732,645	0.99%	7	11,923,259	0.91%	7						
Las Uvas Valley Dairy		11,841,705	0.72%	8												
Burlington Northern & Santa Fe Railroad	Railroad	11,487,369	0.70%	9	10,883,002	0.78%	8	9,824,600	0.75%	8						
New Mexico Mall Partners LP	Shopping Centers				8,159,267	0.59%	9	8,249,767	0.63%	9	8,187,367	0.71%	5			
Las Cruces Madison Ownership Co. LLC		9,007,400	0.55%	10	7,687,900	0.55%	10									
My Way Of Holdings LLC	Casino							6,329,967	0.48%	10						
Casa Bandera Tic LLC	Real Estate										5,748,767	0.50%	6			
Comcast Cablevision Of Nm/Pa Inc	Television Services										4,779,585	0.42%	7			
Sonoma Springs Partners LP	Real Estate										4,727,467	0.41%	8			
Park Place Peridot LLC	Business Complex										4,132,329	0.36%	9	3,102,667	0.28%	8
Fs Laguna Seca I LLC	Shopping Centers										3,608,233	0.31%	10			
Southwest Malls Real Estate	Shopping Centers													7,604,067	0.69%	4
Las Cruces Apartment Co. LLC	Property Development													3,524,333	0.32%	5
Wal-Mart Stores, Inc.	Discount Stores													3,493,133	0.32%	6
Las Cruces Laguna Seca Ltd	Shopping Centers													3,115,167	0.28%	7
CMAT 1999-Ci Town Center LLC	Business Complex													2,782,267	0.25%	9
Sam's East, Inc.	Discount Stores													2,592,833	0.24%	10
Anthem Park Place LP	Business Complex															
Alameda Land & Development	Property Development															
Voicestream PCS Ii Corp.	Cellular Telephone															
Property Trust of America	Business Complex															
Raley's Of New Mexico, Inc.	Grocery Stores															
Peak Medical Assisted Living, Inc	Assisted Living															
Campo Loretto Operating Assoc. LP	Business Complex															
Loretto Center Ltd Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex															
First Security Bank of DAC	Bank															
Wells Fargo Bank New Mexico	Bank															
Greco Town Rentals, LLC	Apartments															
American Stores Properties, Inc	Shopping Centers															
Dayton Hudson Corp/Target Stores	Discount Stores															
Las Cruces Hotel Ltd Partnership	Hotel															
U.S. West Communications, Inc.	Communications															
Southwest Shopping Centers	Shopping Centers															
Level 3 Communications Llc	Communications															
			13.63%			15.58%			15.17%			8.45%			6.48%	

City of Las Cruces
Principal Taxpayers — continued
June 30, 2008
Last Ten Years
(Unaudited)

		FY 2003			FY 2002			FY 2001			FY 2000			FY 1999		
Taxpayer	Type of Business	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
Las Cruces Medical Center LLC	Medical Center	$ 17,651,467	1.73%	1												
El Paso Electric Company	Electricity	13,351,410	1.31%	2	$ 12,873,898	1.32%	1	$ 11,651,378	1.28%	2	$ 10,970,821	1.26%	2	$ 10,942,064	1.39%	1
Memorial Medical Center	Medical Center															
Public Service Co of NM																
Qwest Corporation	Communications	12,571,205	1.23%	3	11,639,054	1.19%	2									
Union Pacific Rail Road Company	Railroad															
El Paso Natural Gas Co	Gasoline															
Las Uvas Valley Dairy																
Burlington Northern & Santa Fe Railroad	Railroad															
New Mexico Mall Partners LP	Shopping Centers															
Las Cruces Madison Ownership Co. LLC																
My Way Of Holdings LLC	Casino															
Casa Bandera Tic LLC	Real Estate															
Comcast Cablevision Of Nm/Pa Inc	Television Services															
Sonoma Springs Partners LP	Real Estate															
Park Place Peridot LLC	Business Complex															
Fs Laguna Seca I LLC	Shopping Centers															
Southwest Malls Real Estate	Shopping Centers	7,411,833	0.73%	4	7,551,300	0.77%	3									
Las Cruces Apartment Co. LLC	Property Development	3,524,333	0.35%	5												
Wal-Mart Stores, Inc.	Discount Stores	3,096,833	0.30%	8	3,158,200	0.32%	6	3,158,200	0.35%	6	3,155,042	0.36%	6	3,155,042	0.40%	4
Las Cruces Laguna Seca Ltd	Shopping Centers	3,115,167	0.31%	6												
CMAT 1999-Ci Town Center LLC	Business Complex	2,836,200	0.28%	9												
Sam's East, Inc.	Discount Stores	2,592,833	0.25%	10												
Anthem Park Place LP	Business Complex	3,102,667	0.30%	7												
Alameda Land & Development	Property Development				4,413,333	0.45%	4									
Voicestream PCS Ii Corp.	Cellular Telephone				3,595,272	0.37%	5	3,771,167	0.41%	5						
Property Trust of America	Business Complex				3,102,667	0.32%	7	3,102,667	0.34%	7	2,972,358	0.34%	8	2,972,358	0.38%	6
Raley's Of New Mexico, Inc.	Grocery Stores				2,878,533	0.29%	8	3,929,510	0.43%	4	3,965,141	0.46%	4	2,918,612	0.37%	7
Peak Medical Assisted Living, Inc	Assisted Living										3,173,756	0.36%	5	3,128,935	0.40%	5
Campo Loretto Operating Assoc. LP	Business Complex				2,825,500	0.29%	9	2,825,500	0.31%	8	3,073,956	0.35%	7	2,735,329	0.35%	8
Loretto Center Ltd Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex										2,670,593	0.31%	9			
First Security Bank of DAC	Bank										2,350,980	0.27%	10	2,350,980	0.30%	9
Wells Fargo Bank New Mexico	Bank				2,484,100	0.25%	10	2,602,633	0.28%	10						
Greco Town Rentals, LLC	Apartments															
American Stores Properties, Inc	Shopping Centers															
Dayton Hudson Corp/Target Stores	Discount Stores															
Las Cruces Hotel Ltd Partnership	Hotel													2,098,067	0.27%	10
U.S. West Communications, Inc.	Communications							12,568,052	1.38%	1	12,397,023	1.42%	1	9,581,486	1.21%	2
Southwest Shopping Centers	Shopping Centers							7,744,433	0.85%	3	7,938,287	0.91%	3	8,354,404	1.06%	3
Level 3 Communications Llc	Communications							2,648,076	0.29%	9						
			6.79%			5.57%			5.91%			6.04%			6.13%	

Source: Dona Ana County Property Abstract - County Assessors Office

City of Las Cruces
Property Tax Levies and Collections
Last Ten Years
(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	$ 5,408,875	$ 5,333,614	98.6%	$ 75,261	$ 5,408,875	100.0%
2000	5,704,508	5,625,133	98.6%	79,375	5,704,508	100.0%
2001	6,088,857	6,004,133	98.6%	84,724	6,088,857	100.0%
2002	5,920,572	5,838,191	98.6%	82,381	5,920,572	100.0%
2003	5,962,480	5,879,515	98.6%	82,965	5,962,480	100.0%
2004	6,334,688	6,246,544	98.6%	88,144	6,334,688	100.0%
2005	7,014,082	6,916,485	98.6%	97,597	7,014,082	100.0%
2006	7,708,511	7,601,251	98.6%	107,260	7,708,511	100.0%
2007	9,079,604	8,953,266	98.6%	126,338	9,079,604	100.0%
2008	10,269,520	10,126,626	98.6%	142,894	10,269,520	100.0%

Source: Doña Ana County Property Abstract

City of Las Cruces
Ratio of Outstanding Debt by Type
Last Seven Years

Governmental Activities

Fiscal Year	Sales Tax Revenue Bonds	Unamortized Premium on Sales Tax Revenue Bonds	Notes Payable	Capital Lease
2002	$ 39,420,000	$ -	$ 949,003	$ 364,169
2003	43,370,000	-	724,897	906,347
2004	39,685,000	-	667,497	1,417,616
2005	37,409,000	-	319,931	1,214,376
2006	64,340,000	276,275	-	998,963
2007	59,080,000	346,548	12,298,853	770,645
2008	54,125,000	208,925	42,333,919	554,258

Business-Type Activities

Fiscal Year	Utility Revenue Bonds	Unamortized Discount on Utility Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income *	Per Capita *
2002	$ 32,095,000	$ (350,859)	$ 845,540	$ 1,065,351	$ 74,388,204	5.90%	1,004
2003	30,610,000	(322,275)	1,176,991	1,041,291	77,507,251	5.93%	1,028
2004	29,050,000	(293,624)	367,064	549,668	71,443,221	5.14%	925
2005	27,420,000	(264,972)	237,373	1,057,708	67,393,416	4.09%	842
2006	36,755,000	(173,805)	93,439	810,044	103,099,916	6.07%	1,248
2007	52,530,000	(207,671)	83,981	1,029,010	125,931,366	7.41%	1,524
2008	50,200,000	(99,490)	74,147	26,069,790	173,466,549	7.96%	1,933

Notes:
* Details regarding the city's outstanding debt can be found in the notes to the financial statements.
* See Schedule 14 for the personal income and population data. These ratios are calculated using personal income and population for the prior fiscal year.
* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.

Source: City of Las Cruces CAFR, Note 7, Long-Term Obligations. This schedule excludes items for Claims & Judgments, Compensated Absences and Accrued Landfill Closure Costs which are presented in Note 7.

City of Las Cruces

Ratio of Net General Obligation Debt to
Taxable Value and Net General Obligation Bonded Debt Per Capita
Last Ten Years
(Unaudited)

Fiscal Year	Population	Taxable Value	General Obligation Bonded Debt Outstanding	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Taxable Value	Net Bonded Debt Per Capita
1999	75,786	$ 790,003,231	$ 2,045,000	$ 896,062	$ 1,148,938	0.15%	15.16
2000	74,267	869,981,246	1,395,000	1,081,945	313,055	0.04%	4.22
2001	74,267	913,740,857	715,000	715,000	-	0.00%	0.00
2002	74,267	977,850,612	-	-	-	N/A	N/A
2003	77,237	1,021,231,343	-	-	-	N/A	N/A
2004	80,054	1,097,658,516	-	-	-	N/A	N/A
2005	82,611	1,149,021,158	-	-	-	N/A	N/A
2006	86,607	1,310,349,858	-	-	-	N/A	N/A
2007	87,542	1,392,660,408	-	-	-	N/A	N/A
2008	89,722	1,637,164,654	-	-	-	N/A	N/A

Source: Doña Ana County Property Abstract

City of Las Cruces
Computation of Direct and Overlapping Debt
June 30, 2008
(Unaudited)

Jurisdiction	General Obligation as of June 30, 2008	Percentage Applicable to City of Las Cruces	City of Las Cruces Share of Debt
Direct			
City of Las Cruces	$ -	– %	$ -
Overlapping			
State of New Mexico	$ 309,865,000	3.30%	10,225,545
Dona Ana County	3,045,000	50.78%	1,546,251
Las Cruces School District	86,215,000	68.52%	59,074,518
Dona Ana Branch Community College	11,885,000	50.78%	6,035,203
Total overlapping	411,010,000		76,881,517
Total direct and overlapping general obligation bonded debt	$ 411,010,000		$ 76,881,517

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

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

City of Las Cruces
Computation of Legal Debt Margin
Last Eight Years
June 30, 2008
(Unaudited)

	2008
Taxable valuation	$1,637,164,654
Legal debt limit - 4% of assessed calculation	65,486,586
Amount of long-term debt subject to legal debt limit: general obligation debt outstanding	-
Legal debt margin	$ 65,486,586

	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	$ 34,799,250	$ 36,549,634	$ 39,114,024	$ 40,849,254	$ 43,906,341	$ 45,906,846	$ 52,413,994	$ 55,706,416
Total net debt applicable to limit	1,395,000	715,000	-	-	-	-	-	-
Total debt margin	$ 33,404,250	$ 35,834,634	$ 39,114,024	$ 40,849,254	$ 43,906,341	$ 45,906,846	$ 52,413,994	$ 55,706,416
Total debt applicable to the limit as a percentage of debt limit	4.01%	1.96%	N/A	N/A	N/A	N/A	N/A	N/A

Source: Doña Ana County Property Abstract

Notes:
* The requirement for statistical data is ten years; only nine years are available at this time.

City of Las Cruces
Pledged-Revenue Bond/Note Coverage
Last Ten Fiscal Years
(Unaudited)
June 30, 2008

	Sales Tax Revenue Bonds/Notes				Gas Tax Bonds			
		Debt Service				Debt Service		
Fiscal Year	Pledged Revenues	Principal	Interest	Coverage	Pledged Revenues	Principal	Interest	Coverage
1999	$ 19,866,215	$ 1,955,000	$ 1,107,919	6.49	$ -	$ -	$ -	-
2000	22,047,899	2,220,000	1,731,083	5.58	-	-	-	-
2001	25,245,000	2,460,000	1,712,394	6.05	1,008,424	-	-	-
2002	27,766,154	1,793,168	1,637,898	8.09	1,539,143	-	260,853	5.90
2003	29,598,948	1,521,087	927,515	12.09	1,512,281	265,000	260,853	2.88
2004	33,236,280	3,089,418	1,213,189	7.72	1,544,437	275,000	248,663	2.95
2005	36,245,275	3,203,196	1,209,419	8.21	1,451,120	290,000	235,875	2.76
2006	40,686,980	3,992,351	1,096,173	8.00	1,532,985	300,000	222,245	2.94
2007	47,195,398	4,583,873	2,447,367	6.71	1,506,014	315,000	207,845	2.88
2008	55,860,863	6,149,329	3,470,509	5.81	1,439,465	330,000	192,568	2.75

	Environmental Gross Receipts Tax Bonds				Utility Revenue Bonds/Notes					
		Debt Service						Debt Service		
Fiscal Year	Pledged Revenues	Principal	Interest	Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
1999	$ 808,988	$ 340,000	$ 587,575	0.87	$ 27,631,743	$ (20,658,022)	$ 6,973,721	$ 1,115,000	$ 1,696,001	2.48
2000	856,426	360,000	567,175	0.92	27,393,866	(21,412,332)	5,981,534	1,160,000	1,648,773	2.13
2001	890,199	380,000	545,575	0.96	30,213,313	(22,884,302)	7,329,011	1,215,000	1,598,000	2.61
2002	968,127	405,000	522,775	1.04	29,079,551	(22,978,421)	6,101,130	1,325,000	1,668,811	2.04
2003	1,011,472	425,000	498,981	1.09	35,803,200	(27,376,457)	8,426,743	1,550,000	1,607,861	2.67
2004	1,134,753	450,000	477,200	1.22	43,902,605	(34,970,027)	8,932,578	1,643,043	1,542,500	2.80
2005	1,237,329	410,000	189,656	2.06	46,421,742	(34,718,010)	11,703,732	1,739,857	1,473,776	3.64
2006	1,401,404	590,000	253,366	1.66	57,510,802	(44,533,053)	12,977,749	1,838,047	1,781,858	3.59
2007	1,523,163	605,000	235,666	1.81	58,441,509	(45,068,724)	13,372,785	1,940,010	2,330,112	3.13
2008	1,616,819	625,000	217,516	1.92	67,036,667	(55,364,226)	11,672,441	2,480,492	3,013,553	2.12

Notes:
* Details regarding the City's outstanding debt can be found in Note 7 of the financial statements.
* Operating expenses do not include interest, depreciation, or amortization expenses.

City of Las Cruces
Demographic Data
Last Ten Fiscal Years
June 30, 2008
(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
1999	76,102	$ 1,263,217	$ 16,599	30.1	$ 22,395	8.0%
2000	73,539	1,220,674	16,599	30.1	22,253	8.3%
2001	74,091	1,259,769	17,003	31.2	21,779	8.3%
2002	75,409	1,306,159	17,321	30.2	22,706	9.1%
2003	77,237	1,389,030	17,984	31.2	22,633	7.3%
2004	80,054	1,646,951	20,573	31.2	22,880	6.1%
2005	82,611	1,699,556	20,573	31.2	23,400	6.8%
2006	86,607	1,477,429	17,059	30.1	23,100	5.1%
2007	87,542	1,539,951	17,591	32.5	24,000	4.2%
2008	89,722	2,179,617	24,293	32.5	23,747	4.5%

Sources
- U.S. Census Bureau
- Las Cruces Public Schools
- New Mexico Department of Labor
- Community Dev. Dept Population Est.

City of Las Cruces
Principal Employers
Last Two Fiscal Years
June 30, 2008
(Unaudited)

FY 2008	FY 2007
Advanced Care Hospital of State of New Mexico	Border Foods Inc.
Border Foods Inc.	Coordinated Care Corp.
Coordinated Care Corp.	Dona Ana Branch Community College
Dona Ana Branch Community College	Dona Ana County Administration
Dona Ana County Administration	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 and Space Administration
National Aeronautics and Space Administration	New Mexico State University
New Mexico State University	Tresco Tots
Tresco Tots	

Note:
By law, the New Mexico Department of Labor may not release the number of employees. For further information, contact Ms. Susan Reagan at the New Mexico Department of Labor at (505) 222-4685.

Source: New Mexico Department of Labor, Bureau of Labor & Statistics
* Information is only available for Fiscal Years 2006 and 2007. GASB reporting for Principal Employers per GASB Statement 44 was implemented in Fiscal Year 2006.

City of Las Cruces
City Government Employees by Function/Program
Last Seven Fiscal Years
June 30, 2008
(Unaudited)

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

Notes:
* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.

City of Las Cruces
Operating Indicators by Function/Program
Last Seven Fiscal Years
June 30, 2008
(Unaudited)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Function/Program							
General Government							
Number of newsletters printed and mailed				108,000	216,000	216,000	231,100
Cost per newsletter				$ 0.26	$ 0.26	$ 0.26	$ 0.26
Average number of days from position postings to position hires				43	44	44	39
Operating and maintenance cost per work station				<$3500	<$3500	<$3500	<$3500
Facilities							
Dollar amount of projects managed per employee				N/A	$7.13 M	$8.96 M	$10.49M
Number of project work orders (over $10,000) requested				N/A	86	75	79
Conduct park safety and maintenance inspections per quarter				120/qtr	126/qtr	126	147/qtr
Total number of facilities operated and maintained	88	88	88	88	90	94	96
Police							
Number of citations issued				28,251	32,000	26,374	33,810
Number of clean up events				N/A	25		141
Number of codes violations addressed		30,784	33,547	37,073	31,719		30,944
Fire							
Number of building inspections	not avail.	1,871	2,535	3,586	3,410	2,696	3,400
Number of citizens who receive safety education	not avail.	1,763	4,385	3,653	2,584	3,860	2,224
Community Development							
Number of affordable rental and owner occupied housing using CDBG and HOME funds	25	50	147	50	100	108	71
Miles of bicycle facility lane installed	12	14	11	6	10		
Number of special events hosted in downtown area	10	11	12	22	23	23	21
Number of vendors participating in the Farmer's and Crafts Market	100	110	125	135	121	126	255
Number of residential building permits issued	1,108	1,389	1,435	2,044	1,756	1,547	1,158
Amount collected for residential permits	$ 1,549,769	$ 2,767,171	$ 2,841,679	$ 5,072,857	$ 4,883,106	$ 4,751,817	$ 2,948,042
Number of commercial building permits issued	166	170	218	177	131	147	125
Amount collected for commercial permits	$ 383,684	$ 417,162	$ 589,046	$ 342,056	$ 551,029	$ 532,631	$ 367,385

City of Las Cruces
Operating Indicators by Function/Program — continued
Last Seven Fiscal Years
June 30, 2008
(Unaudited)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Function/Program - continued							
Public Services							
Request for visitor information at Convention & Visitor's Bureau (CVB)	$ 15,445	$ 15,780	$ 19,978	$ 24,920	$ 33,889	$ 33,585	$ 27,315
Walk-in visitors to CVB office	3,483	4,824	3,702	5,544	5,674	5,153	5,464
Number of congregate meals served to seniors	73,036	72,877	76,500	78,877	73,138	82,205	88,215
Number of home-delivered meals served to seniors	83,961	130,852	155,000	172,141	173,048	184,615	192,192
Number of homemaker units	6,257	3,334	5,510	7,135	8,200	9,905	10,103
Museum visitors				159,630	172,245	279,202	301,318
Museum exhibit openings attendance				10,271	11,409	9,659	18,056
Museum program participants				13,248	32,755	13,643	19,494
Fixed route ridership				622,560	690,000	733,128	671,727
Cost per trip on fixed route				$ 2.90	$ 2.90	$ 2.90	$ 3.85
Total library circulations	393,500	421,925	425,757	423,340	475,156	533,294	540,936
Total number of library sponsored programs	277	308	283	304	445	1,040	971
Computer sessions at library	32,027	47,817	59,515	54,654	97,932	104,382	106,539
Public Works							
Percentage of potholes patched within 24 hours of report				95.7%	90.0%	92.0%	76.0%
Maintain major arterials and intersections through routine striping program				1/yr	2/yr		3/yr
Utilities							
Meter reading complaints	<1%	<1%	<1%	<1%	<1%	<1%	<1%
Metering operating cost per customer	$ 0.45	$ 0.52	$ 0.59	$ 0.58	$ 0.60	$ 0.61	$ 0.61
Operating and maintenance cost per dekatherm (Gas)	$ 0.93	$ 1.10	$ 1.24	$ 1.03	$ 1.48	$ 1.83	$ 2.05
Operating and maintenance cost per 1,000 gallons produced (Water)	$ 0.86	$ 0.93	$ 1.07	$ 1.05	$ 1.10	$ 1.37	$ 1.23
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	$ 1.81	$ 1.83	$ 2.23	$ 2.03	$ 2.02	$ 2.44	$ 1.97
Total operating cost per ton collected (Solid Waste)	$ 31.79	$ 42.27	$ 48.40	$ 43.04	$ 44.42	$ 49.34	$ 57.82

* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2008 is shown.

City of Las Cruces
Capital Assets and Infrastructure Statistics by Function/Program
Last Nine Fiscal Years
June 30, 2008
(Unaudited)

	Fiscal Year								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function/Program									
Area in square miles	50.46	50.46	50.46	50.46	51.5	52.25	56.07	76.18	76.38
Government facilities and services									
Miles of streets	380	380	438	438	438	992	524	537	556
Number of street lights	3,600	3,600	5,400	4,245	5,019	5,488	4,889	6,392	6,641
Culture and Recreation									
Community centers	5	5	5	5	6	6	5	5	5
Lakes	1	1	1	1	1	1	1	1	1
Pond	1	1	1	1	1	1	1	1	1
Parks	59	59	72	72	51	75	78	77	80
Park acreage	736	736	736	303	308	308	373	373	600
Sports complex	11	12	12	12	13	13	13	13	13
Swimming pools	3	3	3	3	3	3	3	3	4
Shooting range	1	1	1	1	1	1	1	1	1
Tennis courts	18	18	18	18	18	18	18	18	18
Bike path	1	2	2	2	2	2	2	2	2
Miles of bike paths							10	10	10
Fire Protection									
Number of stations	6	6	7	7	7	7	7	7	7
Police Protection									
Number of stations	1	1	1	1	1	1	1	1	1
Sewerage Systems									
Miles of sanitary sewers (est.)	321	321	321	369	373	393	435	476	507
Miles of storm sewers (mains)	29	29	29	29	111	18	17	17.5	17
Number of treatment plants	2	2	2	2	2	2	2	2	2
Number of service connections	21,320	21,518	22,264	23,117	23,955	25,180	33,806	26,018	28,323
Water System									
Miles of water mains (est.)	353	353	356	389	412	462	476	505	525
Number of service connections	22,540	22,971	23,852	24,525	25,616	27,040	28,835	29,980	31,193
Transit System									
Miles of Bus Routes					81.7	81.7	86	86	125
Number of Bus Stops					358	358	358	358	337
Number of Buses					17	17	16	16	15
Number of Dial-a-Ride Vehicles					11	11	17	17	17

Notes:
* The requirement for statistical data is ten years; only nine years are available at this time.
Sources: Various City departments.

City of Las Cruces

Sales Tax Revenue Payers by Industry
Fiscal Years 2007 and 2008
(Unaudited)
June 30, 2008

	Fiscal Year 2007				Fiscal Year 2008			
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	9,934	20.68%	$ 54,982,847	35.53%	9,965	20.30%	$ 56,577,965	36.24%
Construction	7,134	14.85%	27,879,283	18.02%	7,028	14.32%	24,163,297	15.48%
Other Services (except Public Admin)	11,210	23.34%	15,924,204	10.29%	11,465	23.36%	16,390,115	10.50%
Health Care and Social Assistance	5,037	10.49%	15,916,601	10.29%	5,256	10.71%	18,227,889	11.68%
Accommodation and Food Services	2,784	5.80%	13,413,860	8.67%	2,856	5.82%	13,777,131	8.82%
Professional, Scientific and Technical Svcs	5,655	11.77%	8,817,718	5.70%	5,997	12.22%	9,941,355	6.37%
Wholesale Trade	2,247	4.68%	6,431,631	4.16%	2,395	4.88%	3,968,200	2.54%
Unclassified Establishments	426	0.89%	442,676	0.29%	558	1.14%	1,204,372	0.77%
Utilities	104	0.22%	5,226,613	3.38%	98	0.20%	5,952,788	3.81%
Information and Cultural Industries	1,531	3.19%	3,275,233	2.12%	1,390	2.83%	3,560,350	2.28%
Real Estate and Rental and Leasing	1,967	4.10%	2,419,365	1.56%	2,081	4.24%	2,358,809	1.51%
	48,029	100%	$ 154,730,031	100%	49,089	100%	$ 156,122,271	100%

Source: State of New Mexico Taxation & Revenue

* Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

* Information is only available for fiscal years 2007 and 2008. GASB reporting for Sales Tax Revenue Payers by Industry per GASB Statement 44 was implemented in Fiscal Year 2006.

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

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

We have audited the basic financial statements, combining and individual fund financial statements and the budgetary comparisons presented as supplemental information of the City of Las Cruces, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. Our audit was performed for the purpose of forming opinions on the financial statements and supplemental information described above. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

REDW LLC

November 26, 2008

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

City of Las Cruces
Schedule of Expenditures of State and Federal Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
New Mexico Aging & Long-Term Services Department					
Retired and Senior Volunteer Program		07-SR075644	7/07 thru 6/08	$ 16,053	14,698
Senior Employment Program		2007-08-64014	7/07 thru 6/08	6,177	7,780
Meals Transportation -Title III		2007-08-64014	7/07 thru 6/08	356,036	383,282
Title XX		08-624-6000-0011	7/07 thru 6/08	101,939	116,766
Vehicles for Munson Senior Center		2007-0737	07/06 thru 6/08	110,000	28,093
Benavidez Community Center		2006-526	01/06 thru 06/10	25,000	25,000
Total New Mexico Aging & Long-Term Services				615,205	575,619
New Mexico State Department of Transportation					
Airport Master Plan		LRU-06-002	4/06 to 6/08	48,750	19,999
Amador/Lohman Rehab		MAP-5614 (901)	6/30/2008	1,020,000	1,020,000
Arterial Street Lights		TPZ-4532(3)04	3/06 thru 9/10	592,000	507,479
Davis/Jefferson		SP-GA-5583 (200)	9/06 thru 6/10	100,000	61,317
East Mesa - Davis/Jefferson				50,000	2,242
East Mesa - Morningside		SP-GA-ST-7613 (229)	7/04 thru 6/09	150,000	19,895
East Mesa - Reynolds Drive		SP-GA-ST-7613 (229)	7/04 thru 6/09	200,000	2,670
East Mesa - Reynolds Drive		SP-GA-7613(229)	10/05 thru 6/10	400,000	366
Elks Drive Widening		Map-4504 (902)	12/05 thru 6/07	484,388	311,458
Elks Drive		OSE Dam File# D-405	1/07 thru 6/10	75,000	11,853
Triviz Landscaping		TPE-4539(3)02	5/05 thru 6/09	243,000	225
Jack Rabbit Interchange		SP-GA-010-2(211)135	9/06 thru 6/10	500,000	30,308
Valley Drive		TPO-4536(1)	6/04 thru 6/08	150,000	71,947
MPO Section 112		PL-92A-1(47)	7/07 thru 6/08	138,419	138,419
MPO Section 5303		PL-92A-2(042)	7/07 thru 6/08	39,810	28,674
MPO Traffic Count Program		HPR-92A-2(43)	7/07 thru 6/08	18,000	15,924
S.T.E.P.		07-PT-63-049	10/06 thru 09/07	18,351	9,324
S.T.E.P.		08-PT-06-049	10/07 thru 09/08	23,318	23,318
Traffic Safety Bureau		07-AL-64-P2C	10/06 thru 09/07	42,711	22,092
Traffic Safety Bureau		07-RF-01-049	10/06 thru 09/07	12,794	2,637
Traffic Safety Bureau		07-AL-64-049	10/06 thru 09/07	42,684	9,051
Traffic Safety Bureau		07-AL-64-P2B	10/06 thru 09/07	32,289	10,070
Traffic Safety Bureau		08-AL-64-049	10/07 thru 09/08	106,210	70,076
Traffic Safety Bureau		08-OP-RF-049	10/07 thru 09/08	12,794	7,082
Traffic Safety Bureau		08-OP-CT-049	10/07 thru 09/08	9,870	8,965
Community DWI Program		08-CD-05-049	07/07 thru 06/08	63,283	61,821
Total New Mexico State Dept of Transportation				4,573,671	2,467,212
New Mexico Economic Development Department					
Downtown Revitalization		04-L-NR-I-3-G-0183	5/06 thru 6/06	200,000	2,343
New Mexico Economic Development Department				200,000	2,343
New Mexico Energy, Minerals and Natural Resources Department					
Rideshare NMEMNR		07-521-0300-0017	7/07 thru 6/08	30,000	30,000
New Mexico Forest Re-Leaf Grant		GSA 08-521-0422-0262	1/24/08 to 12/31/08	8,000	7,987
Total New Mexico Energy, Minerals and Natural Resources Department				38,000	37,987

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
New Mexico Children, Youth and Families Department					
Juvenile Citation Program		08-690-6420	10/07 thru 9/08	$ 310,000	$ 163,690
Total Children, Youth and Families Department				310,000	163,690
New Mexico Crime Victim Reparation					
Victim Assistance Unit		2008-VA-337	07/07 thru 06/08	30,450	30,450
Total New Mexico Crime Victim Reparation				30,450	30,450
State Department of Public Safety					
OEM 2006 Disaster Recovery /Flood Related Damages		FEMA-1659-DR-NM	01/16/07 thru 2/29/08	14,636	13,905
Total State Department of Public Safety				14,636	13,905
University of New Mexico					
Total University of New Mexico				-	-
NM Department of Public Safety					
Project Safe Neighborhoods		2006-PG-BX-0006	10/06 thru 9/07	12,205	11,357
Project Safe Neighborhoods		2007-PG-BX-0082	10/07 thru 9/08	16,205	14,480
Total NM Department of Public Safety				28,410	25,837
NM Tourism Department					
Convention & Visitors Bureau		08-418-3002-0022	7/07 thru 6/08	17,000	17,000
Total NM Tourism Department				17,000	17,000
NM State Library					
NM State Library Aid Grant		Vendor #54342, NMSA 1	7/1/07 to 6/30/08	6,513	3,656
Total NM State Library				6,513	3,656
NM Department of Cultural Affairs					
Museum of Art 2008		CUGE-08-073	7/1/07 to 6/30/08	1,364	1,364
Total NM Department of Cultural Affairs				1,364	1,364

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
New Mexico Department of Finance and Administration					
Burn Lake/Esslinger Park		05-L-G-1431	9/05 to 6/10	$ 95,000	$ 45,260
Benavidez Community Center		05-L-G-1434	9/05 to 6/10	25,000	23,151
Civil Air Patrol Hangar		03-L-NR-I-3-G-87	6/04 to 6/08	50,000	2,862
Comm of Hope		04-L-NR-I-3-G-2350	10/04 to 6/09	50,000	990
Community of Hope		05-L-NR-I-3-G-1455	8/05 to 6/10	50,000	4,028
Community of Hope-Garden				20,000	737
Mesilla Valley Community of Hope		07-L-G-5212	07 to 6/30/11	200,000	13
Fire Station # 4		06-1585	05/06 to 06/10	10,000	9,112
Fire Station # 4		06-0394		100,000	100,000
Fire Station # 5		06-1584	05/06 to 06/10	25,000	25,000
Fire Station # 5		06-0393		100,000	100,000
Grandparents Housing		05-L-G-1443	9/05 to 6/10	25,000	22,878
Grandparents Housing		05-L-G-1724	9/05 to 6/10	50,000	26,118
Homeless Veterans Shelter (Vet Transitional Housing thru		07-L-G-8052	1/08 to 12/09	30,000	30,000
Housing for Handicapped		06-L-NR-I-3-G-1604	10/06 to 6/10	75,000	14,606
Housing for Handicapped		06-L-NR-I-3-G-1614	10/06 to 6/10	53,000	959
Indoor Swimming Pool & Rec.		05-L-G-444	9/05 to 6/10	50,000	2,329
Indoor Swimming Pool & Rec.		05-L-G-1435	09/05 to 6/10	100,000	100,000
Indoor Swimming Pool & Rec.		06-L-G-1608	5/06 to 6/10	3,702,600	419,111
La Casa Domestic Violence Shelter		05-L-G442	08/05 to 6/10	150,000	88,100
La Casa Domestic Violence Shelter		05-L-G-1430	08/05 to 6/10	365,000	214,376
La Casa Domestic Violence Shelter		05-L-G-1729	08/05 to 6/10	50,000	29,663
La Casa Domestic Violence Shelter		06-L-G-1582	05/06 to 6/10	175,000	102,783
La Casa Domestic Violence Shelter		06-L-G-392	9/06 to 6/10	50,000	29,663
La Casa Domestic Violence Shelter		07-L-G-5198	8/07 to 6/11	15,000	8,899
La Casa Domestic Violence Shelter		07-L-G-5201	8/07 to 06/11	477,000	265,129
LC Downtown Plaza		03-L-NR-I-3-G-805	10/03 to 6/08	317,000	696
LC Downtown Revitalization		04-L-NR-I-3-G-275	10/04 to 6/09	420,750	33,023
LC Downtown Revitalization		05-L-G-0292	to 06/10	625,000	90,944
LC Downtown Revitalization		06-L-G-416	9/06 to 6/10	1,050,000	21,166
LC Downtown Art Panels		07-L-G-5192	8/07 to 06/11	4,285	4,285
Lohman Median Landscaping		ST-5614(201)03	10/05 to 6/10	100,000	14,480
Mesilla Park Community Center Renov		2008-3008/2008-3814	06/2011	192,462	33,760
Mesilla Valley Hospice		07-L-G-5203	06/2011	329,000	329,000
Mesquite Historic District		04-L-NR-I-3-G-276	10/04 to 6/09	346,500	200,772
Mesquite Historic District		04-L-G-1462	11/05 to 6/08	60,000	44,490
Mesquite Historic District		05-L-G-301	8/05 to 6/10	425,000	59,320
Munson Senior Center				198,867	31,268
North Las Cruces Park		05-L-NR-I-3-G-0291	9/05 to 6/10	50,000	1,056
Rio Grande Theatre		04-L-NR-I-3-G-279	10/04 to 6/09	693,000	10,848
Thomas Branigan Memorial Library GO Bond		06-587-600399	7/05 to 6/08	395,917	39,524
Thomas Branigan Memorial Library GO Bond		50500-0000005260	7/07 to 6/10	214,782	79,371
Veterans Memorial Wall		07-L-G-5211	07 to 6/30/11	136,000	130,163
Veterans Memorial Wall		07-L-G-3408	07 to 6/30/11	20,000	19,142
Enhanced 9-1-1		03-T-018	03 to 6/30/07	24,700	3,451
Enhanced 9-1-1		03-T-018	07 to 6/30/08	-	29,154
Police Athletic League Boxing Equipment		07-L-G-5208	07 to 6/30/09	30,000	7,375
Police Dept. Firearm Training Equipment		07-L-G-5209	07 to 6/30/09	230,000	148,460
Total Department of Finance and Administration				11,955,863	2,997,515
Total state expenditures of state awards				17,791,112	6,336,578

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
U.S. Department of Agriculture					
Pass-through State Health Environment Department					
Summer Food Program	10.559	07-3027	05/30/07 thru 08/03/08	$ 254,884	$ 204,130
Total U.S. Department of Agriculture				254,884	204,130
U. S. Department of Housing and Urban Development					
Community Development Block Grant Metro Entitlement Grants					
B-04-MC-35-0002	14.218	B-04-MC-35-0002	10/04 to Comp	1,277,435	5,050
B-05-MC-35-0002	14.218	B-05-MC-35-0002	10/05 to Comp	1,492,828	453,746
B-06-MC-35-0002	14.218	B-06-MC-35-0002	10/06 to Comp	1,019,805	464,343
B-07-MC-35-0002	14.218	B-07-MC-35-0002	10/07 to Comp	1,022,960	832,418
Total Community Development Block Grant				4,813,028	1,755,557
Home Investment Partnerships Program					
M-05-MC-35-0222	14.239	M-05-MC-35-0222	10/05 to Comp	493,332	117,549
M-06-MC-35-0222	14.239	M-06-MC-35-0222	10/06 to Comp	502,636	328,492
M-07-MC-35-0222	14.239	M-07-MC-35-0222	10/07 to Comp	496,988	74,673
Total Home Investment Partnerships Program				1,492,956	520,714
Community Development Block Grant Brownsfield Economic Development Initiative					
NMSU Model Extension Program	14.246	B-02-SP-NM-0442	8/02 thru 8/07	1,000,000	15,072
Rio Grande Theatre	14.246	B-03-SP-NM-0498	2/04 thru 2/09	804,735	1,850
Total Community Development Block Grants/Brownsfield Economic Development Initiative				1,804,735	16,922
Other HUD					
Shelter Plus Care	14.238	NM02C3-01-006	9/04 to 8/09	327,060	83,298
Supportive Housing	14.235	NM02B4-01-008	7/05 to 6/08	197,794	114,967
Total other HUD				524,854	198,265
Total U. S. Department of Housing and Urban Development				8,635,573	2,491,458
Bureau of Reclamation					
Lush & Lean Demonstration Program Grant, Ph	15.517	07-FG-40-2612	02/23/07-08/30/08	12,300	2,293
Total Bureau of Reclamation				12,300	2,293

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
Office of National Drug Control Policy					
HIDTA	16.xxx	I6PSNP562	7/06 thru 12/07	$ 725,583	$ 31,519
HIDTA	16.xxx	I7PSNP562	7/07 thru 6/09	739,329	730,685
Total Office of National Drug Control Policy				1,464,912	762,204
U.S. Department of Justice					
Cops Technology	16.710	2005-CKWX-0257	12/08/04 thru 12/07/08	236,794	67,302
Cops Interoperability Technology	16.710	2005-INWX-0014	9/05 thru 8/08	981,360	776,116
Justice Assistance	16.738	2006-DJBX-1020	10/05 thru 9/09	45,529	11,192
G.R.E.A.T.	16.737	2007-JV-FX-0304	06/07 thru 11/08	68,962	41,441
Justice Assistance	16.738	2007-DJ-BX-1021	10/06 thru 09/10	84,306	39,280
Bullet Proof Vest Program	16.607	2005-BUBX05027165	08/05 thru 08/10	10,212	1,295
Bullet Proof Vest Program	16.607	2007-BUBX05027165	04/07 thru 04/12	16,777	7,460
Total U.S. Department of Justice				1,443,940	944,086
U.S. Department of Transportation					
Airport Air Traffic Control Tower	20.106	OTA City of Las Cruces	7/04 to Completion	1,100,000	60,525
Airport Lights and Signs	20.106	OTA City of Las Cruces	5/06 to Completion	250,000	180,002
Total USDOT Airport Improvement				1,350,000	240,527
Federal Transportation Administration					
Section 5309	20.500	NM 03-0038	7/03 to Completion	990,172	88,622
Section 5309	20.500	NM 04-0004	7/07 to Completion	86,320	2,329
Section 5307	20.507	NM 90-0071	7/04 to Completion	34,500	1,042
Section 5307	20.507	NM 90-0082	7/07 to Completion	42,176	28,503
Section 5307	20.507	NM 90-4082	7/07 to Completion	1,123,340	1,123,340
Total Federal Transportation Administration				2,276,508	1,243,836
Federal Highway Administration					
Santa Fe Depot	20.205	TCSE-013-Q69/92D	7/01 to Completion	187,900	153,234
Pass-through State Highway Department Federal Highway Administration					
Rideshare NMSHTD	20.205	M00597	7/07 thru 6/08	31,000	31,000
N M Beautification	20.205	08-418-6001-0029	7/07 thru 6/08	25,500	25,432
Total Pass-through State Highway Department				56,500	56,432
Total U.S. Department of Transportation				3,870,908	1,694,029
Environmental Protection Agency					
Lower Rio Grande Water Users Org Regional Sustainable Water Project	66.202	XP-986611-01-0	10/00 - 9/08	650,000	6,318
Water Reclamation Project East Mesa Water Reclamation Plant	66.202	XP-986832-01-0	10/01/01 - 03/30/09	1,645,400	553,031
Total Environmental Protection Agency				2,295,400	559,349

City of Las Cruces

Schedule of Expenditures of State and Federal Awards — continued

For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
U.S. Department of Health and Human Services					
Disease Prev. & Health Prom. - Title III-Part D	93.043	2007-08-64014	7/07 thru 6/08	$ 15,943	$ 15,943
Supportive Services & Senior Ctrs - Title III-Pa	93.044	2007-08-64014	7/07 thru 6/08	21,752	21,752
Meals/Transportation Grant - Title III-Part C	93.045	2007-08-64014	7/07 thru 6/08	92,511	92,511
National Family Caregivers Support - Title III-P	93.052	2007-08-64014	7/07 thru 6/08	40,771	40,771
Nutrition Services Incentive Program - Title III	93.053	2007-08-64014	7/07 thru 6/08	141,660	141,660
Total U.S. Department of Health and Human Services				312,637	312,637
Corporation for National & Community Service					
Retired and Senior Volunteer Program	94.002	U05SRWNM009	7/07 thru 6/08	62,218	62,218
U.S. Department of Homeland Security					
Fire Prevention and Safety Grant	97.044	EMW-2005-FP-01412	1/06 thru 09/15/07	35,220	2,872
Office of Emergency Management					
Pass-through New Mexico Department of Public Safety					
Interoperable Communication Study	97.055	2004-GE-T4-COMM-DA	07/01/06 thru 03/31/07	189,000	129,994
GSA	39.xxx	GS-07P-UF-C-0041	10/07-9/08	40,000	40,000
Total expenditures of federal awards				18,616,992	7,205,270
Total expenditures of state and federal awards				$ 36,408,104	13,541,848

City of Las Cruces

Notes to Schedule of Expenditures of State and Federal Awards
June 30, 2008

1) General

The accompanying schedule of expenditures of state and federal awards presents the activity of all state and federal award programs of the City of Las Cruces, New Mexico, (the "City"). The City's reporting entity is defined in Note 1 to the City's financial statements. The Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* sets forth requirements whereby federal grants may be audited under a "single audit" approach at the same time the City's financial statements are audited. All awards received from state and federal agencies, as well as awards passed through other organizations and government agencies, are included on the schedule, except for those awards received directly by the Housing Authority of the City of Las Cruces, New Mexico (the "Housing Authority"). These awards are presented on the Housing Authority's schedule of expenditures of federal awards.

2) Basis of Presentation

The accompanying schedule of expenditures of state and federal awards includes the state and federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3) Reconciliation of Schedule of Expenditures of State and Federal Awards

The following is a reconciliation of the expenditures reported on the schedule of expenditures of state and federal awards to the expenditures reported in the financial statements for the City:

Expenditures on schedule of expenditures of state and federal awards	$ 13,541,848
Expenditures financed by other funding sources	116,051,616
Expenditures reported in the statement of revenues, expenditures and changes in fund balance—governmental funds	$ 129,593,464

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Las Cruces, New Mexico (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented in the accompanying combining financial statements and the budgetary comparison schedules as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 08-1, FS 08-2, FS 08-3, FS 08-4, and FS 08-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that of the significant deficiencies described above, FS 08-2 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, the results of our tests disclosed matters that are required to be reported under New Mexico State Auditor Rule 2 NMAC 2.2, *Requirements for Contracting and Conducting Audits of Agencies*, which are described in the accompanying schedule of state auditor's rule findings as SA 08-1 through SA 08-3.

The City's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs and schedule of state auditor rule findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, the City Council, the City's management, and the New Mexico State Auditor, and the New Mexico Department of Finance and Administration, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance

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

Compliance

We have audited the compliance of the City of Las Cruces (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is disclosed in the accompanying schedule of findings and questioned costs as item FA 08-1.

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing as opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in the City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 08-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The City's response to the findings identified in our audit is included in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

City of Las Cruces
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiency identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2008

Section I — Summary of Auditors' Results — continued

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
16.710	Public Safety Partnership and Community Policing Grants
16.xxx	High Intensity Drug Trafficking Area
66.202	East Mesa Water Reclamation Plant

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	Yes

Section II — Financial Statement Findings — continued

FS 08-1 — Cash Reconciliations

Criteria: Adequate internal controls should be in place to ensure cash reconciliations are completed and reviewed in a timely manner to ensure accurate financial reporting.

Condition: Cash reconciliations are not being completed in a timely manner and are not being reviewed. Reconciliations of the cash accounts at year-end revealed an unidentified deposit of $105,551.

Cause: During the year, cash reconciliations were not completed in a timely manner. In addition, bank reconciliations do not go through a review process to ensure accuracy.

Effect: Unknown variances in cash balances may occur if reconciliations are not completed timely and reviewed. This may result in cash balances not properly reported.

Auditors' Recommendations: Cash reconciliations should be completed on a monthly basis and reviewed to ensure cash balances are accurate and properly reported at year end.

Management's Response: The City has initiated an automated bank reconciliation process which will expedite timely reconciliations. The Treasurer will ensure a monthly review of the reconciliation. Compensating controls over cash include the use of positive pay to ensure City payments are processed properly and accurately.

Section II — Financial Statement Findings — continued

FS 08-2 — Segregation of Duties

Criteria: Adequate internal controls should be in place to prevent, detect or deter inappropriate transactions through segregation of incompatible duties or compensating controls.

Conditions:

- Payroll personnel have the ability to alter employee information such as pay rates, compensated absences and setting up ghost users. Compensating controls were not in place.
- The City Treasurer had the ability to independently add users to the online banking system. Compensating controls were not in place.
- The City Treasurer had the ability to initiate investment purchases and sales and also was responsible for investment reconciliations and had the ability to record investments.

Cause: Compensating controls were not in place when incompatible duties were not segregated.

Effect: Without stringent internal controls including segregation of incompatible duties, the risks of errors and fraudulent activity occurring, and not being detected, is increased.

Auditors' Recommendations: The City should segregate incompatible duties where practical and implement compensating controls when segregation of duties is not practical. For example, the Treasurer should not have the ability to independently add users to the online banking system.

Management's Response: The processing of payroll requires certain permission within the Enterprise Resource Program (ERP) system which allows payroll personnel the ability to modify payroll information. The city will develop a compensating control through a review process in Human Resources to ensure pay changes are made by authorized personnel.

Dual control of the online banking system was implemented prior to the 2008 fiscal year-end.

Section II — Financial Statement Findings — continued

FS 08-3 — Municipal Court Fines and Fees

Criteria: Municipal Court fines and fees should be reported as revenue when they are assessed. Uncollected court fines and fees should be reported as receivables, with an allowance for estimated doubtful amounts, and a corresponding provision, for any amounts considered unlikely to be collected.

Procedures should be in place to ensure accurate and timely recording of court fines and fees as revenue and receivables in the City's general ledger. Further, procedures should be in place to ensure that court fines and fees are periodically evaluated for collectibility based on historical payment characteristics, delinquency statistics and other relevant data. The allowance for estimated uncollectible amounts should be adjusted based on these evaluations, with a corresponding income statement provision.

Reasonable, cost effective collection efforts should be pursued for significant delinquent Municipal Court fees and fines.

Condition: Except at fiscal year-end, court fines and fees are not recorded in the City's general ledger until they are collected by the Court and submitted to the Treasurers office for deposit. The software used by the Court to monitor and administer cases maintains details of amounts owed, but those amounts, aggregating over $6 million, have not been recorded in the City's general ledger monthly. Many of the amounts reported by the Court software are very old, dating back as far as 1988.

Procedures are not in place to ensure the following:

- Fines and fees are recorded as revenue when assessed by the Court.
- Uncollected fines and fees are recorded as receivables.
- Fines and fees considered uncollectible are identified and recorded timely.
- Reasonable, cost effective efforts are made to collect delinquent Court fines and fees.

Cause: Systems and procedures are not in place to share financial information maintained by Municipal Court regarding fines and fees assessed, and uncollected fines and fees, with the City's Finance Department.

Effect: Uncollected fines and fees receivable and related revenue, allowance for uncollectible amounts, and provision for uncollectible amounts, were not recorded in the City's general ledger. Reasonable, cost effective efforts may not have been pursued to collect delinquent Court fines and fees.

Section II — Financial Statement Findings — continued

FS 08-3 — Municipal Court Fines and Fees — continued

Auditors' Recommendations: Establish procedures to ensure that Court fines and fees are recorded as revenue when assessed. Uncollected fines and fees should be recorded and periodically reviewed for collectibility, with corresponding adjustment of the allowance for uncollectible amounts and recording of a provision for uncollectible amounts. Further, procedures should be established to ensure that collection efforts are pursued for delinquent Court fees and fines.

Management's Response: The Court management and City management acknowledge the finding and agree with the recommendations. Court staff and City staff will continue the implementation of the recommended procedures.

Section II — Financial Statement Findings — continued

FS 08-4 — Fiscal Policies and Procedures

Criteria: Written policies and procedures should document significant transaction cycles. Such policies and procedures should identify key controls in place to ensure that assets are safeguarded and transactions are recorded accurately and timely.

Condition: Written procedures for some transaction cycles have not been updated to reflect the most current procedures in place, including some related to the Munis accounting software that was implemented in fiscal year 2007. Policies were not in place in some key areas, such as:

- Bank reconciliations
- Capital assets
- Journal entries
- Schedule of Expenditures of Federal Awards

Key controls in some of the above areas are not identified in the written policies and procedures.

Cause: Written policies have not been adopted and written procedures have not been updated.

Effect: Without written policies and updated procedures, efficiency is reduced and key controls may not be identified or implemented.

Auditors' Recommendations: The City should develop written policies in all significant fiscal areas and update written procedures regularly as circumstances change.

Management's Response: The City will develop written policies in all significant fiscal areas, and update written procedures regularly as circumstances change.

Section II — Financial Statement Findings — continued

FS 08-5 — SCSWA Cash Receipts Procedures (Repeat Finding)

Criteria: Policies and procedures for cash receipts require daily reconciliations, supporting documentation for voided transactions and explanations for unusual variances.

In addition, the Joint Powers Agreement requires SCSWA to maintain fiscal records and security over money received.

Condition: During the year, SCSWA did not follow the City's policies and procedures relating to cash receipt procedures. The following were identified during the City's January 2008 internal audit:

- SCSWA is not aware of the need to comply with the City's cash handling policies regarding daily deposits
  - 77% of deposits tested were date stamped by Wells Fargo Bank two (2) or more business days after it was prepared by SCSWA.
  - 100% of cash count sheets and related deposit slips tested did not have evidence of a second reviewer.
  - 94% of cash counts sheets were date stamped by Cashier Department two (2) or more business days after the date it was prepared by SCSWA. 3% did not contain evidence of a date stamp.
  - 57% of daily activity reports reviewed contained skipped ticket numbers indicating a voided ticket. Cash count sheets did not indicate voided ticket information.
  - An exception to the daily deposit requirement was not authorized by the Finance Director.
  - Overages and shortages were not consistently reported. SCSWA staff "force balanced" by adding or subtracting cash to accommodate for overages/shortages in check or credit card balances.
- Revenues reported by SCSWA did not include fees for two customers
- Taxes were not charged on three sales transactions

Context: Policies and procedures are not being followed regarding the receipt, deposit, and security of money received.

Cause: Practices for the receipt, deposit and security of money are not in compliance with established cash receipts procedures.

Effect: This could result in failure to deposit monies timely and increased susceptibility to misappropriation of cash receipts and/or revenues reported to the City.

Section II — Financial Statement Findings — continued

FS 08-5 — SCSWA Cash Receipts Procedures (Repeat Finding) — continued

---

Auditors' Recommendations: The cash receipts procedures and the Joint Powers Agreement should be followed to ensure proper safeguards over cash receipts and proper revenue recognition.

Management's Response: SCSWA has initiated daily deposits and improved internal controls related to cash receipts. Process improvements were incorporated into the daily activities of SCSWA prior to the 2008 fiscal year-end.

Section III — Federal Award Findings and Questioned Costs

FA 08-1 — Special Tests and Provisions—Form I-9 (Repeat Finding)

Federal program information:

Funding agency:	Office of National Drug Control Policy
Title:	High Intensity Drug Trafficking Area Program
CFDA Number:	16.xxx
Award numbers:	I6PSNP562Z
	I7PSNP562Z
Award years:	07/01/06 – 12/31/07
	07/01/07 – 6/30/09

Criteria: According to Section A of the HIDTA grant document, the recipient of HIDTA funds is required to submit an acceptable equal employment opportunity plan that is approved by the office of civil rights, as well as complete and keep on file the appropriate Immigration and Naturalization Service Employment Eligibility Verification forms (I-9) for each employee.

Condition: I-9 forms for three HIDTA officers could not be located in their personnel files.

Context: Three of four officers selected for testwork did not have an I-9 form in their personnel file.

Cause: Adequate internal controls do not exist to ensure the appropriate Immigration and Naturalization Service Employment Eligibility Verification forms (I-9) are kept on file for each employee.

Effect: Employees may not be eligible because of their immigration status.

Auditors' Recommendations: The City should develop adequate internal controls to ensure the required I-9 form is kept on file for all HIDTA employees.

Management's Response: The City will continue to improve monitoring procedures to ensure proper forms are maintained in employee personnel files.

City of Las Cruces
Schedule of State Auditor Rule Findings
For the Year Ended June 30, 2008

The following finding is reported in accordance with the New Mexico State Audit Rule 2 NMAC 2.2., *Requirements for Contracting and Conducting Audits of Agencies.*

SA 08-1 — Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)

Criteria: State regulations 2.2.2.10 P NMAC requires that if actual expenditures exceed budged expenditures it must be reported as a finding.

Condition: The following funds over-expended budgeted amounts as of June 30, 2008:

- Alternative Fuel Station ($28,981)
- Clean Community Commission ($23,227)

Context: Two funds over-expended approved budgeted amounts.

Cause: Procedures were not in place to ensure budgetary compliance. Expenses including depreciation were budgeted for the year.

Effect: Actual expenditures exceed budgeted amounts in two of the City's funds due to actual depreciation expenses exceeding budgeted amounts.

Auditors' Recommendations: Establish adequate procedures to monitor budget compliance and prohibit spending exceeding budgeted amounts. Unfavorable variances should be investigated to ensure that program directors are spending according to the adopted budget. Depreciation should not be included as a budgeted expenditure to ensure actual expenditures do not exceed budgeted amounts.

Management's Response: The City will enhance monitoring procedures to identify budget overruns more timely and investigate unfavorable variances.

SA 08-2 — Information Technology (Repeat Finding)

Criteria: Information Technology (IT) including systems and infrastructure are essential and integral to the efficiency of the City's operations. IT internal controls are essential to maintain the confidentiality, integrity and availability of data. IT internal controls are as important as the internal controls that surround the input of financial transactions into the City's general ledger.

Condition: Several areas of the Information Technology infrastructure were identified as needing enhanced controls. These areas are:

- lack of a formal written agreement between the City and Dona Ana County (the County) regarding the County's use of the City's fiber infrastructure
- lack of controls over a few legacy computers
- lack of preventive maintenance contracts for essential equipment
- lack of redundant connectivity in an area of the City's network infrastructure

Context: The IT Department has corrected the majority of the IT findings documented in the audit report of 2007. These include implementing the approved IT policies and procedures, creating customized audit reports of user access levels in the enterprise resource planning (ERP) system, developing plans for local redundancy for the ERP system, defining a formal IT policy approval process, and developing and implementing security awareness training for City employees. However, there are still some important controls lacking:

Lack of formal written agreement between the City and Dona Ana County regarding network connectivity

- The County network utilizes some of the fiber network infrastructure owned and maintained by the City. Using the City's fiber connectivity allows the County network to connect to healthcare services, Detention Center, Emergency Dispatch Center, and Office of Emergency Preparedness. County IT personnel had to get access in to a City wiring closet to perform maintenance because the County had lost some of its connectivity. There is no formal written agreement regarding the County's use of City network infrastructure. Without a formal agreement that outlines responsibilities, service levels, and other legal requirements, the City may be subject to potential security, availability, accountability, and liability issues.

Lack of controls over legacy workstations and laptops

- There are a few legacy workstations and laptops in the City's network that are configured to give the user local administrative rights on their computer. The City's policy is not to give users local administrative rights on their computers. The IT Department is aware that there are still some computers in the system that have not had local administrator rights removed. Until users local administrative rights are removed, these computers are a potential security risk.

SA 08-2 — Information Technology (Repeat Finding) — continued

---

Lack of preventive maintenance contracts for key pieces of equipment

- There are no preventive maintenance contracts for the HVAC system in the City's data center, nor are there preventive maintenance contracts for the Uninterruptible Power Supplies (UPS) that provide emergency power to servers and other critical network infrastructure devices. During a recent power issue, the UPS devices failed to work. This caused critical server down-time.

Cause and Effect: Without strong internal controls over the City's IT infrastructure and the Munis System, there is a potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker). Either or both could be intentional or unintentional.

Having the County utilizing some of the City's fiber connectivity without a clear written agreement could result in security and/or liability issues.

The IT Department has made a great deal of improvement in the strength of IT internal controls. In order to continue this improvement and implement the approved IT policies, the IT Department needs the support of City management and the cooperation of City employees.

Effect: Without strong internal controls over the City's IT infrastructure and the Munis System there is the potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker) and could be intentional or unintentional.

Auditors' Recommendations: The City should ensure that, if the County is to continue using the City's fiber connectivity, a formal written agreement be put in place as soon as possible. This agreement should clearly define the responsibilities of the City and the County.

The City should ensure that the legacy workstations and laptops are configured to remove local administrative rights from designated users.

The City should ensure that there are preventive maintenance contracts for the HVAC and UPS devices in the data center.

Management's Response: The City will review intergovernmental relationships and establish written formal agreements as appropriate. User access to legacy workstations and laptops will be addressed on an enterprise level when a high-level management tool is identified and accessible. Facilities staff will coordinate the preventive maintenance of the UPS and HVAC systems.

SA 08-3 — Employee File Documentation

Criteria: Required documentation such as Personnel Action Notices (PAN) and authorization for increased pay rates shall be maintained in employee personnel files.

Condition: Four of twenty five employee files tested did not have the updated Personnel Action Notice (PAN) in the employee file and four of twenty five files did not have authorization of a pay increase.

Cause: Adequate internal controls are not in place to ensure employee personnel files are updated in a timely manner and documentation for increased pay rates is maintained at all times.

Effect: Updated Personnel Action Notices (PAN's) and authorizations to changes in employee pay rates are not available for review.

Auditors' Recommendations: Employee file documentation should be gathered, updated and maintained in employee files at all times. Authorization for increased pay rates should be documented and maintained in personnel files as well. This will ensure that employee personnel files contain all required information.

Management's Response: The City will implement monitoring procedures to ensure proper forms are maintained in employee personnel files.

City of Las Cruces
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

Prior Audit Findings	Current Status
Financial Statement Findings	
FS 07-1, FS 06-1 Information Technology	Repeat finding; see SA 08-2.
FS 07-2 Municipal Court Fines and Fees	Repeat finding; see FS 08-3.
FS 07-3 Procurement Code	Resolved.
FS 07-4 SCSWA Cash Receipts Procedures	Repeat finding; see FS 08-5.
Federal Award Finding–All Major Programs	
FA 07-1 Special Tests and Provision – Form I-9	Repeat finding; see FA 08-1.
State Auditor Finding	
SA 07-1, SA 06-1 Actual Expenditures Exceeded Budgeted Expenditures	Repeat finding; see SA 08-1.

City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2008

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
FS 08-1 Cash Reconciliations	City has initiated an automated bank reconciliation process to expedite bank reconciliations which the Treasurer will review.	Treasurer	June30, 2009
FS 08-2 Segregation of Duties	City will implement a review process in Human Resources to ensure authorized payroll changes. Dual control has been established for the online banking system.	Comptroller/ Finance Director	June30, 2009
FS 08-3 Municipal Court Fines and Fees	Court and City management will continue to implement recommended changes.	Municipal Judge/ Treasurer	June30, 2009
FS 08-4 Fiscal Policies and Procedures	City will develop written policies and update procedures as circumstances change.	Comptroller	June30, 2009
FS 08-5 SCSWA Cash Receipts Procedures (Repeat Finding)	SCSWA initiated daily deposits and internal controls over cash prior to the 2008 fiscal year-end.	SCSWA Director	June30, 2009
FA 08-1 Special Tests and Provisions—Form I-9 (Repeat Finding)	City will continue to improve monitoring processes to ensure proper forms are maintained.	Human Resources Director	June30, 2009

City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2008

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
SA 08-1 Actual Expenditures Exceeded Budget Expenditures (Repeat Finding)	City will enhance monitoring procedures to identify budget overruns and investigate unfavorable variances.	Budget Manager	June30, 2009
SA 08-2 Information Technology (Repeat Finding)	City will review intergovernmental relationships and establish written formal agreements as appropriate. City will address user access to legacy equipment at an enterprise level. Facilities staff will coordinate preventive maintenance.	Information Technology Director	June30, 2009
SA 08-3 Employee File Documentation	City will implement monitoring procedures to ensure proper forms are maintained.	Human Resources Director	June30, 2009

City of Las Cruces

Housing Authority of the City of Las Cruces
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract/Grant or State Number	Grant Period	Program or Award Amount	Federal Expenditures
U.S. Department of Housing and Urban Development					
Direct Programs					
Section 8 New Construction	14.182	NM02-0002-004	7/1/07 - 6/30/08	$ 379,243	$ 379,243
Public and Indian Housing	14.850	NM003-001-08J	7/1/07 - 6/30/08	482,902	482,902
Section 8 Housing Choice Vouchers	14.871	NM003V0	7/01/07 -6/30/08	4,073,008	4,073,008
Public Housing Capital Funds	14.872	NM02P003501-05	8/19/04-9/13/08	482,720	100,005
		NM02P003501-06	7/22/05-8/17/09	421,103	230,543
		NM02P003501-07	6/08/06-7/17/10	355,272	129,484
		NM02P003501-08	Interim Budget	379,462	146
Total U.S. Department of Housing and Urban Development					460,178
Total expenditures of federal awards					$ 5,395,331

Housing Authority of the City of Las Cruces

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

1) General

The accompanying schedule of expenditures of federal awards presents expenditures of all federal awards of the Housing Authority of the City of Las Cruces, New Mexico, (the "Housing Authority"). The Housing Authority's reporting entity is defined in Note 1 to the Housing Authority's financial statements.

2) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Hector Balderas,
New Mexico State Auditor,
The Board of Commissioners of the Housing
Authority of the City of Las Cruces
and the
Honorable Mayor and City Council Members of
the City of Las Cruces

We have audited the financial statements and budgetary comparison of the Housing Authority of the City of Las Cruces (the "Housing Authority"), a component unit of the City of Las Cruces, New Mexico, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. We did not audit the financial statements of Montana Senior Village, LLC (MSV) and Montana Senior Village II, LP (MSV II) component units of the Housing Authority. Those financial statements were audited by other auditors who issued unqualified reports thereon. Our opinion insofar as it included to MSV and MSV II are based on the reports of those other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Housing Authority's discretely presented component units were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as FS 08-1 and FS 08-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The Housing Authority's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City of Las Cruces' City Council, the Housing Authority's Board of Commissioners and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Hector Balderas,
New Mexico State Auditor,
The Board of Commissioners of the Housing
Authority of the City of Las Cruces
and the
Honorable Mayor and City Council Members of
the City of Las Cruces

Compliance

We have audited the compliance of the Housing Authority of the City of Las Cruces (the "Housing Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

6401 Jefferson NE, Albuquerque, NM 87109
P: 505+998+3200 F: 505+998+3333 W: redw.com

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A *control deficiency* in the Housing Authority's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City of Las Cruces' City Council, the Housing Authority's Board of Commissioners and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 26, 2008

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2008

Section I — Summary of Auditors' Results — continued

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
14.182	Section 8 New Construction and Substantial Rehabilitation
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund (CFP)

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2008

Section II — Financial Statement Findings

FS 08-1 — Journal Entry Supporting Documentation

Criteria or Specific Requirement: All journal entries entered into the system should have adequate supporting documentation to support the accounts used and the amounts posted to those accounts. This information should be included with the journal entry to ensure proper review.

Condition: One out of five journal entries tested did not have adequate supporting documentation.

Cause: A process is not in place to ensure all journal entries include proper support.

Effect: Journal entries posted without adequate support have the potential to be posted in error or fraudulently.

Auditors' Recommendations: Establish procedures to ensure all journal entries have adequate support and the support reviewed before the journal entry is posted.

Management's Response: We concur with the finding and will provide more adequate documentation.

Section II — Financial Statement Findings — continued

FS 08-2 — Reconciliation of Equity and Financial Statement Preparation

---

Criteria: Analysis and review of the general ledger balances and transactions posted should be performed to assure all activity has been recorded in accordance with generally accepted accounting principles.

Condition: HACLC's equity balances did not roll-forward from the previous fiscal year. Comparison of the equity balances reported in the audited financial statements to the general ledger equity account balances would have detected the errors. Appropriate review of the equity account activity by HACLC accountants with sufficient understanding of generally accepted accounting principles would have detected the errors. As a result, the financial information generated by the account system was not in accordance with generally accepted accounting principles. Audit adjustments were therefore required at year-end.

Cause: Standard accounting procedures did not include a comparison of the equity balances reported in the audited financial statements to the general ledger equity account balances.

Effect: Errors may not be detected timely and financial information provided to management may not be accurate. The probability that errors will occur and go undetected for some time is greatly increased.

Auditors' Recommendations: Analysis and review of the general ledger balances and transactions posted should be performed to assure all activity has been recorded in accordance with generally accepted accounting principles. Consider engaging outside accountants on a contractual basis if internal accounting resources are not sufficient to ensure timely and accurate roll-forward of equity accounts and preparation of financial statements.

Management's Response: We concur with the finding and will ensure balances roll forward.

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2008

Section III — Federal Award Findings and Questioned Costs

None.

Housing Authority of the City of Las Cruces
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

Prior Audit Findings		Current Status
Financial Statement Findings		
FS 07-1	Component Unit Financial Reporting	Resolved.
FS 07-2	Donated Land	Resolved.
Federal Award Findings – All Section 8 Housing Choice Vouchers Program (14.871)		
FA 07-1	Special Tests and Provisions – Waiting List	Resolved.
FA 07-2	Special Tests and Provisions – Utility Allowance Schedule	Resolved.
FA 07-3	Special Tests and Provisions – Annual Inspections	Resolved.
FA 07-4	Eligibility – Income Verification	Resolved.
State Auditor Finding		
SA 07-1	Basic Reconciliation Review	Resolved.

Housing Authority of the City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2008

Federal Award	Corrective Action Plan	Person Responsible	Estimated Completion Date
Financial Statement			
FS 08-1 Journal Entry Supporting Documentation	The accountant will review all journal entries made for FY 2009 to date, and all future entries, to ensure adequate documentation is provided.	Sharon Hansen	June 30, 2009
FS 08-2 Reconciliation of Equity and Financial Statement Preparation	The accountant will not post any journal entries to equity accounts.	Sharon Hansen	Immediately

City of Las Cruces
Other Disclosures
For the Year Ended June 30, 2008

Exit Conference

An exit conference was conducted on November 17, 2008, in a closed meeting of the City Council pursuant to *Section 12-6-5 NMSA, 1978* with the following individuals in attendance:

City of Las Cruces

Ken Miyagishima	Mayor
Dolores Archuleta	Mayor Pro-Tem
Dolores Conner	Councillor
Gil Jones	Councillor
Miguel Silva	Councillor
Sharon Thomas	Councillor
Terrence Moore	City Manager
Mark Sutter	Finance Director
Pat Degman	Comptroller
Audrey Evins	Internal Auditor
Cynthia Vigil	Accounting Supervisor
Melissa Nelson	Accounting Supervisor
Winifred Y. Jacobs	PHA Board Chair
Christina S. Little	PHA Vice-Chair
Thomas Hassell	PHA Executive Director
Sharon Hansen	PHA Accountant

REDW LLC

Bruce Bleakman, CPA	Principal

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.