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COMPREHENSIVE annual FINANCIAL REPORT 2011

FOR YEAR ENDED JUNE 30, 2011

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LAS CRUCES, NEW MEXICO

CITY OF LAS CRUCES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

Prepared by
Finance Department
Pat Degman, CGFM
Comptroller

Cover photo by Amy Garcia
Enhanced by Leesa Mandlman

City of Las Cruces

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City of Las Cruces

City of Las Cruces®

November 22, 2011

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, 2011, in accordance with Article V, Section 5.09, of the City Charter. Responsibility for the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner that fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

Profile of the City

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

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

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

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Economic Condition and Outlook

The City of Las Cruces is the second largest city in the state, with a population of approximately 99,000. It is the commercial and cultural center of southern New Mexico. Although the City has started to experience a return to a more positive growth environment, the effects of the recession are continuing to linger. While a buffer to downturns, the area's large concentrations of employment in federal, state and local government are anticipated to be relatively flat in the coming fiscal year. Also, the positive revenue gains from public construction projects by the city, federal government and local school district during fiscal year 2011 will dissipate as fiscal year 2012 unfolds.

Population migration to the City has slowed; however, the area remains a popular retirement destination. Coupled with the City's growing attractiveness as a residential community for people who work in the El Paso Region, Las Cruces should continue to experience growth as the US economy slowly recovers. Advances in alternative energy and health care services combined with the quality of life, presence of the New Mexico State University's main campus, climate, and distinctive culture continue to make the area a bright spot in the region's economic picture.

The City's revenue growth has not been immune from economic conditions. In spite of economic challenges, City finances have been well managed through responsible budgetary practices implemented by elected officials and City administrators. Gross Receipts Taxes (GRT) is by far the main source of city funding and comprises the largest share of the City's general fund. While growth in this dominate revenue source has slowed, it still is forecast to achieve a slight gain in fiscal year 2012. Property tax receipts, while much smaller in scope, will reflect the loss of value that has occurred nationwide. The result is for total revenue collections to remain virtually unchanged in fiscal year 2012 as the economy continues to make slow progress. The City's resources remain sufficient to support planned expenditures and required reserves.

Barring a return to a national economic downturn, the Las Cruces industry mix, culture and climate will combine to lay the ground work for moving the City forward while maintaining a fiscally conservative position.

Long Term Plans and Major Initiatives

The City has invested in major facilities, including the convention center and regional aquatic center. Both facilities opened during the FY11 fiscal year. The convention center will support local tourism, with financial benefits expected in lodgers' tax and convention center fees. The lodgers' tax and convention center fees have been pledged for debt service on the facility. Gross receipts tax should also see an uptick from tourist trade. The regional aquatic center was funded by state legislative appropriations and may provide future opportunities for swimming events, with similar financial benefits in gross receipts tax, lodgers' tax, and convention center fees. The City also has an opportunity to capitalize on emerging commercialization of energy production from wind, sunlight and algae through economic development efforts at the industrial park.

Long range plans continue to include the need to provide utility services, public safety, and recreational facilities in newly developed areas. In addition, during FY12 the City will begin to focus on projects

deferred in previous years, such as fleet replacement and facility maintenance. The FY12 budget includes funding for fleet replacement at $2.0 million and facility maintenance at $1.3 million. Bond proceeds have been earmarked for infrastructure projects and will be budgeted at $4.5 million for streets projects, $5.5 million for facilities projects, and $1.5 million for flood control projects.

During fiscal year 2010 the City Council formalized a strategic plan, which serves as a guide to plan the use of City resources and direct the future of City programs. The guiding principles of the plan are excellence, integrity, customer focus, fiscal responsibility, and goal-oriented management. Each year the City's financial and operational performance is measured against the plan and outcomes are reported to the City Council and the community at large.

The plan encompasses seven strategic goals and a number of specific objectives. The key strategic goals are:

1. Ensure a Safe and Secure Community
2. Acknowledge and Promote our Community Identity
3. Proactively Plan our Land Use, Infrastructure and Connectivity, Unite Land Use with Function
4. Protect and Promote our Natural and Energy Resources
5. Foster a Vibrant Economic Environment
6. Operate an Accountable, Response and Engaged City Government
7. Be the Employer of Choice

The strategic plan, with progress updates, is available on the City's website for public review.

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; however, 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. Management is responsible for establishing and maintaining effective internal controls. Although some level of risk within the internal control framework is unavoidable, the City's management maintains an attitude of supporting strong and effective internal controls.

Financial Information, Management and Control

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

Budgetary Control

In New Mexico, state statutes mandate that municipalities operate within the confines of a balanced budget. Annual budgets are adopted for all funds. If a fund is not overspent, it is in compliance with state law. All unexpended budget appropriations lapse at the end of the fiscal year.

The City Manager is responsible for presenting an annual budget to the City Council. The Council sets hearings for annual budget review and approves the final budget. The final budget is then submitted to the New Mexico Department of Finance and Administration, Local Government Division. The Local Government Division must then approve and certify the City's operating budget, budget increases and budget transfers between funds.

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 integrated accounting system to assure effective fiscal management and accountability. Budget adjustments requested throughout the fiscal year that increase fund expenditures must be approved by the City Council.

Taxes

The allocation of the property tax for fiscal year 2011 and the two preceding years is based on the mill levy below:

Purpose	2011	2010	2009
Operational mill levy:			
Residential	6.452	6.155	6.136
Non-residential	7.120	7.120	7.120

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

The gross receipts tax rate on receipts within the City was 7.5625% at June 30, 2011. The breakdown and sources of the gross receipts tax rate include:

	Tax Rate	Percent of Total Rate
State General Fund	3.9000%	51.6%
State shared-municipal distribution	1.2250%	16.2%
Municipal GRT- general purpose	1.2500%	16.5%
Municipal GRT-infrastructure	0.1250%	1.7%
Municipal GRT-public safety	0.1250%	1.7%
Municipal Environmental GRT	0.0625%	0.8%
Dona Ana County-local option taxes	0.8750%	11.5%
	7.5625%	100.0%

Debt Administration

The City has significant capacity for future capital and infrastructure acquisitions, should the need arise. The City's current unused general obligation (G.O.) bond capacity is in excess of $70 million. The City currently has no outstanding G.O. bonds.

The City had thirteen bond issues outstanding at June 30, 2011. Gas tax revenues secure one issue and gross receipts tax revenues finance eight bond issues outstanding. Four issues are Joint Utilities Revenue Bonds secured by the net operating revenues of the utility system. The amount of bonds outstanding at June 30, 2011 was $73.3 million in governmental bonds and $62.0 million in utility revenue bonds. Principal payments on bonds totaled $10.7 million during the fiscal year excluding refinancing activities. In addition,

the City had eleven loans outstanding from New Mexico Finance Authority totaling $14.5 million with principal payments during the fiscal year of $1.9 million, excluding refinancing activities.

During the year the City refunded two gross receipts tax bonds totaling $5.4 million in outstanding principal, eleven NFMA loans with outstanding principal of $60.6 million, and issued new debt in bonds and loans totaling $66.0 million. The net present value on the refunding activities was approximately $5 million. Additional information on the debt refunded and issues is available in Note 7.

The Financial Services Department monitors the opportunity for refinancing and consolidating the City's outstanding debt. The opportunity for significant savings in debt service payments was taken in August 2010 when 12 loans and 2 bonds were refinanced in three separate bond issues. Both Moody's Investor Service and Fitch Ratings Favorable issued favorable bond ratings related to this financing activity. The City began to realize the debt service savings during fiscal year 2011.

Cash Management

The City's investment policy allows for the investment of cash balances over amounts required to meet current financial obligations to achieve the highest rate of return consistent with the primary objectives of preservation of principal and maintenance of adequate safety, liquidity, legality and yield. As of June 30, 2011, 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, and ARRA requirements. Additionally, the City Charter requires an annual audit of all accounts of the City by an independent certified public accountant.

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

The independent firm of certified public accountants, REDW LLC, has audited the financial statements and related notes. The financial statements have been prepared in accordance with generally accepted accounting

principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

GFOA Award

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, 2010. This was the seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must demonstrate proficiencies in both generally accepted accounting principles and applicable legal requirements.

We believe that this 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 the certificate. This award represents the highest form of recognition in governmental accounting and financial reporting. This is an outstanding accomplishment that demonstrates the professionalism residing in the City's Financial Services Department.

The preparation of the annual CAFR is primarily the responsibility of the Accounting Department. I would like to recognize Pat Degman, Comptroller, Melissa Nelson and Maria Villa, Accounting Supervisors, and the Accounting staff including Maria Sanchez, Joy Ann Lucero, Karin DeVogel, Veronica Armendariz, Gilbert Rodriguez, and Maricela Ortiz for their efforts in this accomplishment.

Acknowledgments

The annual audit cannot be completed 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 this year's audit.

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 Winson
Chief Administrative Officer

City of Las Cruces
June 30, 2011

LIST OF PRINCIPAL OFFICIALS

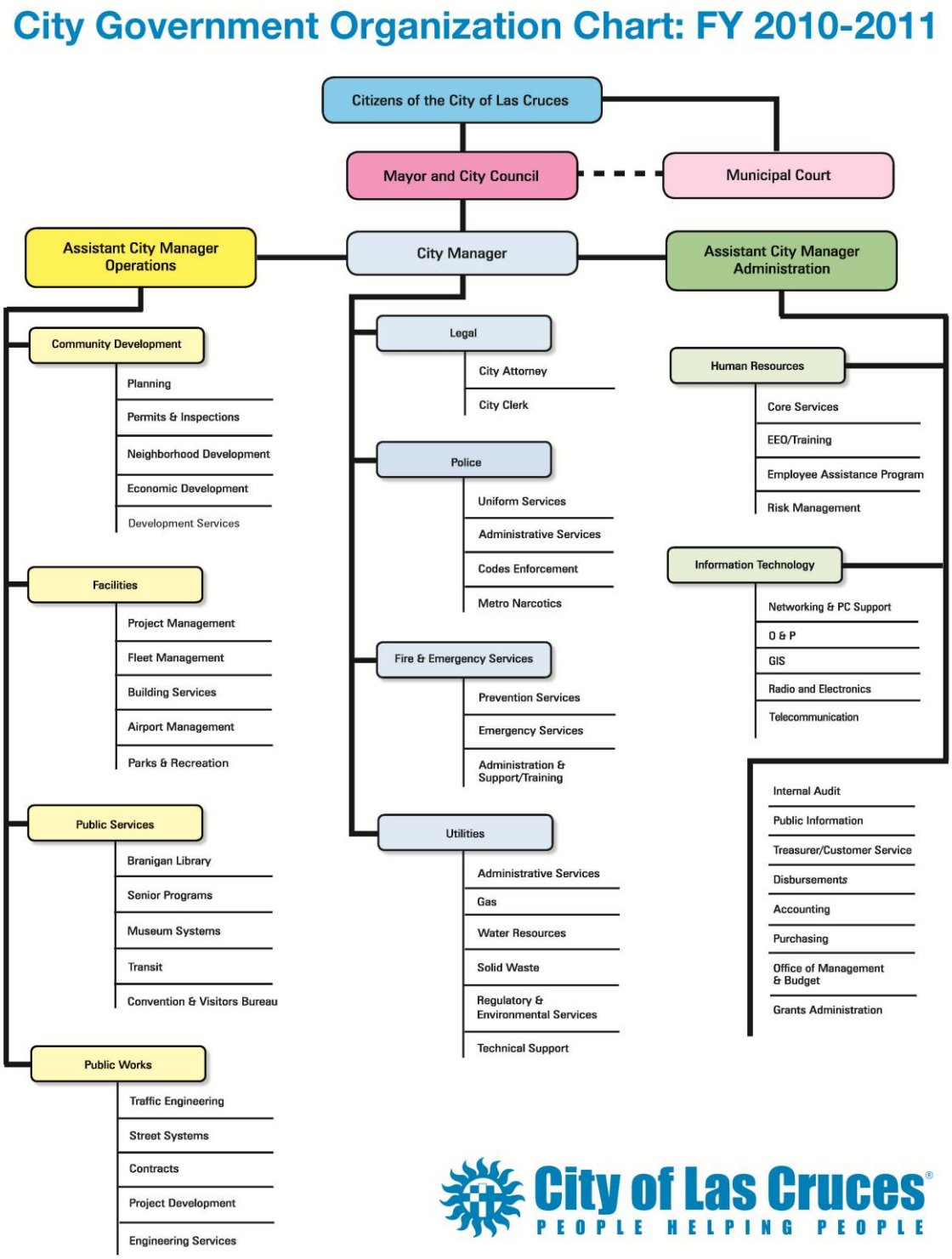
Councilors

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

City officials

Robert Garza, P.E.	City Manager
Brian Denmark	Assistant City Manager
Robert Scaling	Interim Financial Services Director

City of Las Cruces



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, 2010

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Las Cruces, New Mexico (the "City"), as of and for the year ended June 30, 2011, 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 agency funds presented in the accompanying combining financial statements and the budgetary comparison schedules as of and for the year ended June 30, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the general fund and major special revenue funds budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise,

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

internal service and agency fund of the City of Las Cruces, New Mexico as of June 30, 2011, and the respective changes in financial position, cash flows, and budgetary comparisons, where applicable, thereof, and the budgetary comparisons of each major debt service fund and major capital projects fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2011, on our consideration of the City of Las Cruces, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

REDW LLC

November 22, 2011

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, 2011. It is intended to be read in conjunction with the Letter of Transmittal and the City's financial statements. In accordance with Governmental Accounting Standards Board standards, comparisons to prior-year balances and activity are presented.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The 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 2011. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave). Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include General Government, Facilities, Police, Fire, Community Development, Public Services, Public Works and Information Technology. The business-type activities of the City include Gas, Water, Waste Water, Solid Waste, Transit, and Alternative Fuels.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the following legally separate component units: Public Housing Authority (PHA), South Central Solid Waste Authority (SCSWA), and the Las Cruces Downtown Tax Increment Development District (TIDD). PHA and SCSWA are discretely presented component units and the financial information for these component units is reported separately from the primary government itself. The TIDD is a blended component unit of the City, whose board is comprised of the members of the City Council. The purpose of the TIDD is to finance public infrastructure serving the downtown area. The TIDD is presented as a special revenue fund in the financial statements. The funds to acquire or construct public infrastructure within the TIDD District is presented as a capital project fund in the financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of

the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

The City maintains one hundred twenty-five individual governmental funds, ten of which combine into the General Fund. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the funds that comprise the General Fund, which is considered to be a major fund. Three other governmental funds, Sonoma Ranch, Telshor Facility, and the Community Development fund are also reported as major funds. The remaining one hundred twelve governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Combining Financial Statements section of this report.

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

Proprietary Funds

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

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

the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* in the Combining Financial Statements section of this report.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

The budgetary schedules for each fund are presented in the Budgetary Comparison Schedules 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 2011, 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 2011, 2010, and 2009.

Net Assets (in 000's)

	Governmental Activities			Business - type Activities			Total		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Current and Other Assets	140,276	137,994	155,593	69,611	73,401	73,401	209,887	211,395	238,668
Capital Assets	364,612	349,533	298,331	217,011	$208,973	198,544	581,624	558,506	496,875
Total Assets	504,888	487,527	453,924	286,623	282,374	271,945	791,511	769,901	735,543
Current and Other Liabilities	36,499	42,058	35,134	5,652	12,591	10,009	42,150	54,649	45,143
Long-term Liabilities	92,615	96,046	103,568	68,168	67,047	70,977	160,784	163,093	174,544
Total Liabilities	129,114	138,104	138,702	73,820	79,639	80,985	202,934	217,742	219,687
Net Assets:									
Invested in Capital Assets, net of related debt	276,355	258,566	199,892	152,450	140,672	126,330	428,805	399,238	326,222
Restricted Net Assets	34,983	33,168	32,439	21,757	22,870	30,498	56,740	56,038	62,937
Unrestricted Net Assets	64,435	57,690	82,891	38,596	39,193	43,807	103,031	96,883	126,698
Total Net Assets	375,774	349,423	315,222	212,803	202,735	200,634	588,576	552,159	515,857
Total Liabilities and Net Assets	504,888	487,527	453,924	286,623	282,374	281,619	791,511	769,901	735,543

Seventy-three percent of the City's net assets are investment in capital assets (i.e., land, land improvements, buildings, equipment, utility infrastructure), net of related outstanding debt used to acquire those assets. This compares with seventy-two percent in fiscal year 2010. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Ten percent of the City's net assets are resources that are subject to external restrictions on how they may be used. This amount did not change from fiscal year 2010. The remaining balance of unrestricted net assets $103 million may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in net assets during 2011 and comparative amounts for 2010 and 2009 were:

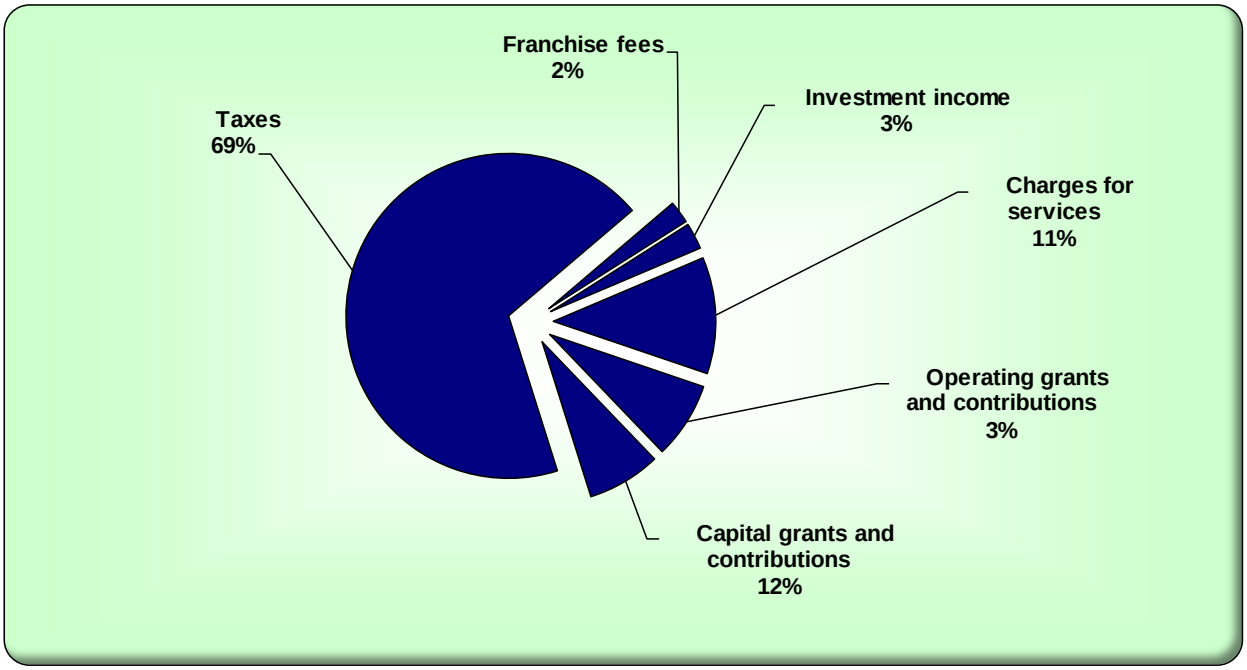
Summary of Changes in Net Assets (in 000's)

	Governmental Activities			Business - type Activities			Total		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Revenues:									
Program Revenues:									
Charges for services	$ 15,341	$ 12,336	$ 13,545	$ 60,897	$ 59,515	$ 58,542	$ 76,238	$ 71,851	$ 72,087
Operating grants and contributions	10,078	11,899	3,932	1,614	1,376	1,522	11,692	13,276	5,454
Capital grants and contributions	9,655	25,986	14,865	9,209	2,275	5,951	18,864	28,262	20,816
General Revenue:									
Taxes-GRT and property	90,697	87,749	85,674				90,697	87,749	85,674
Franchise fees/lodgers tax	2,952	3,436	2,699				2,952	3,436	2,699
Investment income	3,462	3,569	(1,720)	306	1,302	1,517	3,769	4,871	(203)
Telshor Facility income	5,473	139	278				5,473	139	278
Miscellaneous	2,878	2,683	3,091	10	457	25	2,887	3,140	3,116
Capital asset contribution	442,666	-	-	(442,666)	-	-	-	-	-
Total Revenue	583,201	147,798	122,363	(370,630)	64,926	67,558	212,572	212,723	189,921
Expenses:									
General Government	16,667	16,102	16,915				16,667	16,102	16,915
Facilities	13,237	13,629	10,372				13,237	13,629	10,372
Police	26,628	26,886	28,112				26,628	26,886	28,112
Fire	11,339	11,155	11,261				11,339	11,155	11,261
Community Development	5,835	7,586	4,605				5,835	7,586	4,605
Public Services	9,833	10,506	12,797				9,833	10,506	12,797
Public Works	20,285	19,728	20,552				20,285	19,728	20,552
Information Technology	3,245	-	-				3,245	-	-
Gas	-	-	-	25,500	25,834	25,096	25,500	25,834	25,096
Water	-	-	-	13,997	14,474	14,787	13,997	14,474	14,787
Waste water	-	-	-	11,212	11,217	10,878	11,212	11,217	10,878
Solid waste	-	-	-	10,151	10,431	10,534	10,151	10,431	10,535
Other	-	-	-	4,363	4,310	4,274	4,363	4,310	4,275
Interest on long-term debt	3,862	4,564	4,307	-	-	-	3,862	4,564	4,307
Total Expenses	110,931	110,155	108,921	65,223	66,266	65,569	176,154	176,421	174,491
Increase in net assets before transfers	472,270	37,643	13,442	(435,853)	(1,340)	1,989	36,418	36,302	15,431
Transfers	(3,697)	(3,442)	(4,232)	3,697	3,442	4,232	-	-	-
Change in Net Assets	26,350	34,201	9,211	10,510	2,101	6,220	36,860	36,302	15,430
Net Assets - beginning	349,423	315,222	306,012	202,735	200,634	194,415	552,159	515,857	500,427
Net Assets - ending	375,774	349,423	315,222	213,245	202,735	200,634	589,019	552,159	515,857

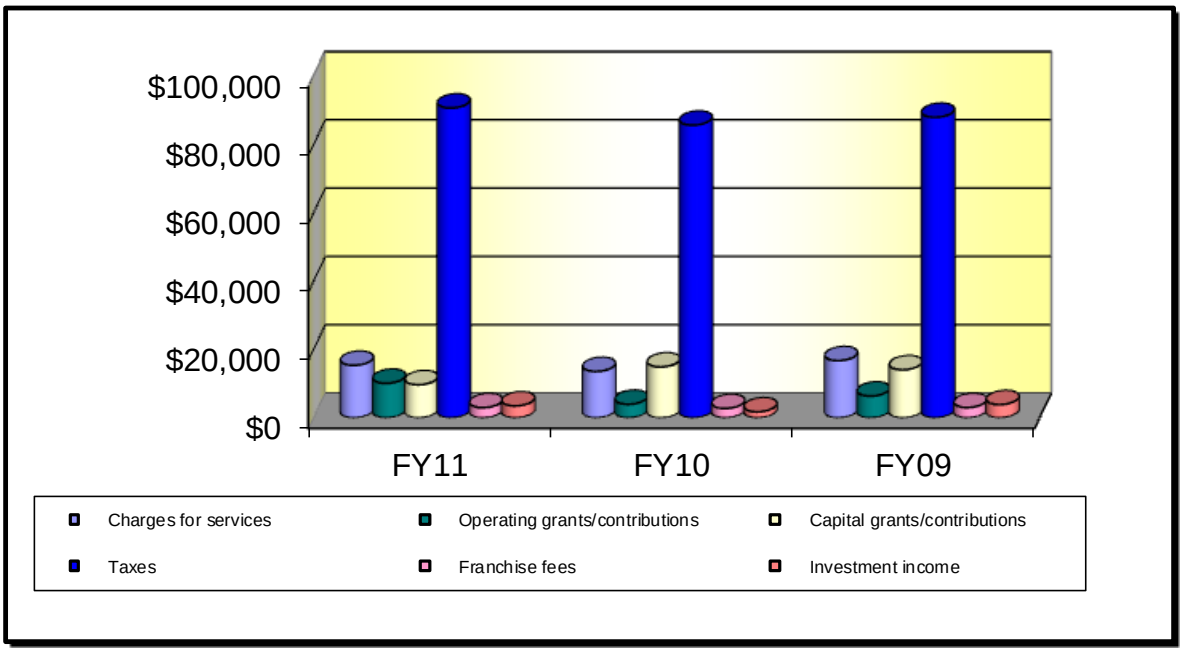
Governmental Activities

Governmental activities increased the City's net assets during the current fiscal year by $26.4 million. Gross receipts tax, property tax, and franchise fees increased from $91.2 million in fiscal year 2010 to $93.6 million in fiscal year 2011. The taxes and franchise fees contributed significantly to funding the $75.9 million net program expense associated with general governmental activities.

Governmental Revenues



Revenue by Source – Governmental Activities

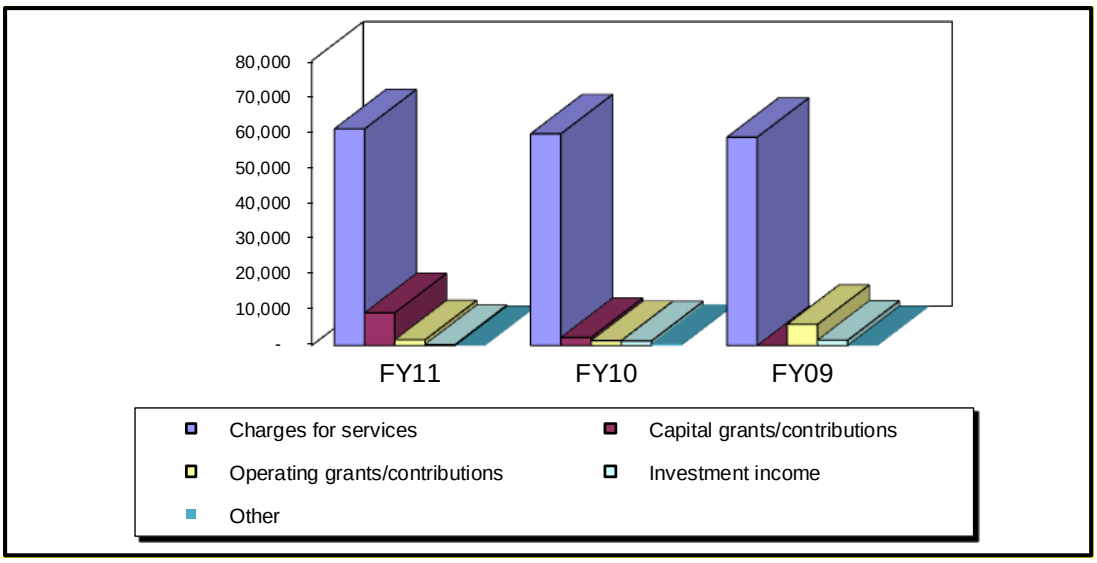


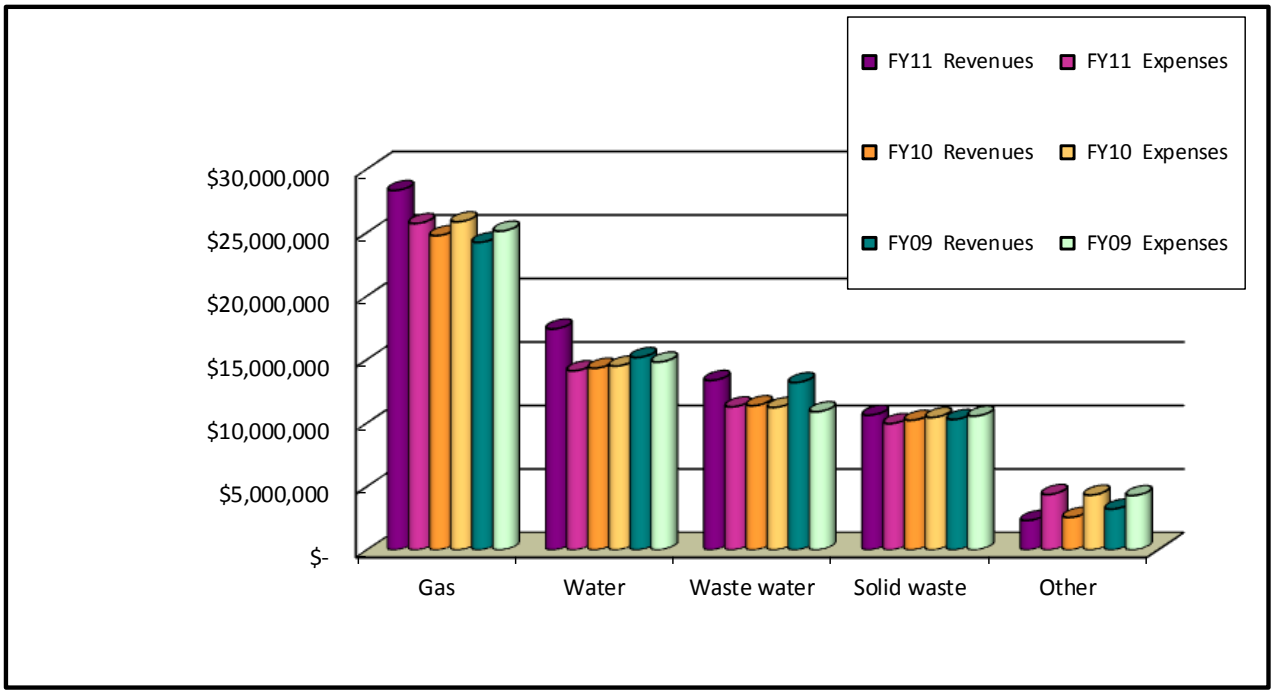
Expenses of the City's governmental activities increased from $110.2 million in fiscal year 2010 to $110.9 million in 2011. The increase in expenses was related to an additional $3.2 million for Information Technology offset by reductions in expenses in Community Development projects of $1.8 million and Public Services of $0.7 million.

Business-type Activities

Business-type activities increased the City's net assets during the current fiscal year by $10.1 million. Charges from services increased from $59.5 million in fiscal year 2010 to $60.1 million in fiscal year 2011. Expenses decreased from $66.3 million in 2010 to $65.2 million in 2011, with the Water fund showing the largest decrease overall of approximately $477 thousand. The Gas fund showed a decrease in operating expenses of approximately $334 thousand.

Revenues by Source – Business-type Activities





Financial Analysis of the City's Funds

Gross receipts tax, the largest revenue source in the general fund, has increased $1.6 million, or 3.03%, from 2010. Property tax has exhibited resiliency in the face of adverse economic conditions, showing a 5.21% increase over last year totaling $688 thousand. The City has continued to experience growth in travel and tourism, which was supported by the opening of the convention center in January 2011. Capital grants decreased by over $16 million in 2011 as funding from the federal government for ARRA projects was no longer available. Operating grants fell as well, with a decrease in funding of $1.8 million from 2010.

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, the Unassigned Fund Balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

The General Fund, Sonoma Ranch, Telshor Facility, and Community Development funds are reported as major governmental funds. As of the end of fiscal year 2011, the City's governmental funds reported combined ending fund balances of $101.9 million, an increase of $6 million from the prior year.

The fund balance of the General Fund is reported in the five categories defined by GASB 54. The unspendable fund balance of $1.3 million is for inventories. The restricted fund balance of $854 thousand is for grants for community development and facilities projects. The committed fund balance of $5.8 million is for debt service, public works and facilities. The assigned fund balance in the General Fund is $4.2 million and is associated with the is associated with information technology, public works, community development, emergency management, facilities, and vehicle acquisition activities. The

allocation to each function is presented in the governmental funds balance sheet. The unassigned fund balance in the General Fund is $21.7 million. The total fund balance in the General Fund is $33.9 million.

Fund balances of other major governmental funds are committed and restricted, and reported in Sonoma Ranch - $51,257 Committed for Public works Telshor Facility fund - $28,627,835 committed for health related programs, and Community Development Block Grant - $51,820 restricted by the granting agency. All other governmental funds are combined and reported as non-major governmental funds. Non-major governmental funds have a restricted fund balance of $34.1 million for public safety, debt service, public works and facilities. The committed fund balance of $5.2 million is for health-related programs, public works, and facilities.

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2011, unassigned fund balance of the general fund was $21.7 million, while total fund balance was $33.9 million. Of the $21.7 million in unassigned fund balance, $6.8 million represents the amount required by state and local policy to be held in reserve in the General Fund.

The fund balance of the City's General Fund increased $496 thousand during the current fiscal year, attributed primarily to a slight increase in tax revenue combined with prudent budgetary controls and fiscal monitoring of expenditures throughout the year.

Revenues – The difference between the original budget and the final amended budget for revenues is an increase of approximately $1.1 million for the year. The budget for gross receipts taxes increased $995,000 from the original budget to the final budget due to a slight improvement in the overall local economy. The budget for property tax revenues increased $280,582 which is attributed to higher than expected collections. The budget for licenses and permits decreased by $52,817 due to continued decline in new construction.

Actual revenues for the fiscal year were approximately $1.4 million less than the final budget. Actual revenues from gross receipts tax fell short of the final budget by approximately $1.1 million.

Expenditures – Differences between the original expenditures budget and the final amended expenditures budget totaled approximately $2.7 million and can be briefly summarized as follows:

- The budget for capital outlay increased by $2.1 million for the purchase of police vehicles.
- The budget for police increased by $426 thousand.
- The budget for public works projects increased by $555 thousand.

Actual expenditures were approximately $7.8 million less than the final expenditures budget. These variances can be briefly summarized as follows:

- The general government actual expenditures were approximately $1.3 million less than the final budget. Activities less than budget within general government include: $121 in managed salary reductions, $175 thousand in capital lease payments and interest payments, $494 thousand for MIS fees, $117 thousand in software costs, and $393 thousand in various operating costs.
- Actual expenditures for facilities were $1.5 million less than budget due to $748 in managed salary reductions and $754 thousand in parks and facility operating costs.

- Actual expenditures for public works were $1.3 million less than budget because of ongoing capital projects that were incomplete at June 30.

- The actual expenditures for capital outlay were approximately $1.8 million less than actual expenditures due to delayed spending of the $1.6 million budgeted for priority facility projects.

Telshor Facility

In accordance with the 40-year lease agreement with LifePoint Hospitals (dba Memorial Medical Center), the City was obligated to pay expanded healthcare and property taxes for the facility for a term of five years. This obligation was fulfilled in fiscal year 2010 and no such payments were made in 2011. Increases to the fund balance were attributable to the escrow refund of $4.1 million and interest income of $3.1 million on the investment of the lease proceeds. Annual transfers are budgeted to fund local non-profit agencies that provide healthcare and support services throughout the community. Additional information on the Telshor Facility lease is available in Note 15.

Community Development

The Community Development fund provides for the operation and installation of paving projects, sidewalks, park development, home rehabilitation, and social projects. Funding is from federal Housing and Urban Development (HUD) grants, 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.

Revenues – The revenues budget decreased $1.5 million for the year due to grant funding being less than anticipated.

Actual revenues for the fiscal year were approximately $2.4 million less than the final budget. $2.4 million of $2.36 million of budgeted grant funding that was available but was not drawn by the City during the year. These funds will be drawn and expended in subsequent years.

Expenditures – Differences between the original expenditures budget and the final expenditures budget totaled approximately $1.5 million. The budget increase was due to grant expenditures budgeted as a carryover in fiscal year 2011. These funds were actually spent in fiscal year 2010. Therefore, the 2011 budget was reduced.

Actual expenditures were approximately $2.4 million less than the final expenditures budget. $2.4 million of budgeted grant funding for fiscal year 2011 was available but was not received. These funds will be spent in subsequent fiscal years.

Sonoma Ranch

The Sonoma Ranch fund is major fund in fiscal year 2011. 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 utility funds are reported as major funds. Unrestricted net assets of proprietary funds at the end of the year amounted to $36.6 million.

Gas Utility

Revenue – The original revenue budget was decreased by $8.7 million in fiscal year 2011. The decrease was primarily due to the relatively mild winter season, resulting in lower consumption of gas and the related sales.

Total operating revenues were approximately $1.1 million below the final budget. Gas sales were slightly above the final budget by $284 thousand while the provision for uncollectible accounts exceeded the final budget by $907 thousand. Other revenues were below the final budget by $482 thousand.

Expenses – The original expense budget decreased by $9.0 million during the fiscal year due to a $9.1 million decrease in the budget for the cost of gas.

Actual expenses were approximately $1.3 million less than the final budget. These variances can be summarized as follows:

- Actual expenses for the cost of gas purchased were $669 thousand higher than the final budget. Although the budget for the cost of gas was reduced during the year, the actual quantities sold and gas prices were higher than expected.

- Customer service was $1.4 million below the final budget because operational costs were lower than planned.

- Depreciation and amortization was $231 thousand more than the final budget due to the City acquiring $4.2 million in assets from Rio Grande Natural Gas Association (RGNGA). Additional information on the assets acquired from RGNGA is available in Note 21.

- Professional services were below the final budget by $303,836 because services provided by legal consultant were lower than anticipated. Also, the budget included a contingency expense that was expected in FY11 but did not occur.

Water Utility

Revenue – The operating revenues budget increased $184 thousand during the fiscal year. The change was primarily due to water impact fee increases of $138 thousand.

Net operating revenues were $1.3 million above the final revenue budget. Actual water sales were $1.7 million more than the final budget, due primarily to newly implemented rates. The provision for uncollectible accounts was $434 thousand above final budget.

Expenses – The budget for operating expenses in water reflects an overall increase of $361 thousand from the original budget to the final budget. This is mainly due to increases of $78 thousand in professional services and $248 thousand in customer service.

Actual operating expenses were $1.97 million less than the final expense budget. These variances can be summarized as follows:

- Professional services were below budget by $607,178, which was due primarily to lower than expected legal expenses.
- Customer service was $804 thousand below the final budget because operational costs were lower than planned.
- Other expenses were lower than budget by $159 thousand due to expenses delayed for well repairs.

Wastewater Utility

Revenue – The operating revenues budget increased $122 thousand during the fiscal year. The change was primarily due to wastewater impact fee increases of $104 thousand. The budget for the provision for uncollectible accounts was reduced $18 thousand as well.

Actual operating revenues for the fiscal year were $459 thousand above the final budget. Actual wastewater sales were $766,221 more than the final budget, due primarily to newly implemented rates. Provision for uncollectible accounts was $260 thousand above final budget.

Expenses – The operating expense budget increased from the original budget by $267 thousand. The main increases were supplies by $58,415, utilities by $92,000, and professional services by $104,633.

Actual operating expenses were $1.7 million less than the final expenditures budget. These variances can be summarized as follows:

- Supplies were lower than budget by $288 thousand primarily due to reduced costs for treatment plant chemicals.
- Professional services were lower than budget by $644,741, due to lower than anticipated legal expenses and impact fees.
- Customer service was $338 thousand below the final budget because operational costs were lower than planned.

Solid Waste Utility

Revenue – The original revenue budget increased $774 thousand during the fiscal year due to additional costs for the recycling program.

Actual Solid Waste sales were $261 thousand more than the final budget while the provision for uncollectible accounts was $436 thousand higher than the final budget. Total net revenues were $141 thousand above the final budget.

Expenses – Budgeted operating expenses in Solid Waste increased $1.7 million from the original budget to the final budget. This included an increase in professional services of $1.3 million, customer service of $118 thousand, and depreciation/amortization of $206 thousand.

Actual expenses were $2.9 million less than the final budget. The major variances include:

- Personnel services were lower than budget by $410 thousand due to vacancies held open in commercial collections.
- Professional services were lower than budget by $931 thousand less than actual primarily due to landfill closure expenses being lower than anticipated.
- Repairs and maintenance were lower than budgeted by $394 thousand due to motor pool fuel expenses coming in lower than expected.
- Customer service was $802 thousand below the final budget because operational costs were lower than planned.

Long-term Debt

At the end of fiscal year 2011, the City had total long-term debt outstanding of $149,740,721 in bonds, notes and leases, with a net decrease of $9,199,166 over the prior year. Decreases to long-term liabilities include bond and note principal payments of $8,196,321.

Outstanding Bonds and Liabilities to Financial Institutions 2011

	Governmental			Business-type			Total		
	2011	2010	Change	2011	2010	Change	2011	2010	Change
Revenue Bonds	73,335,000	44,145,000	(29,190,000)	61,980,000	41,225,000	(20,755,000)	135,315,000	85,370,000	(49,945,000)
Notes Payable	12,521,411	46,441,758	33,920,347	1,904,310	27,046,307	25,141,997	14,425,721	73,488,065	59,062,344
Capital Leases	-	81,822	81,822	-	-	-	-	81,822	81,822
Total	85,856,411	90,668,580	4,812,169	63,884,310	68,271,307	4,386,997	149,740,721	158,939,887	9,199,166

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, 2011 amounts to $581.6 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, land and building improvements, leasehold improvements, equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year, net of accumulated depreciation, was 4.1 percent (a 4.3 percent increase for governmental activities and a 3.8 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 public works and facilities projects and equipment additions increased the City's governmental capital assets by $15.1 million, which also includes capital assets contributed by developers of $6.3 million.
- Utility projects and equipment additions increased the City's business type activity capital assets by $8 million.
- The retirement of governmental capital assets was $2.4 million, which primarily consists of machinery and equipment disposals.

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

Economic Outlook

The City of Las Cruces has not been immune to the effects of the national recession that began in December of 2007. A table containing an array of economic indicators clearly shows the mixed performance made by the City during the last twenty four months. The trends show growth in lodgers' tax receipts, gross tax receipts and population. The construction industry has shown a slight increase in fiscal year 2011 and a slight increase in jobs.

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

While revenue growth has slowed in response to economic conditions, the City's finances have been maintained through responsible budgetary practices. Gross Receipts Taxes (GRT) is by far the main source of city funding and is the largest share of the City's general fund. While the growth in this dominate revenue source has slowed, it still has managed a slight gain in fiscal year 2011. The other significant tax used for funding City government is the property tax. Property tax, while much smaller in

scope, has exhibited resiliency in the face of adverse economic conditions. The State of New Mexico controls the rate of property tax increase allowed based on formulas tied to inflation. One formula controls the rate of increase in the mill levy and another controls the rate of increase in the assessed value of residential property. While new construction is added to the base, revenue increases on existing properties are subjected to the formula. By limiting gains in assessed value tax gains that would result from increased values on existing property are also limited. The result is property tax growth that is moderated and relatively stable.

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

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

Requests for Information

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

Chief Administrative Officer
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, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Housing Authority	South Central Solid Waste
Assets					
Cash and investments	$ 91,256,329	$ 37,519,593	$ 128,775,922	$ 6,583,928	$ 3,711,155
Receivables, net	16,373,268	6,414,410	22,787,678	1,622,112	342,080
Other assets	2,176,742	2,526,504	4,703,246	1,012,745	16,000
Due from other governmental units	18,397,372	290,419	18,687,791	150,431	-
Due from South Central Solid Waste	2,972,000	-	2,972,000	-	-
Notes receivable	-	1,103,804	1,103,804	1,062,626	-
Restricted cash and investments	9,099,968	21,756,595	30,856,563	1,928,060	3,720,482
Capital assets					
Land and construction in progress	37,398,264	8,491,671	45,889,935	13,022,459	3,068,971
Other capital assets, net of depreciation	327,214,099	208,519,746	535,733,845	36,617,389	6,068,488
Total capital assets	364,612,363	217,011,417	581,623,780	49,639,848	9,137,459
Total assets	504,888,042	286,622,742	791,510,784	61,999,750	16,927,176
Liabilities					
Accounts payable and accrued liabilities	6,359,113	2,976,032	9,335,145	3,184,958	345,273
Customer deposits	-	1,664,534	1,664,534	241,577	-
Unearned revenue	19,033,900	1,010,946	20,044,846	-	-
Other liabilities	-	-	-	4,109,968	-
Long-term liabilities					
Due within one year	11,106,622	5,026,902	16,133,524	668,861	730,437
Due in more than one year	92,614,852	63,141,576	155,756,428	28,083,791	4,344,516
Total liabilities	129,114,487	73,819,990	202,934,477	36,289,155	5,420,226
Net Assets					
Invested in capital assets, net of related debt	276,355,394	152,449,918	428,805,312	18,807,718	6,181,459
Restricted for					
Public safety programs	3,496,364		3,496,364		
Housing and community development	132,171	-	132,171	237,821	-
Debt service	7,594,600	20,092,061	27,686,661	-	-
Public works	13,620,108	-	13,620,108	-	-
Health related programs	-		-		
Facilities	10,139,666		10,139,666		
Customer deposits	-	1,664,534	1,664,534	-	-
Closure/post-closure	-	-	-	-	1,129,759
Curbside recycling program	-	-	-	-	1,500,723
Unrestricted	64,435,252	38,596,239	103,031,491	6,665,056	2,695,009
Total net assets	$ 375,773,555	$ 212,802,752	$ 588,576,307	$ 25,710,595	$ 11,506,950

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

City of Las Cruces
Statement of Activities
For the Year Ended June 30, 2011

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government				
Governmental activities				
General government	$ 16,667,342	$ 4,792,706	$ 101,789	$ 4,225,503
Facilities	13,237,041	987,008	-	-
Police	26,628,162	3,405,625	1,269,312	-
Fire	11,339,033	145,905	308,285	-
Community development	5,835,092	2,888,653	319,554	2,905,503
Public services	9,832,526	408,735	788,778	-
Public works	20,284,772	2,711,103	7,289,930	2,523,657
Information technology	3,244,651	929		
Interest on long-term debt	3,861,944	-	-	-
Total governmental activities	110,930,563	15,340,664	10,077,648	9,654,663
Business-type activities				
Gas	25,500,216	24,497,883	-	4,569,540
Water	13,996,647	14,501,472	-	2,547,893
Waste water	11,211,580	10,896,931	-	2,034,232
Solid waste	10,151,461	10,360,956	-	-
Transit/other	4,363,424	639,785	1,614,176	57,794
Total business-type activities	65,223,328	60,897,027	1,614,176	9,209,459
Total primary government	$ 176,153,891	$ 76,237,691	$ 11,691,824	$ 18,864,122
Component units				
Solid waste	$ 7,556,815	$ 6,552,564	$ 200,539	$ -
Housing	10,432,160	3,330,851	6,386,126	55,430
Total component units	$ 17,988,975	$ 9,883,415	$ 6,586,665	$ 55,430
General revenues				
Taxes				
Gross receipts				
Property				
Franchise fees and lodgers taxes				
Investment income				
Telshor facility income				
Other				
Contribution of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
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
$ (7,547,344)		$ (7,547,344)		
(12,250,033)		(12,250,033)		
(21,953,225)		(21,953,225)		
(10,884,843)		(10,884,843)		
278,618		278,618		
(8,635,013)		(8,635,013)		
(7,760,082)		(7,760,082)		
(3,243,722)				
(3,861,944)		(3,861,944)		
(75,857,588)		(72,613,866)		
-	$ 3,567,207	3,567,207		
-	3,052,718	3,052,718		
-	1,719,583	1,719,583		
-	209,495	209,495		
-	(2,051,669)	(2,051,669)		
-	6,497,334	6,497,334		
(75,857,588)	6,497,334	(66,116,532)		
			$ -	$ (803,712)
			(659,753)	-
			(659,753)	(803,712)
76,793,067	-	76,793,067	-	-
13,904,290	-	13,904,290	-	-
2,951,771	-	2,951,771	-	-
3,462,450	306,295	3,768,745	70,242	(33,843)
5,472,776	-	5,472,776	-	-
2,877,685	9,535	2,887,220	367,212	-
442,666	(442,666)	-		
(3,696,878)	3,696,878	-	-	-
102,207,827	3,570,042	105,777,869	437,454	(33,843)
26,350,239	10,067,376	36,417,615	(222,299)	(837,555)
349,423,316	202,735,376	552,158,692	25,932,892	12,344,505
$ 375,773,555	$ 212,802,752	$ 588,576,307	$ 25,710,593	$ 11,506,950

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

City of Las Cruces

Fund Financial Statements

City of Las Cruces
Balance Sheet—*Governmental Funds*
June 30, 2011

	General Fund	Community Development Block Grant	Sonoma Ranch
Assets			
Cash and investments	$ 22,711,661	$ 45,598	$ 51,257
Restricted cash and investments	-	-	-
Receivables, net	848,184	3,839,283	8,976,401
Due from other funds	2,848,210	-	-
Due from other governmental units	10,372,396	174,125	-
Inventories	1,330,306	-	-
Total assets	$ 38,110,757	$ 4,059,006	$ 9,027,658
Liabilities and Fund Balances			
Liabilities			
Accounts and contracts payable	$ 1,821,942	$ 91,828	$ -
Due to other funds	-	65,870	-
Accrued liabilities	2,283,041	15,427	-
Deferred revenue	108,146	3,834,061	8,976,401
Total liabilities	4,213,129	4,007,186	8,976,401
Fund balances			
Nonspendable			
Inventories and noncurrent receivables	1,330,306	-	-
Restricted for			
Public safety programs	-	-	-
Housing and community development	80,351	51,820	-
Debt service	-	-	-
Public works	-	-	-
Facilities	773,162	-	-
Committed for			
Debt service	5,623,677	-	-
Health related programs	-	-	-
Public works	34,176	-	51,257
Facilities	151,754	-	-
Assigned to			
Information technology	54,114	-	-
Public works	126,724	-	-
Community development	378,660	-	-
Office of Emergency Management Reserve	50,000	-	-
Vehicle acquisition fund	3,574,977	-	-
Facilities	1,227	-	-
Unassigned	21,718,500	-	-
Total fund balances	33,897,628	51,820	51,257
Total liabilities and fund balances	$ 38,110,757	$ 4,059,006	$ 9,027,658

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

Telshor Facility	Other Governmental Funds	Total Governmental Funds
$ 28,607,894	$ 29,191,201	$ 80,607,611
-	9,099,968	9,099,968
126,135	2,509,246	16,299,249
-	-	2,848,210
-	7,850,851	18,397,372
-	-	1,330,306
$ 28,734,029	$ 48,651,266	$ 128,582,716
$ 106,194	$ 1,687,017	$ 3,706,981
-	2,782,340	2,848,210
-	86,683	2,385,151
-	4,796,620	17,715,228
106,194	9,352,660	26,655,570
-	-	1,330,306
-	3,496,364	3,496,364
-	-	132,171
-	7,594,600	7,594,600
-	13,620,108	13,620,108
-	9,366,504	10,139,666
-	-	5,623,677
28,627,835	30,187	28,658,022
-	1,445,121	1,530,554
-	3,745,722	3,897,476
-	-	54,114
-	-	126,724
-	-	378,660
-	-	50,000
-	-	3,574,977
-	-	1,227
-	-	21,718,500
28,627,835	39,298,606	101,927,146
$ 28,734,029	$ 48,651,266	$ 128,582,716

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, 2011

Total fund balances for governmental funds		$ 101,927,146
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets of governmental funds	$ 364,485,928	
Capital assets of internal service funds	126,435	
		364,612,363
The contribution of certain capital assets is deferred in the statement of net assets.		(1,318,671)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported in the funds:		
Sales tax revenue bonds	$ 73,335,000	
Unamortized discount/premiums on bonds/notes	2,400,558	
Notes payable	12,521,411	
Pollution remediation obligation	6,678,488	
Compensated absences	3,005,890	
Long-term debt of internal service fund	5,780,127	
Total		(103,721,474)
Bond issuance costs of $1,197,146 are expensed for fund financial statements but capitalized for government-wide financial statements (less accumulated amortization of $547,701).		649,445
The amount due from South Central Solid Waste Authority is not available to pay current-period expenditures and is, therefore, not reported in the funds.		2,972,000
Current assets and liabilities of internal service funds are included in net assets of governmental activities		10,652,746
Net assets of governmental activities		$ 375,773,555

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, 2011

	General Fund	Community Development Block Grant	Sonoma Ranch
Revenues			
Taxes	$ 71,900,086	$ -	$ -
Charges for services	1,686,059	7,915	-
Fees and fines	1,359,075	-	-
Investment income	34,290	22,928	115
Franchise fees	2,877,685	-	-
Licenses and permits	1,358,092	-	-
Intergovernmental	66,562	2,905,503	-
Other	5,246,924	176,513	-
Total revenues	84,528,773	3,112,859	115
Expenditures			
Current			
General government	12,601,493	-	-
Facilities	12,253,029	-	-
Police	18,818,344	-	-
Fire	9,339,105	-	-
Community development	2,917,036	2,544,335	-
Public services	5,551,366	-	-
Public works	8,666,860	-	-
Information technology	2,795,580	-	-
Capital outlay	1,115,938	517,084	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	74,058,751	3,061,419	-
Revenues over (under) expenditures	10,470,022	51,440	115
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Escrow refund (Note 15)	-	-	-
Transfers in	2,499,891	-	-
Transfers out	(12,473,752)	(36,578)	-
Total other financing sources (uses)	(9,973,861)	(36,578)	-
Net change in fund balances	496,161	14,862	115
Fund balances, beginning of year	33,401,467	36,958	51,142
Fund balances, end of year	$ 33,897,628	$ 51,820	$ 51,257

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

Telshor Facility	Other Governmental Funds	Total Governmental Funds
$ -	$ 21,749,042	$ 93,649,128
-	-	1,693,974
-	1,526,551	2,885,626
3,139,126	218,185	3,414,644
-	-	2,877,685
-	356,435	1,714,527
-	9,048,325	12,020,390
-	4,237,787	9,661,224
3,139,126	37,136,325	127,917,198
-	1,406,324	14,007,817
-	166,477	12,419,506
-	6,312,693	25,131,037
-	1,365,740	10,704,845
-	335,807	5,797,178
-	2,779,976	8,331,342
-	1,734,955	10,401,815
-	-	2,795,580
-	23,602,034	25,235,056
-	48,897,966	48,897,966
-	4,244,129	4,244,129
-	90,846,101	167,966,271
3,139,126	(53,709,776)	(40,049,073)
-	46,400,106	46,400,106
-	575,764	575,764
4,097,607	-	4,097,607
-	23,535,499	26,035,390
(300,000)	(18,254,917)	(31,065,247)
3,797,607	52,256,452	46,043,620
6,936,733	(1,453,324)	5,994,547
21,691,102	40,751,930	95,932,599
$ 28,627,835	$ 39,298,606	$ 101,927,146

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, 2011

Net change in fund balances—governmental funds		$ 5,994,547
Total revenues and other financing sources in the governmental funds differs from total revenues for governmental activities in the statement of activities. The difference result primarily from the long-term economic focus of the statement of activities versus the current financial sources focus of the governmental funds. The main components of the difference are describe below:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of certain capital outlays is allocated over their estimated useful lives of the assets acquired and reported as depreciation expense. As a result, fund balance decreased by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year:		
Capital outlay	$ 25,235,056	
Depreciation	(17,197,925)	
Other	270,327	
Total		8,307,458
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.		7,777,235
Proceeds from the issuance of long-term obligations provide current financial resources to governmental funds and increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the current year principal repayment reduces long-term liabilities in the statement of net assets.		
Repayments of bonds and notes payable	48,897,966	
Repayments of pollution remediation obligation	23,744	
Repayments of capital leases	81,822	
Proceeds from bonds and notes payables	(44,167,619)	
Premiums received from bonds	(2,232,487)	
Amortization of premium/discount of bond and note payable	130,646	
Total		2,734,072
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.		(35,587)
Bond issuance costs are amortized to interest expense over the life of the bonds in the statement of activities. This is the current year amortization.		382,186
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.		(680,000)
Payments received related to the Telshor facility lease are recognized over the term of the lease in the statement of net assets, but not in the funds. This is the amount recognized in the current year.		1,375,169
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:		
Depreciation	(44,572)	
Net change of claims liabilities	(356,811)	
Other activities	896,542	
Total		495,159
Change in net assets of governmental activities		$ 26,350,239

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, 2011

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

	2011				2010
	Budgeted Amounts			Variance with Final Budget - Positive	
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Local taxes					
Gross receipts	$ 60,479,000	$ 61,474,000	**$ 60,365,684**	$ (1,108,316)	$ 60,717,063
Property	9,549,974	9,830,556	**9,945,396**	114,840	9,491,369
Utility franchise	1,105,287	1,105,287	**1,109,511**	4,224	1,020,863
Total local taxes	71,134,261	72,409,843	**71,420,591**	(989,252)	71,229,295
State-shared taxes	477,520	477,520	**479,495**	1,975	550,813
Charges for services	2,000,979	1,666,022	**1,686,059**	20,037	1,636,661
Fees and fines	1,841,805	1,519,933	**1,359,075**	(160,858)	1,310,166
Investment income	562,390	582,709	**34,290**	(548,419)	403,702
Franchise fees	2,830,644	2,842,370	**2,877,685**	35,315	2,683,038
Licenses and permits	1,273,148	1,220,331	**1,358,092**	137,761	1,240,495
Operating grants and contributions	1,550	107,664	**66,562**	(41,102)	21,378
Other	4,624,320	5,054,153	**5,246,924**	192,771	4,119,866
	13,612,356	13,470,702	**13,108,182**	(362,520)	11,966,119
Total revenues	84,746,617	85,880,545	**84,528,773**	(1,351,772)	83,195,414
Expenditures					
Current					
General government	14,231,702	13,859,709	**12,601,493**	1,258,216	13,740,513
Facilities	13,628,154	13,755,047	**12,253,029**	1,502,018	11,407,504
Police	18,445,316	18,871,562	**18,818,344**	53,218	19,335,785
Fire	9,098,068	9,422,215	**9,339,105**	83,110	8,938,983
Community development	3,274,286	3,428,265	**2,917,036**	511,229	3,024,054
Public services	6,531,445	6,034,949	**5,551,366**	483,583	5,685,689
Public works	9,391,227	9,946,461	**8,666,860**	1,279,601	8,655,917
Information technology	3,707,397	3,569,759	**2,795,580**	774,179	-
Capital outlay	825,258	2,936,278	**1,115,938**	1,820,340	2,215,661
Total expenditures	79,132,853	81,824,245	**74,058,751**	7,765,494	73,004,106
Revenues over expenditures	5,613,764	4,056,300	**10,470,022**	6,413,722	10,191,308
Other Financing Sources (Uses)					
Transfers in	3,120,111	2,625,094	**2,499,891**	(125,203)	3,134,483
Transfers out	(10,621,875)	(12,473,752)	**(12,473,752)**	-	(10,781,618)
Total other financing sources (uses)	(7,501,764)	(9,848,658)	**(9,973,861)**	(125,203)	(7,647,135)
Net change in fund balance	(1,888,000)	(5,792,358)	**496,161**	6,288,519	2,544,173
Fund balance, beginning of year	33,401,467	33,401,467	**33,401,467**	-	30,857,294
Fund balance, end of year	$ 31,513,467	$ 27,609,109	**$ 33,897,628**	$ 6,288,519	$ 33,401,467

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

City of Las Cruces

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

Community Development Block Grant

For the Year Ended June 30, 2011

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

	2011				2010
	Budgeted Amounts			Variance with Final Budget - Positive	
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Charges for services	$ 10,000	$ 10,000	**$ 7,915**	$ (2,085)	$ 2,811
Investment income	42,000	42,000	**22,928**	(19,072)	26,292
Other	100,711	100,711	**176,513**	75,802	152,719
Intergovernmental	6,852,585	5,324,833	**2,905,503**	(2,419,330)	3,449,569
Total revenues	7,005,296	5,477,544	**3,112,859**	(2,364,685)	3,631,391
Expenditures					
Current					
Community development	6,533,889	4,829,671	**2,544,335**	2,285,336	3,557,256
Capital outlay	411,407	611,295	**517,084**	94,211	100,000
Total expenditures	6,945,296	5,440,966	**3,061,419**	2,379,547	3,657,256
Net change in fund balance	60,000	36,578	**51,440**	14,862	(25,865)
Other Financing Uses					
Transfers out	(60,000)	(36,578)	**(36,578)**	-	-
Total other financing uses	(60,000)	(36,578)	**(36,578)**	-	-
Net change in fund balance	-	-	**14,862**	14,862	(25,865)
Fund balance, beginning of year	36,958	36,958	**36,958**	-	62,823
Fund balance, end of year	$ 36,958	$ 36,958	**$ 51,820**	$ 14,862	$ 36,958

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, 2011

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

	2011				2010
	Budgeted Amounts			Variance with Final Budget - Positive	
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 115**	$ 115	$ 1,162
Net change in fund balance	-	-	**115**	115	1,162
Fund balance, beginning of year	51,142	51,142	**51,142**	-	49,980
Fund balance, end of year	$ 51,142	$ 51,142	**$ 51,257**	$ 115	$ 51,142

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

City of Las Cruces

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

Telshor Facility

For the Year Ended June 30, 2011

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

	2011				2010
	Budgeted Amounts			Variance with Final Budget - Positive	
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 1,140,000	$ 1,140,000	**$ 3,139,126**	$ 1,999,126	$ 1,813,299
Total revenues	1,140,000	1,140,000	**3,139,126**	1,999,126	1,813,299
Expenditures					
Current					
General government	285,000	285,000	**-**	285,000	139,485
Revenues over (under) expenditures	855,000	855,000	**3,139,126**	2,284,126	1,673,814
Other Financing Uses					
Escrow refund (Note 15)	-	2,000,000	**4,097,607**	2,097,607	-
Transfers out	(300,000)	(300,000)	**(300,000)**	-	(300,000)
Total other financing uses	(300,000)	1,700,000	3,797,607	2,097,607	(300,000)
Net change in fund balance	555,000	2,555,000	**6,936,733**	4,381,733	1,373,814
Fund balance, beginning of year	21,691,102	21,691,102	**21,691,102**	-	20,317,288
Fund balance, end of year	$ 22,246,102	$ 24,246,102	**$ 28,627,835**	$ 4,381,733	$ 21,691,102

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

City of Las Cruces

City of Las Cruces
Statement of Net Assets—*Proprietary Funds*
June 30, 2011

	Gas	Water	Waste Water
Assets			
Current assets			
Cash and investments	$ 9,139,430	$ 7,101,407	$ 12,838,089
Accounts receivable, net of allowance for uncollectible accounts	1,966,112	1,966,793	1,181,825
Due from other governments	-	106,306	-
Inventories	942,771	518,025	137,262
Total current assets	12,048,313	9,692,531	14,157,176
Noncurrent assets			
Restricted cash and investments	747,304	14,700,850	4,010,351
Notes receivable	-	802,366	301,438
Advance to other funds	592,970	-	453,591
Other	-	461,059	278,124
Capital assets	61,622,072	121,156,530	125,179,348
Less accumulated depreciation	(30,156,818)	(32,423,256)	(36,921,581)
Net capital assets	31,465,254	88,733,274	88,257,767
Total noncurrent assets	32,805,528	104,697,549	93,301,271
Total assets	44,853,841	114,390,080	107,458,447

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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
$ 3,400,729	$ 985,335	$ 33,464,990	$ 14,703,322
1,224,310	8,636	6,347,676	10,162
-	184,113	290,419	130,591
-	-	1,598,058	386,251
4,625,039	1,178,084	41,701,143	15,230,326
2,298,090	-	21,756,595	-
-	-	1,103,804	-
-	-	1,046,561	-
-	-	739,183	-
12,183,156	8,065,671	328,206,777	2,725,028
(7,846,238)	(3,968,747)	(111,316,640)	(2,477,314)
4,336,918	4,096,924	216,890,137	247,714
6,635,008	4,096,924	241,536,280	247,714
11,260,047	5,275,008	283,237,423	15,478,040

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

City of Las Cruces
Statement of Net Assets—*Proprietary Funds*
June 30, 2011

	Gas	Water	Waste Water
Liabilities			
Current liabilities			
Accounts and contracts payable	998,871	472,231	173,026
Accrued liabilities	229,652	293,777	241,531
Deferred revenue	613,734	397,212	-
Current portion of noncurrent liabilities	47,902	2,331,370	1,656,183
Total current liabilities	1,890,159	3,494,590	2,070,740
Noncurrent liabilities			
Customer deposits	747,304	403,536	404,788
Revenue bonds payable	-	33,066,516	25,670,671
Notes payable	-	-	-
Compensated absences	191,609	161,815	108,398
Claims	-	-	-
Accrued landfill closure cost	-	-	-
Advance from other funds	-	883,278	-
Total noncurrent liabilities	938,913	34,515,145	26,183,857
Total liabilities	2,829,072	38,009,735	28,254,597
Net Assets			
Invested in capital assets, net of related debt	31,465,254	53,375,842	60,958,012
Restricted for customer deposits	747,304	403,536	404,788
Restricted for debt service	-	14,297,314	3,605,563
Unrestricted	9,812,211	8,303,653	14,235,487
Total net assets	$ 42,024,769	$ 76,380,345	$ 79,203,850

Net assets of business-type activities in the statement of net assets are different because a portion of the assets (including capital assets of $121,280) and liabilities (including long-term debt of $2,164,444) 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
160,650	22,582	1,827,360	374,422
142,374	80,242	987,576	53,495
-	-	1,010,946	-
366,572	21,626	4,423,653	2,218,847
669,596	124,450	8,249,535	2,646,764
108,906	-	1,664,534	-
-	-	58,737,187	-
1,592,164	-	1,592,164	-
101,706	86,502	650,030	76,540
-	-	-	5,649,344
601,000	-	601,000	-
163,283	-	1,046,561	-
2,567,059	86,502	64,291,476	5,725,884
3,236,655	210,952	72,541,011	8,372,648
2,432,609	4,096,924	152,328,641	247,714
108,906	-	1,664,534	-
2,189,184	-	20,092,061	-
3,292,693	967,132	36,611,176	6,857,678
$ 8,023,392	$ 5,064,056	210,696,412	$ 7,105,392
		2,106,338	
		$ 212,802,750	

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

City of Las Cruces
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Gas	Water	Waste Water
Operating Revenues			
Sales/charges	$ 24,418,177	$ 14,834,080	$ 11,271,132
Provision for uncollectible accounts	(1,143,105)	(517,628)	(427,154)
Net sales/charges	23,275,072	14,316,452	10,843,978
Utility extension/service fee	184,531	110,273	16,249
Rentals	-	12,495	-
Other	1,038,280	62,252	36,704
Total operating revenues	24,497,883	14,501,472	10,896,931
Operating Expenses			
Personnel services	3,211,751	2,543,854	2,428,584
Cost of gas purchased	14,397,188	-	-
Supplies	242,145	459,778	597,176
Utilities	26,211	1,728,441	909,240
Professional services	355,863	1,708,078	588,234
Motor pool charges	-	-	-
Motor fuel	-	-	-
Repairs and maintenance	1,021,223	1,119,936	593,087
Rent	5,953	31,684	10,913
Depreciation and amortization	2,070,085	2,205,837	3,132,427
Payment in lieu of taxes	602,042	505,827	464,192
Administrative charges from other funds	544,462	550,141	522,126
Customer service	2,728,977	1,572,954	738,984
Claims and judgments	-	-	-
Insurance	214,944	107,034	42,043
Other	37,648	11,434	15,929
Total operating expenses	25,458,492	12,544,998	10,042,935
Operating income (loss)	(960,609)	1,956,474	853,996
Nonoperating Revenues (Expenses)			
Gain (loss) on sale of capital assets	1,128	895	-
Investment income	57,839	79,626	148,723
Grants	-	96,550	-
Capital contributions	4,569,540	2,451,343	2,034,232
Interest expense	-	(1,407,339)	(1,128,316)
Total nonoperating revenue (expense)	4,628,507	1,221,075	1,054,639
Income (loss) before transfers	3,667,898	3,177,549	1,908,635

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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
$ 10,558,672	$ 620,213	$ 61,702,274	$ 6,769,033
(512,306)	-	(2,600,193)	-
10,046,366	620,213	59,102,081	6,769,033
-	-	311,053	-
750	-	13,245	1,131,440
313,840	19,572	1,470,648	-
10,360,956	639,785	60,897,027	7,900,473
1,931,611	2,554,842	12,670,642	1,665,510
-	-	14,397,188	-
256,929	66,704	1,622,732	2,317,030
9,593	36,313	2,709,798	64,005
4,094,067	143,715	6,889,957	540,498
-	527,430	527,430	28,216
-	269,549	269,549	-
1,191,004	106,528	4,031,778	134,322
-	-	48,550	211,405
841,656	577,920	8,827,925	87,676
188,146	-	1,760,207	-
203,543	-	1,820,272	-
1,208,896	-	6,249,811	-
-	-	-	3,391,869
119,186	39,941	523,148	60,986
-	771	65,782	28,158
10,044,631	4,323,713	62,414,769	8,529,675
316,325	(3,683,928)	(1,517,742)	(629,202)
11,849	-	13,872	(890,921)
(4,077)	-	282,111	71,989
-	-	96,550	-
-	1,671,970	10,727,085	-
(85,412)	-	(2,621,067)	-
(77,640)	1,671,970	8,498,551	(818,932)
238,685	(2,011,958)	6,980,809	(1,448,134)

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

City of Las Cruces
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Gas	Water	Waste Water
Transfers			
Transfers in	-	2,112,470	856,889
Transfers out	(54,400)	-	(1,477,593)
Change in net assets	3,613,498	5,290,019	1,287,931
Net assets, beginning of year	38,411,271	71,090,326	77,915,919
Net assets, end of year	$ 42,024,769	$ 76,380,345	$ 79,203,850

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
-	1,837,657	4,807,016	1,990,973
-	-	(1,531,993)	(236,139)
238,685	(174,301)	10,255,832	306,700
7,784,707	5,238,357	200,440,580	6,798,692
$ 8,023,392	$ 5,064,056		$ 7,105,392
		(188,456)	
		$ 10,067,376	

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, 2011

	Gas	Water	Waste Water
Cash flows from operating activities			
Cash received from customers (including other funds)	$ 24,761,871	$ 13,542,054	$ 10,185,225
Cash paid to suppliers	(19,994,829)	(7,329,172)	(4,875,577)
Cash paid to employees	(3,281,569)	(2,637,132)	(2,527,379)
Claims paid	-	-	-
Other receipts	1,038,280	62,252	36,704
Net cash provided (used) by operating activities	2,523,753	3,638,002	2,818,973
Cash flows from noncapital financing activities			
Grants and contributions	-	-	-
Transfers in	-	2,112,470	856,889
Transfers out	(54,400)	-	(1,477,593)
Loans for development impact fees	-	320,515	172,843
Advance to other funds	264,065	(651,622)	436,774
Net cash provided (used) by noncapital financing activities	209,665	1,781,363	(11,087)
Cash flows from capital and related financing activities			
Purchase of capital assets	(6,631,294)	(5,468,008)	(3,672,696)
Proceeds from sale of capital assets	-	895	-
Grants	-	96,550	-
Capital contribution	4,569,540	2,451,343	2,205,508
Principal paid: revenue bonds/lease purchase/advances	-	(2,001,234)	(1,453,950)
Interest paid: revenue bonds/lease purchase/advances	-	(1,435,769)	(1,146,805)
Net cash provided (used) by capital and related financing activities	(2,061,754)	(6,356,223)	(4,067,943)
Cash flows from investing activities			
Interest received	57,839	79,626	148,723
Net cash provided by investing activities	57,839	79,626	148,723
Net increase (decrease) in pooled cash and investments	729,503	(857,232)	(1,111,334)
Cash and investments, beginning of year	9,157,231	22,659,489	17,959,774
Cash and investments, end of year	$ 9,886,734	$ 21,802,257	$ 16,848,440

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

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
$ 9,484,940	$ 615,569	$ 58,589,659	$ 10,381,655
(7,972,500)	(1,179,892)	(41,351,970)	(5,977,613)
(1,926,423)	(2,549,706)	(12,922,209)	(1,529,336)
-	-	-	(2,903,245)
313,840	19,572	1,470,648	-
(100,143)	(3,094,457)	5,786,128	(28,539)
-	2,313,957	2,313,957	-
-	1,837,657	4,807,016	1,990,973
-	-	(1,531,993)	(236,139)
-	-	493,358	-
-	-	49,217	-
-	4,151,614	6,131,555	1,754,834
(1,164,456)	(401,793)	(17,338,247)	-
11,849	-	12,744	-
-	-	96,550	-
-	11,555	9,237,946	-
(302,458)	-	(3,757,642)	-
(85,411)	-	(2,667,985)	-
(1,540,476)	(390,238)	(14,416,634)	-
(4,077)	-	282,111	71,989
(4,077)	-	282,111	71,989
(1,644,696)	666,919	(2,216,840)	1,798,284
7,343,515	318,416	57,438,425	12,905,038
$ 5,698,819	$ 985,335	$ 55,221,585	$ 14,703,322

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, 2011

	Gas	Water	Waste Water
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (960,609)	$ 1,956,474	$ 853,996
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	2,070,085	2,205,837	3,132,427
Provision for uncollectible accounts	1,143,105	517,628	427,154
Capital asset allocation	-	-	-
Increase in estimated landfill post-closure costs	-	-	-
Change in assets and liabilities			
Accounts receivable	316,596	(877,092)	(660,034)
Inventories	(112,010)	76,108	(4,027)
Due from other governmental agencies	-	(25,958)	-
Accounts and contracts payable	293,837	(101,643)	(816,780)
Estimated liability for insurance claims	-	-	-
Wages payable and accrued liabilities	(69,818)	(93,278)	(98,795)
Deferred revenue	(350,635)	-	-
Customer deposits	193,202	(20,074)	(14,968)
Total adjustments	3,484,362	1,681,528	1,964,977
Net cash provided (used) by operating activities	$ 2,523,753	$ 3,638,002	$ 2,818,973
Cash and investments at June 30, 2011			
Current assets			
Cash and investments	$ 9,139,430	$ 7,101,407	$ 12,838,089
Noncurrent assets			
Restricted cash and investments	747,304	14,700,850	4,010,351
Total cash and investments, June 30, 2011	$ 9,886,734	$ 21,802,257	$ 16,848,440

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

continued

Enterprise Funds			
Solid Waste	Other Enterprise Funds	Totals	Internal Service Funds
$ 316,325	$ (3,683,928)	$ (1,517,742)	$ (629,202)
841,656	577,920	8,827,925	87,676
512,306	-	2,600,193	-
-	-	-	(12,970)
(1,295,000)	-	(1,295,000)	-
(595,613)	(4,644)	(1,820,787)	9,331
-	-	(39,929)	192,060
(49,217)	-	(75,175)	(130,591)
130,776	11,060	(482,750)	9,670
-	-	-	488,624
5,188	5,135	(251,568)	(43,137)
-	-	(350,635)	-
33,436	-	191,596	-
(416,468)	589,471	7,303,870	600,663
$ (100,143)	$ (3,094,457)	$ 5,786,128	$ (28,539)
$ 3,400,729	$ 985,335	$ 33,464,990	$ 14,703,322
2,298,090	-	21,756,595	-
$ 5,698,819	$ 985,335	$ 55,221,585	$ 14,703,322

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, 2011

Assets	
Pooled cash and investments	$ 4,887,601
Accounts receivable	25,274
Due from other governments	115,334
Total assets	$ 5,028,209
Liabilities	
Accounts and contracts payable	$ 43,398
Accrued wages payable	203,391
Funds held for others	4,781,420
Total liabilities	$ 5,028,209

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

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 biannually. The City Manager, appointed by the City Council, is responsible for the management of all City employees and the administration of all City affairs.

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

Component Unit	Included in the Reporting Entity Because:	Separate Financial Statements
City of Las Cruces Public Housing Authority (PHA)	City Council appoints all the Board members, which allows the City to impose its will.	Available at PHA offices at 926 S. San Pedro, Las Cruces, New Mexico 88001
South Central Solid Waste Authority (SCSWA)	In accordance with the joint powers agreement (JPA), SCSWA revenues are the primary source of debt service for City bonds issued to construct a regional landfill and transfer station.	Separate financial statements are available for SCSWA at 700 N. Church St., Las Cruces, New Mexico 88001
Downtown Tax Increment Development District (TIDD)	The Board members for the TIDD are also the City Councilors, which allows the City to impose its will.	Presented as a blended component unit of the City.

PHA and SCSWA are reported as discretely presented component units in the accompanying financial statements while the TIDD is reported as a blended component unit.

During fiscal year 2011, the Housing Authority became the managing member of Desert Palms, LLC and Cimmaron Apartments I, LLC, which are the general partners of Desert Palms Apartments, LP and Cimmaron I Apartments, LP. At December 31, 2009, Desert Palms, LLC and Cimmaron I Apartments, LP's net assets were $4,223,232 and $1,361,391. As a result of the addition, the Housing Authority's beginning net assets reported in the accompanying Statement of Activities increased by $5,584,623 from the amount reported in the City's 2010 statement of net assets.

2) Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

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

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

The City reports the following as major governmental funds:

General Fund

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. In prior years, the Information Technology fund was reported as an internal service fund. Effective fiscal year 2011, Information Technology is reported in the General Fund. It is reported as a major function in the Statement of Activities.

Special Revenue Funds

The Community Development fund accounts for the operation and installation of capital improvement projects, 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 these purposes.

The Sonoma Ranch fund accounts for the reimbursements to the City from local developers for debt service on special roadway/utility projects.

The Telshor Facility fund accounts for the net proceeds of the facility lease with LifePoint Hospitals, doing business as Memorial Medical Center. Lease proceeds are used for health-related programs and projects.

The City reports the following major enterprise funds:

The Gas fund accounts for the activities of the City's natural gas utility, which provides service to the residents of the City and some residents within the County.

The Water fund accounts for the activities of the City's natural water utility, which provides service to the residents of the City and some residents within the County.

The Wastewater fund accounts for the activities of the City's wastewater utility, which provides service to the residents of the City and some residents within the County.

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

The City also reports the following fund types:

Internal Service Funds—used to report activities that provide goods or services to other funds, departments or agencies of the City and its component units on a cost-reimbursement basis. These activities include fleet services, document services, general liability, and workers' compensation.

Agency Funds—used to account for monies held by the City in a custodial capacity. These funds do not report operations or have a measurement focus. The funds held by the City in a fiduciary capacity include: Rio Grande Natural Gas Association (cash only); Mesilla Valley Regional Dispatch Authority; Metro Narcotics Agency; Animal Service Center of the Mesilla Valley; Mesilla Valley Safety Council; Branigan Estate (proceeds of sales of assets is used to purchase books for the library); Employee Benefits Committee; Veteran's Memorial Wall; Veteran's Museum; and Gifts and Memorials.

Measurement Focus, Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements—The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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.

Non-exchange 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.

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 and landfill closure obligations, 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.

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 collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. Notes receivable in the statement of net assets consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

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 collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. Notes receivable in the statement of net assets consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

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

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

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

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. Also, 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.

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

Asset Class	Estimated Useful Lives
Infrastructure	30–50
Land improvements	30
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 implemented 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.

Fund Balance
Prior to fiscal year 2011, the City reported the governmental fund balances as reserved and unreserved. Effective July 1, 2011, the City implemented GASB Statement No. 54 and reports the governmental fund balances in five categories, which include:

1) Non-spendable – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or long-term receivables.

2) Restricted – includes amounts that can be spent only for the specific purposes imposed by creditors, grantors, contributors, or laws and regulations of other governments. An example is federal grants.

3) Committed – includes self-imposed limitations on amounts that can be used only for a specific purpose, set in place prior to the end of the period by a formal action of the City's highest level of decision-making authority. Commitments established by the City Council may be changed or lifted only by an action of the City Council, taking the same formal action that imposed the original constraint.

4) Assigned – comprises amounts *intended* to be used by the City for specific purposes. Intent can be expressed by the City Council, or by an official or body to which the City Council delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
5) Unassigned – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose. Unassigned fund balance is only reported in the General Fund.

The City considers it essential to maintain adequate levels of fund balance in the General Fund to mitigate revenue fluctuations and unanticipated expenditures. Therefore, the City has adopted a formal fund balance policy. The fund balance policy establishes a minimum fund balance of the General Fund of 8.33%, or 1/12, of the subsequent years' annual budgeted expenditures. This policy applies only to the City's General Fund. In addition, the State of New Mexico also requires that a 1/12 reserve be maintained in the General Fund. The 1/12 reserve is reported in the financial statements as Unassigned Fund Balance because it is not assigned or committed to a specific purpose.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category of available funds.

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 will 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 expenditures 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 2010/2011 budget has been legally amended.

New Accounting Pronouncements

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

- Statement No. 57: OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.
- Statement No. 60: Accounting and Financial Reporting for Service Concession Arrangements.
- Statement No. 61: The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.
- Statement No. 62: Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- Statement No. 63: Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.
- Statement No. 64: Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53.

3) Cash and Investments

The City follows the practice of pooling cash and investments (except those of the Public Housing Authority) with the City Treasurer except for restricted funds generally held by outside custodians and certain special revenue, debt service reserve, and capital projects funds. The cash and investment pool is not reported as a trust and agency fund. Equity in the pool is included in "Cash and investments" on the balance sheets and the statement of net assets.

Cash and investments	
Governmental activities	$ 91,256,329
Business-type activities	37,519,593
Total primary government	128,775,922
South Central Solid Waste Authority	3,711,155
	132,487,077
Restricted cash and investments	
Governmental activities	9,099,968
Business-type activities	21,756,595
Total primary government	30,856,563
Fiduciary funds (less amount due to fiscal agent)	4,887,601
South Central Solid Waste Authority	3,720,482
	39,464,646
Total cash and investments	$ 171,951,723

Total cash and investments at fair value are as follows:

	Pooled Cash & Investments	Other Cash & Investments	Total
Bank deposits	$ 19,495,666	$ 4,362,008	$ 23,857,674
Investments	108,749,340	38,622,397	147,371,737
Cash on hand	-	12,797	12,797
Accrued interest	709,515	-	709,515
Total cash and investments	$ 128,954,521	$ 42,997,202	$ 171,951,723

Bank Balance of Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment ordinance requires collateralization of 100% of the uninsured portion of the City's deposits with financial institutions. Securities pledged by financial institutions are accepted at market value, except obligations of the state of New Mexico and its subdivisions, which are accepted at par value. As of June 30, 2011, the City's deposits, totaling $24,352,237, were insured by the 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.

The City may also invest money identified as long-term in the pools of the New Mexico State 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. The fair value of the City's position in the SIC pools is the same as the value of the pool shares.

As of June 30, 2011, the City had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Yrs)
Pooled Investments		
U.S. agency coupon bonds	$ 108,749,340	0.22
Total pooled investments	108,749,340	
Telshor Facility Fund		
U.S. agency coupon bonds	14,304,880	0.23
External investment equity pool	13,865,637	N/A
Total Telshor Facility Fund	28,170,517	
Debt Service Reserve Funds		
U.S. Treasury bonds	782,750	4.88
U.S. Agency coupon bond	2,075,472	0.13
Total Debt Service Reserve Funds	2,858,222	1.43
Project Funds		
Money market funds	1,832,437	0.04
Water and Wastewater Funds		
U.S. agency coupon bonds	5,761,221	0.12
Total investments	$ 147,371,737	0.00

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment pool includes step-up coupon securities that total $108,749,340 issued by U.S. government agencies that are callable by the issuer under certain circumstances. The Telshor Facility fund, Debt Service Reserve funds and the Water and Wastewater funds have $14,304,880, $2,075,472 and $5,761,221, respectively, of similar step-up agency securities. For purposes of calculating weighted average maturity, the City assumes callable securities will be called at the first call option, based on their interest rate, current market interest rate and the City's recent experience with these securities being called at the first call date.

Credit Risk. The City's investment policy lists the criteria for selecting investments and the order of priority as follows: 1) safety; 2) liquidity; and 3) yield. As of June 30, 2011, the City's investments in coupon bonds of U.S. agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's money market fund investments were rated AAAm by Standard & Poor's and/or Aaa by Moody's. The external investment pools of the NM State Investment Council are not rated.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. As of June 30, 2011, all of the City's securities are held in either the street name or by a third-party financial institution in the City's name.

Concentration of Credit Risk. The City's formal investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2011, 37% of the City's investment pool was in securities issued by the Federal Home Loan Mortgage Corporation (FHLMC), 53% in securities issued by Fannie Mae (FNMA) and 10% in securities issued by the Federal Home Loan Bank (FHLB). Seventy-three percent of the Telshor Facility Fund portfolio were in FHLMC and 17% were in FNMA securities. Percentages of the Debt Service Funds were 73% in FHLMC. Seventy-four percent of the Water and Wastewater Funds portfolio were in FHLB and 26% were in FNMA securities.

4) Capital Assets

Primary Government

Capital asset activity for the City's for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land and land rights	$ 15,095,739	$ 218,236	$ (423,000)	$ -	$ 14,890,975
Land improvements	19,137,374	-	-	-	19,137,374
Construction in progress	30,838,483	8,732,689	-	(36,201,257)	3,369,915
Total capital assets not being depreciated	65,071,596	8,950,925	(423,000)	(36,201,257)	37,398,264
Other capital assets					
Buildings and building improvements	82,203,454	1,085,710	-	36,201,257	119,490,421
Leasehold improvements	3,124,131	-	-	-	3,124,131
Airport runways	21,805,839	411,846	-	-	22,217,685
Park improvements	16,342,320	2,015,943	-	-	18,358,263
Machinery and equipment	40,000,750	4,046,667	(2,295,313)	3,890,941	45,643,045
Roads network	273,707,123	14,268,001	(72,624)	-	287,902,500
Flood control network	26,126,285	1,760,242	(19,896)	-	27,866,631
Total other capital assets at cost	463,309,902	23,588,409	(2,387,833)	40,092,198	524,602,676
Less accumulated depreciation for					
Buildings and building improvements	(16,736,681)	(3,311,668)	-	-	(20,048,349)
Leasehold improvements	(1,171,511)	(90,018)	-	-	(1,261,529)
Airport runway	(5,517,407)	(717,674)	-	-	(6,235,081)
Park improvements	(1,923,441)	(481,491)	-	-	(2,404,932)
Machinery and equipment	(28,814,975)	(3,842,508)	2,200,459	(3,587,586)	(34,044,610)
Roads network	(118,518,485)	(8,076,516)	69,623	-	(126,525,378)
Flood control network	(6,165,972)	(722,622)	19,896	-	(6,868,698)
Total accumulated depreciation	(178,848,472)	(17,242,497)	2,289,978	(3,587,586)	(197,388,577)
Total other capital assets at historic cost, net	284,461,430	6,345,912	(97,855)	36,504,612	327,214,099
Governmental activities capital assets, net	$ 349,533,026	$ 15,296,837	$ (520,855)	$ 303,355	$ 364,612,363

Construction in progress includes ongoing projects, such as the Air Traffic Control Tower, Branigan Library addition, the La Casa Domestic Shelter, and the Museum of Nature and Science.

Buildings increased by $37.3 million during the year. Transfers from construction in progress to buildings include the Aquatics Center in the amount of $12.5 million and the Convention Center in the amount of $22.6 million. Both building projects were completed during fiscal year 2011. In addition, the State of New Mexico donated the Camunez Building to the City, which is valued at approximately $300,000. The Camunez Building will be used to further the revitalization of the downtown area.

Increases to machinery and equipment include $3.8 million of capital assets of the City's Information Technology department. The City spent an additional $4 million for equipment purchases and received donated capital assets of approximately $400,000. Decreases of $2.3 million in machinery and equipment were due to the retirement of items sold at the City's auction and donations made to outside agencies.

Increases to infrastructure assets of governmental activities include donated subdivisions from developers in the amount of $6.3 million for the City's roads network. The City spent an additional $7.9 million for roads.

On September 25, 2009, the City entered into a settlement agreement to resolve claims and disputes with a real estate developer regarding the developer's inability to complete capital improvements in particular subdivisions. As part of the settlement agreement, the City assumed the obligation to complete the subdivision improvements, and received certain capital assets to be liquidated to fund the improvements in the subdivisions. Included in the capital assets acquired were water rights valued at $423,000. These water rights were sold to the Water fund during fiscal year 2011. The value of the remaining capital assets received has been deferred in the statement of net assets.

Business Type Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business type activities					
Capital assets not being depreciated					
Land and land rights	$ 6,670,728	$ 423,001	$ -	$ -	$ 7,093,729
Construction in progress	1,648,885	813,126	(62,472)	(1,001,597)	1,397,942
Total capital assets not being depreciated	8,319,613	1,236,127	(62,472)	(1,001,597)	8,491,671
Other capital assets					
Buildings and building improvements	4,543,302	210,674	-	1,001,597	5,755,573
Land improvements	119,557	-	-	-	119,557
Distribution and collection system	69,486,368	9,145,640	-	-	78,632,008
Utilities transmission	205,580,598	6,165,474	(91,184)	-	211,654,888
Machinery and equipment	28,687,780	800,652	(4,660,480)	-	24,827,952
Total other capital assets at historic cost	308,417,605	16,322,440	(4,751,664)	1,001,597	320,989,978
Less accumulated depreciation for					
Buildings and building improvements	(2,851,382)	(206,978)	-	-	(3,058,360)
Land improvements	(45,040)	(7,144)	-	-	(52,184)
Distribution and collection system	(29,766,685)	(1,568,708)	-	-	(31,335,393)
Utilities transmission	(55,450,068)	(5,219,363)	91,186	-	(60,578,245)
Machinery and equipment	(19,650,795)	(1,868,346)	4,073,091	-	(17,446,050)
Total accumulated depreciation	(107,763,970)	(8,870,539)	4,164,277	-	(112,470,232)
Total other capital assets at historic cost, net	200,653,635	7,451,901	(587,387)	1,001,597	208,519,746
Business type activities capital assets, net	$ 208,973,248	$ 8,688,028	$ (649,859)	$ -	$ 217,011,417

Construction in progress was increased by $813,126, related primarily to ongoing solid waste projects.

The Water Utility purchased water rights totaling $423,000 which was acquired through the developer settlement. There were no decreases in land or land rights during the year.

Buildings increased $1,001,598 through the capitalization of construction in progress related to the Utility Center Project, which was completed during fiscal year 2011.

Decreases to machinery and equipment include $8.2 million, which was transferred from the Information Technology department when the department became a function of the general government. It was previously reported in an internal service fund. The transfer of $8.3 million in equipment, less the accumulated depreciation of $7.4 million, resulted in a net decrease in equipment of approximately $900,000.

Increases to infrastructure assets include donated subdivisions from developers in the amount of $5.6 million. As part of the reorganization agreement of Rio Grande, the City received $4,052,909 in transfer of assets for ownership interest. See Note 18 for additional information on the Rio Grande Gas reorganization.

Depreciation expense was charged to functions as follows:

	Governmental Activities	Business-Type Activities
General government	$ 3,055,745	$ -
Facilities	853,660	-
Police	1,382,885	-
Fire	573,260	-
Community development	15,066	-
Public services	1,455,488	-
Public works	9,861,005	-
Information technology	816	-
Gas	-	2,070,085
Water	-	2,205,837
Waste water	-	3,132,427
Solid waste	-	841,656
Other	-	577,920
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	44,572	42,614
Total depreciation expense	$ 17,242,497	$ 8,870,539

Component Units

Capital asset activity for the Public Housing Authority for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated					
Land	$ 4,915,795	$ 328,399	$ (197,845)	$ -	$ 5,046,349
Construction in progress	2,552,589	7,744,501	-	(2,320,980)	7,976,110
Total capital assets not being depreciated	7,468,384	8,072,900	(197,845)	(2,320,980)	13,022,459
Other capital assets					
Site improvements	5,290,644	1,098,257	(51,822)	-	6,337,079
Structures and improvements	24,629,337	15,047,183	(643,084)	2,320,980	41,354,416
Equipment	1,088,890	823,024	(46,711)	-	1,865,203
Total other capital assets at cost	31,008,871	16,968,464	(741,617)	2,320,980	49,556,698
Less accumulated depreciation for					
Site improvements	(2,282,899)	(287,846)	13,786	-	(2,556,959)
Structures	(7,857,731)	(1,992,689)	250,465	-	(9,599,955)
Equipment	(530,138)	(298,968)	46,711	-	(782,395)
Total accumulated depreciation	(10,670,768)	(2,579,503)	310,962	-	(12,939,309)
Total other capital assets at cost, net	20,338,103	14,388,961	(430,655)	2,320,980	36,617,389
Total capital assets, net	$ 27,806,487	$ 22,461,861	$ (628,500)	$ -	$ 49,639,848

Capital asset activity for SCSWA for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets not being depreciated			
Land	$ 807,276	$ -	$ 807,276
Landfill cell/site - construction in progress	2,083,497	178,198	2,261,695
Total capital assets not being depreciated	2,890,773	178,198	3,068,971
Other capital assets			
Buildings	4,241,248	150,799	4,392,047
Equipment	7,483,692	1,132,521	8,616,213
Infrastructure	1,056,988	-	1,056,988
Landfill cell/site	4,523,315	-	4,523,315
Total other capital assets at cost	17,305,243	1,283,320	18,588,563
Less accumulated depreciation for			
Buildings	1,865,214	169,736	2,034,950
Equipment	4,749,129	997,144	5,746,273
Landfill cell/site	4,274,824	94,083	4,368,907
Infrastructure	343,521	26,424	369,945
Total accumulated depreciation	11,232,688	1,287,387	12,520,075
Total other capital assets at cost, net	6,072,555	(4,067)	6,068,488
Total capital assets, net	$ 8,963,328	$ 174,131	$ 9,137,459

5) Receivables and Payables

Governmental activities receivables are as follows at June 30, 2011:

	General Fund	Community Development Block Grant	Sonoma Ranch	Telshor Facility	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	$ 819,165	$ 4,919	$ -	$ -	$ 2,945,971	$ 74,019	$ 3,844,074
Dockets	5,270,019	-	-	-	-	-	5,270,019
Interest	-	-	1,566,222	126,135	1,017,852	-	2,710,209
Contracts	-	3,834,364	-	-	-	-	3,834,364
Special assessments	-	-	7,410,179	-	-	-	7,410,179
Less: allowance for doubtful accounts	(5,241,000)	-	-	-	(1,454,577)	-	(6,695,577)
Total governmental receivables	$ 848,184	$ 3,839,283	$ 8,976,401	$ 126,135	$ 2,509,246	$ 74,019	$ 16,373,268

Special assessments receivables of $7,410,179 represent amounts due from local developers to reimburse the City for the construction of subdivisions or other improvements for residential development. Though a majority of special assessments are not scheduled for collections within the next fiscal year, the amounts are expected to be fully collected. The receivables are deferred and reported in the Sonoma Ranch fund.

The City entered into a settlement agreement to resolve all claims and disputes with a real estate developer regarding the developer's obligation to complete certain subdivision improvements. The City received a promissory note from the developer for $1,098,800, to be paid with interest over ten years. The receivable from the developer is included in other governmental accounts receivable. To date, the City has collected $57,488 related to this receivable. Additional information regarding the settlement agreement is included in Note 4.

Business-type activities receivables are as follows at June 30, 2011:

	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
Gas	$ 3,533,752	$ (1,567,640)	$ 1,966,112
Water	2,756,974	(790,181)	1,966,793
Wastewater	1,837,436	(655,611)	1,181,825
Solid waste	1,923,428	(699,118)	1,224,310
Other enterprise funds	8,636	-	8,636
Internal service funds	66,734	-	66,734
Total business-type activities receivables	$ 10,126,960	$ (3,712,550)	$ 6,414,410

The accounts receivable for business-type activities are related to the provision of utility services to City customers. Receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence.

Governmental activities accounts payable and accrued liabilities at June 30, 2011, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable and Accrued Liabilities
Governmental activities			
General Fund	$ 1,821,942	$ 2,283,041	$ 4,104,983
Community Development	91,828	15,427	107,255
Telshor Facility	106,194	-	106,194
Other governmental	1,687,017	86,683	1,773,700
Internal service funds	238,392	28,589	266,981
Total governmental activities payables and accrued liabilities	$ 3,945,373	$ 2,413,740	$ 6,359,113

Business-type activities accounts payable and accrued liabilities at June 30, 2011, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Accounts Payable and Accrued Liabilities
Business-type activities					
Gas	$ 998,871	$ 153,441	$ -	$ 76,211	$ 1,228,523
Water	472,231	127,596	100,656	65,525	766,008
Wastewater	173,026	115,389	83,135	43,007	414,557
Solid waste	160,650	85,199	11,303	45,872	303,024
Other enterprise funds	22,582	80,242	-	-	102,824
Internal service funds	136,030	25,066	-	-	161,096
Total business-type activities payables and accrued liabilities	$ 1,963,390	$ 586,933	$ 195,094	$ 230,615	$ 2,976,032

6) Interfund Assets, Liabilities and Transfers

Primary Government

Governmental interfund receivables and interfund payables as of June 30, 2011, are as follows:

	Interfund Receivable	Interfund Payable	Total
Governmental activities			
General fund			
Nonmajor governmental funds	$ 2,782,340	$ -	
Community Development Block Grant funds	65,870	-	$ 2,848,210
Major governmental fund			
Community Development Block Grant funds	-	(65,870)	(65,870)
General fund	-	(2,782,340)	(2,782,340)
Total governmental activities	$ 2,848,210	$ (2,848,210)	$ -

The governmental interfund balances reflect short-term advances from the General Fund to funds with a credit cash balance. Credit cash balances are related to grant activity where grant expenditures are followed by grant reimbursements. Grant funding is generally used for senior programs, certain police activities, and capitals grant for equipment, roadways, flood control, and airport improvements.

Business-Type Activities

Business-type activities receivables and payables as of June 30, 2011, are as follows:

	Interfund Receivable	Interfund Payable	Total
Business-type activities			
Major enterprise funds			
Gas Fund	$ 592,970	$ -	$ 592,970
Solid Waste Fund	-	(163,283)	(163,283)
Water Fund	-	(883,278)	(883,278)
Waste Water Development Fund	453,591	-	453,591
Total business-type activities	$ 1,046,561	$ (1,046,561)	$ -

The business-type activities interfund balances reflect long-term advances of pooled cash between utilities. The water and solid waste funds borrowed cash from the gas fund in fiscal year 2009 with a four year repayment schedule including interest. Both of these advances will be repaid in 2012. In 2009, the water development fund purchased land with water rights from the waste water development fund with a four year payout with interest. The final payment will be in 2012.

Interfund Transfers

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfers to general fund from	
Nonmajor governmental funds	$ 2,263,752
Internal service funds	236,139
Total transfers to the general fund	$ 2,499,891
Transfers to nonmajor governmental funds from	
General fund	$ 9,220,220
Telshor fund	300,000
Community Development Block Grant fund	36,578
Nonmajor governmental funds	13,978,701
Total transfers to the nonmajor governmental funds	$ 23,535,499
Transfers to the waste water fund from	
Nonmajor governmental funds	$ 856,889
Total transfers to the waste water fund	$ 856,889
Transfers to the water fund from	
Nonmajor governmental funds	$ 634,877
Waste water fund	1,477,593
Total transfers to the water fund	$ 2,112,470

Transfers to nonmajor enterprise funds from	
General fund	$ 1,262,559
Gas fund	54,400
Nonmajor governmental funds	520,698
Total transfers to the nonmajor enterprise funds	$ 1,837,657
Transfers to internal service funds from	
General fund	$ 1,990,973
Total transfers to internal service funds	$ 1,990,973
Transfers from the general fund to	
Nonmajor governmental funds	$ (9,220,220)
Nonmajor enterprise funds	(1,262,559)
Internal service funds	(1,990,973)
Total transfers from the general fund	$ (12,473,752)
Transfers from the Telshor fund to	
Nonmajor governmental funds	$ (300,000)
Total transfers from the Telshor fund	$ (300,000)
Transfers from the Community Development Block Grant fund to	
Nonmajor governmental funds	$ (36,578)
Total transfers from the Community Development Block Grant fund	$ (36,578)
Transfers from nonmajor governmental funds to	
General fund	$ (2,263,752)
Nonmajor governmental funds	(13,978,701)
Waste water fund	(856,889)
Water fund	(634,877)
Nonmajor enterprise funds	(520,698)
Total transfers from nonmajor governmental funds	$ (18,254,917)
Transfers from the gas fund to	
Nonmajor enterprise funds	$ (54,400)
Total transfers from the gas fund	$ (54,400)
Transfers from the waste water fund to	
Water fund	$ (1,477,593)
Total transfers from the waste water fund	$ (1,477,593)
Transfers from the internal service funds to	
General fund	$ (236,139)
Total transfers from the internal service funds	$ (236,139)

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

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

	December 31, 2011					
	Montana Senior Village, LLC	Montana Senior Village II	Cimarron 1	Stone Mountain Place LP	Falcon Ridge LP	Total
Payables to Housing Authority	$ 650,217	$ 1,458,940	$ 80,000	$ 247,574	$ 124,676	$ 2,561,407
Receivable from component units, net						1,401,159
Total internal balances						$ (1,160,248)

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

7) Long–Term Liabilities

Primary Government

Changes in long-term liabilities are as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental activities					
Tax revenue bonds	$ 44,145,000	$ 41,205,000	$ 12,015,000	$ 73,335,000	$ 6,855,000
Unamortized discount/premiums on sales tax revenue bonds	298,717	2,232,487	130,646	2,400,558	130,646
Notes payable	46,441,758	2,962,619	36,882,966	12,521,411	1,903,168
Capital leases	81,822	-	81,822	-	-
Pollution remediation obligation see (Note 10)	6,702,232	-	23,744	6,678,488	-
Claims and judgments	5,373,971	356,811	-	5,730,782	1,606,761
Compensated absences	3,019,648	4,269,823	4,234,236	3,055,235	611,047
	106,063,148	51,026,740	53,368,414	103,721,474	11,106,622
Business-type activities					
Utility revenue bonds	41,225,000	24,840,000	4,085,000	61,980,000	3,920,000
Unamortized discount on utility revenue bonds	30,003	674,772	27,586	677,189	-
Capital leases	-	-	-	-	-
Claims and judgments	1,987,634	131,970	-	2,119,604	594,281
Notes payable	27,046,307	-	25,141,997	1,904,310	312,145
Landfill closure and post-closure costs (Note 15)	1,925,000	-	1,295,000	630,000	29,000
Compensated absences	889,457	1,225,362	1,257,444	857,375	171,476
	73,103,401	26,872,104	31,807,027	68,168,478	5,026,902
Total long-term liabilities	$ 179,166,549	$ 77,898,844	$ 85,175,441	$ 171,889,952	$ 16,133,524

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 were secured by a pledge of certain future gross receipts tax through maturity. In September 2010 the 1999A and 199B series bonds were called and fully discharged. Principal payments on the 1999A and 199B bonds were $2,995,000 and $2,420,000, respectively. The 1999A and 199B bonds have been removed from the debt service fund liabilities.

In 2000, Gasoline Tax Revenue Bonds, Series A, were issued to fund various street projects. The bonds are payable from gasoline tax revenues distributed monthly by the State of New Mexico to the City and are secured by such revenues through maturity. Such revenues totaled $1,560,598 in 2011. Principal and interest paid on the bonds for the current year were $385,000 and $140,533.

Gross Receipts Tax Refunding and Improvement Revenue Bonds, Series 2003, were issued to fund facilities and park improvement projects, acquire street lighting systems, and refinance the outstanding Gross Receipts Tax Refunding Revenue Bond, series 1992. These bonds are secured through maturity by state shared gross receipts tax revenues. Such revenues were $31.9 million in 2011. For the current year, principal and interest paid on the bonds were $980,000 and 160,310, 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 2011. The bond issue is secondarily secured by the environmental gross receipts tax of the City. For the current year, principal and interest paid were $680,000 and $159,766.

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 state shared gross receipts tax revenues through maturity. Such revenues were $31.9 million in 2011. For the current year, principal and interest paid on the bonds were $1,185,000 and $1,213,043, respectively.

In 2010, Municipal Gross Receipts Revenue Refunding Bonds, Series A and B, were issued to refund the 1999 A and B Gross Receipts Tax Bonds and the 2006 Street Improvement and Flood Control NMFA notes. The bonds are secured by a pledge of certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled $12.9 million. Principal payments on the bonds for the current year were $2,215,000 and $790,000, respectively. Interest payments were $218,633 and $77,895, respectively.

State Shared Gross Receipts Tax Revenue Bonds, Series 2010, were issued to refund the 2008 NMFA Convention Center note. The bonds are secured through maturity by state shared gross receipts tax revenues. Such revenues totaled $31.9 million in 2011. For the current year, principal and interest paid were $365,000 and $704,831 respectively.

In 2011, the good faith deposit on Municipal Gross Receipts Revenue Bonds, Series A and B, was received with the remainder received early in fiscal year 2012. These bonds were issued to fund street and facilities improvements, and improve flood control. Series 2011A bonds are secured by state shared gross receipts tax revenues through maturity. These pledged revenues were $31.9 million in 2011. Series 2011B bonds are secured by certain future gross receipts tax through maturity. In 2011, such pledged revenues totaled $6.4 million. No principal or interest payments were made in fiscal year 2011.

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

Type	Purpose	Date	Original Due	Issue	Balance Outstanding	Interest Rates %
Gasoline tax revenue	Street projects	12/04/2000	2016	$ 5,110,000	$ 2,240,000	4.8-5.5
Component unit revenue and environmental gross receipts tax	Construction of South Central Solid Waste Facilities	9/14/2004	2016	7,980,000	3,770,000	3.0-4.0
Gross receipts tax refunding and improvement revenue	Facilities, parks and street improvements	5/29/2003	2018	12,800,000	3,060,000	2.0-5.0
Gross receipts tax revenue	City Hall construction	9/14/2005	2035	33,000,000	26,430,000	3.5-4.5
Gross receipts tax refunding	Street projects refunding	9/28/2010	2021	12,255,000	10,040,000	2.5-3.0
Gross receipts tax refunding	Flood control refunding	9/28/2010	2021	4,390,000	3,600,000	2.5-3.0
Gross receipts tax refunding	Convention center refunding	9/28/2010	2037	24,330,000	23,965,000	2.0-5.0
Gross receipts tax revenue	Facilities and improve streets	7/12/2011	2021	9,640,000	200,000	3.0-4.0
Gross receipts tax revenue	Flood control	7/12/2011	2021	1,530,000	30,000	2.0-3.625
				$ 111,035,000	$ 73,335,000	

Debt Service Requirements

Future debt service requirements for governmental activities revenue bonds are:

Year Ending June 30,	Principal	Interest	Total
2012	$ 6,855,000	$ 2,946,725	$ 9,801,725
2013	6,190,000	2,727,921	8,917,921
2014	6,040,000	2,528,928	8,568,928
2015	6,150,000	2,318,406	8,468,406
2016	5,185,000	2,054,646	7,239,646
2017-2021	11,095,000	8,467,741	19,562,741
2022-2026	8,280,000	6,515,875	14,795,875
2027-2031	10,365,000	4,469,644	14,834,644
2032-2037	13,175,000	1,921,450	15,096,450
	$ 73,335,000	$ 33,951,336	$ 107,286,336

Defeased Bonds

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

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

Joint Utility Revenue, Series 1992	$ 1,015,000
Sales Tax, Series 1991	430,000
Sales Tax, Series 1995	29,410,000
	$ 30,855,000

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 liabilities in the accompanying financial statements. As of June 30, 2011, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $2,915,000.

F&A Dairy products	$ 2,200,000
Good Samaritan	715,000
	$ 2,915,000

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, 2011.

Governmental Activities Notes Payable

Details of governmental activities notes payable are:

Type	Purpose	Original Date	Due Date	Issue	Outstanding	Interest Rates %
2006 NMFA Note	Fire apparatus	11/10/2006	2014	$ 816,777	$ 356,912	3.463
2007 NMFA Note	Street improvements	11/16/2007	2017	1,865,251	816,014	3.463
2007 NMFA Note	Patch and Bucket Truck	11/16/2007	2015	336,232	189,434	3.620
2007 NMFA Note	Fire Pumper Trucks	11/16/2007	2016	896,598	590,688	3.644
2008 NMFA Note	Flood control	12/23/2008	2016	4,563,829	3,170,685	3.246
2009 NMFA Note	Parking Deck	1/25/2009	2021	4,999,890	4,250,000	4.650
2010 NMFA Note	Fire apparatus	7/30/2010	2020	938,875	936,060	2.108
2010 NMFA Note	Griggs Walnut	1/18/2008	2012	211,618	211,618	2.0
2010 HUD Loan	Facilities	7/21/2010	2030	2,000,000	2,000,000	1.7
				$ 16,629,070	$ 12,521,411	

2006 NMFA–Fire Truck, 2007 NMFA-Fire Pumper Trucks, and 2010 NMFA-Fire Pumper Trucks are secured through maturity by fire protection fund revenues which totaled $285,715 in 2011. The 2010 NMFA Griggs Walnut Plume note is secured by the 2000 gross receipts tax revenues. The 2009 NMFA Parking Deck note is secured by the State Shared Gross Receipt Tax. The 2010 HUD loan is secured by property.

The remaining notes payable in the table above are secured through maturity by certain gross receipts tax revenues which generated $12.7 million in 2011, $6.3 million from 1980 Gross Receipt Tax and $6.4 million from 1990 Gross Receipt Tax at a percentage of ¼%.

Principal and interest paid on the outstanding notes in the current year were $1,596,321 and $492,602, respectively.

In fiscal year 2011, the City refunded three governmental notes payable with a principal of $35,286,645 and interest of $489,613. The NMFA Street and Arroyo improvements and the 2007 NMFA Street improvements notes were refunded by the 2010 Gross Receipts Tax Series A and B bonds. The net present value savings from the combined refunding was $1,228,214.

The 2007 NMFA Convention Center note was refunded by the 2010 State Shared Gross Receipts Tax bond. The net present value savings from the refunding was $1,119,595.

Refunded Notes	Principal	Interest	Total
2006 NMFA Street and Arroyo improvements	$ 8,054,432	$ 101,619	$ 8,156,051
2007 NMFA Street improvements	1,580,000	19,946	1,599,946
2007 NMFA Convention center	25,652,213	368,048	26,020,261
	$ 35,286,645	$ 489,613	$ 35,776,258

Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

Year Ending June 30,	Principal	Interest	Total
2012	$ 1,903,168	$ 477,182	$ 2,380,350
2013	1,730,396	417,392	2,147,788
2014	1,773,789	352,274	2,126,063
2015	1,530,313	287,964	1,818,277
2016	1,518,943	232,564	1,751,507
2017-2021	2,834,802	580,461	3,415,263
2022-2026	561,000	203,930	764,930
2027-2031	669,000	72,023	741,023
	$ 12,521,411	$ 2,623,790	$ 15,145,201

Joint Utility Revenue Bonds

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

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

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

In 2010, the City issued $24.8 million in joint utility refunding revenue bonds (Series 2010) to refund eight 2003 through 2007 NMFA notes with $24.8 million outstanding. This refunding also established a reserve account and paid all costs of issuance.

Joint utility revenue bonds are summarized as follows as of June 30, 2011:

Purpose	Issue Date	Due	Original Issue	Outstanding	Interest Rates %
Series 2005 system expansion	7/13/2005	2025	$ 11,050,000	$ 9,195,000	3.5–4.125
Series 2006 system rehabilitation	8/29/2006	2026	17,575,000	15,465,000	4.2–4.6
Series 2009 refunding bond	4/14/2009	2016	17,575,000	12,965,000	2.5–3.0
Series 2010 refunding bond	9/14/2010	2027	24,840,000	24,355,000	2.0-4.0
			$ 71,040,000	$ 61,980,000	

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

Year	Principal	Interest	Total
2012	$ 3,920,000	$ 2,205,491	$ 6,125,491
2013	4,045,000	2,075,941	6,120,941
2014	4,150,000	1,953,660	6,103,660
2015	4,265,000	1,825,123	6,090,123
2016	4,405,000	1,691,473	6,096,473
2017–2021	18,060,000	6,523,103	24,583,103
2022–2027	23,135,000	3,040,706	26,175,706
	$ 61,980,000	$ 19,315,497	$ 81,295,497

The 2005, 2006, 2009, and 2010 revenue bond ordinances provide that the net revenue of the City's utility systems shall be at least 125% of the maximum outstanding debt requirements for the utility system. These bonds are not a general obligation to the City, but are payable and collectable solely out of the net revenues of the systems. Net revenue as defined in the bond ordinances means the revenue after deducting operation and maintenance expenses. Operation and maintenance expenses include all reasonable and necessary current expenses of the City, paid or accrued, for operating, maintaining, and repairing the system; and shall include, without limiting the generality of the foregoing,

legal and overhead expenses of the various City departments directly related and reasonably allocable to the administration of the system, insurance premiums, the reasonable charge of depository banks and paying agents, contractual services, professional services required by this ordinance, salaries and administrative expenses, 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, 2011, exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate fund.

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

Bond covenants require reporting of the number of utility customers served, which were as follows for the year ended June 30, 2011:

	Water	Wastewater	Gas	Solid Waste
Residential	28,137	28,853	34,107	29,401
Commercial/other	3,661	2,880	2,777	2,511
Total	31,798	31,733	36,884	31,912

Business-Type Activities Notes Payable

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

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

Details of business-type activities notes payable are:

Type	Purpose	Original Date	Balance Due	Issue	Outstanding	Interest Rates %
2007 NMFA Note	Solid Waste Vehicles	7/6/2007	2015	$ 1,111,112	$ 614,391	3.33-3.75
2008 NMFA Note	Vehicle Maintenance Shop	9/12/2008	2018	1,708,755	1,289,919	1.9-3.85
				$ 2,819,867	$ 1,904,310	

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

Year Ending June 30,	Principal	Interest	Total
2012	$ 312,145	$ 67,821	$ 379,966
2013	322,573	57,381	379,954
2014	333,667	46,276	379,943
2015	345,414	34,515	379,929
2016	189,823	22,043	211,866
2017–2021	400,688	23,045	423,733
	$ 1,904,310	$ 251,081	$ 2,155,391

The Series 2010 Joint Utility Refunding Revenue Bonds, issued in the amount of $24.8 million, refunded the following eight NMFA loans:

	Principal
2003 NMFA Well Project	$ 75,291
2004 NMFA Roughing Filters Loan	325,620
2005 NMFA Manholes Loan	216,562
2006 NMFA Well Improvements	230,902
2007 NMFA Water Tank	2,131,681
2007 NMFA Water Reclamation	6,289,119
2007 NMFA Water Reclamation, Ph II	3,129,315
2007 NMFA Water System Improvement	12,441,050
Total business-type activities debt	$ 24,839,540

The net present value savings on the refunding was $2,649,941:

Capital Leases

In August 2010, the City paid the final $81,822 of principal and $4,901 of interest on its outstanding capital lease obligations and is not obligated for any capital leases as of June 30, 2011. The two pumper trucks leased from Mercedes Benz Credit Corporation are now owned by the City.

Component Units

Changes in long-term debt for the Housing Authority during the year ended June 30, 2011, are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
LCHDC Mortgage Revenue Bond (Series 2005)	$ 2,082,004	$ -	$ 176,652	$ 1,905,352	$ 186,338
Note payable - Gallup Federal Savings Bank	371,789	-	19,873	351,916	18,029
Note payable - Wells Fargo Bank	340,634	-	11,620	329,014	13,170
Note payable - First Federal Bank	259,401	-	9,368	250,033	10,235
Note payable - Firstlight Federal Credit Union	128,338	-	128,338	-	-
Note payable - DACHA	-	220,000	-	220,000	
Note payable - Citizen Bank	-	45,000	-	45,000	45,000
Loan agreements	9,860,130	16,620,414	829,207	25,651,337	396,089
Total	$ 13,042,296	$ 16,885,414	$ 1,175,058	$ 28,752,652	$ 668,861

Changes in long-term liabilities of SCSWA for the year ended June 30, 2011, are as follows:

	Balances June 30, 2010	Increases	Decreases	Balances June 30, 2011	Amount Due Within One Year
Long-term debt					
Due to City of Las Cruces	$ 3,652,000	$ -	$ 680,000	$ 2,972,000	$ 705,000
Other noncurrent liabilities					
Estimated landfill closure/ post-closure liability	1,664,460	311,310	-	1,975,770	-
Compensated absences	137,293	4,515	14,625	127,183	25,437
	$ 5,453,753	$ 315,825	$ 694,625	$ 5,074,953	$ 730,437

8) Internal Service Fund Allocations

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

Net assets, beginning balance		$ 4,503,895
Revenues less eliminations	$ 6,114,579	
Expenses less eliminations	(6,952,399)	
Other financing sources	1,332,979	
Change in net assets		495,159
Net assets, ending balance		$ 4,999,054

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

Net assets, beginning balance		$ 2,294,796
Revenues less eliminations	$ 4,323,476	
Expenses less eliminations	(4,933,789)	
Other financing sources	421,855	
Change in net assets		(188,458)
Net assets, ending balance		$ 2,106,338

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

Governmental activities allocation	$ 4,999,054
Business-type activities allocation	2,106,338
Net assets, ending balance	$ 7,105,392

9) Landfill Closure and Post-Closure Care Cost

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

The City's landfill closure and post-closure care liability is reported as $630,000 as of the year ended June 30, 2011. Actual closure and post-closure care costs may be higher due to inflation, changes in technology, or changes in regulations. The liability reported reflects a decrease in the estimate of total closure and post-closure costs of $1,295,000 during the year ended June 30, 2011.

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 post-closure care. The landfill closure was not funded from the EGRT fund during the year due to additional revenues from landfill charges and investment income.

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	$ 5,151,978	$ 2,575,989
Operating costs	1,459,664	729,832
Completion costs	7,168,571	3,584,285
	$ 13,780,213	$ 6,890,106

The pollution remediation obligation is reported in long-term liabilities in the statement of net assets (see Note 7). The pollution remediation obligation is an estimate and is subject to revision because of the price increases or reductions, changes in technology or changes in applicable laws or regulations.

The City and County each received a $3.5 million loan from the New Mexico Finance Authority (NMFA) to cover some of the costs of the pollution remediation project. No debt service payments are required on these loans until funds have been drawn for project costs. As of June 30, 2011, project costs of $213,426 had been funded using loan proceeds. The City and County also received $243,000 for design and engineering in grant funds from the New Mexico Environment Department. As of June 30, 2011, all $243,000 was applied to design and engineering costs.

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

The long-term construction of the remediation plant is scheduled to be completed in fiscal year 2012.

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 658 active participants in the plan as of June 30, 2011.

12) Employee Benefit Plans

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.

Effective July 1, 2010, employees may retire at any age with 30 years of credited service. The age and service requirements remain unchanged for age plus years of service eligibility.

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, 2008	$ 5,870,954	$ 6,776,110	$ 12,647,064	100%
June 30, 2009	6,279,412	7,252,412	13,531,824	100%
June 30, 2010	6,237,934	7,177,733	13,415,667	100%
June 30, 2011	6,047,711	6,950,126	12,997,837	100%

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

The payroll for the City's employees covered by PERA for the year ended June 30, 2011, was $50,016,850; the total payroll of all employees of the City was $57,742,772.

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:

2011	$ 656,434
2010	702,959
2009	692,566

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) 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.

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

	2011	2010
Health program costs	$ 71,735	$ 59,227
Workers' compensation premiums	(2,508,930)	(2,484,438)
Workers' compensation program costs	1,607,850	2,283,734
Liability insurance premiums	(2,089,232)	(2,382,842)
Liability program costs	2,021,904	1,125,960
Unemployment insurance premiums	(328,423)	(145,648)
Unemployment program costs	343,575	227,374
Judgments insurance premiums	(500,000)	(500,000)
Judgments program costs	468,602	539,962
Total premiums	$ (5,426,585)	$ (5,512,928)
Total program costs	$ 4,513,666	$ 4,236,257

Changes in the insurance fund's claims liabilities were:

	2011	2010
Claims liabilities, beginning of year	$ 7,361,605	$ 6,917,613
Current year claims and changes in estimates	4,513,667	4,236,257
Payment of claims liabilities	(4,024,886)	(3,792,265)
Claims liabilities, end of year	$ 7,850,386	$ 7,361,605

14) Development Impact Fees

The City collects and expends development impact fees in accordance with Ordinance No. 1456, which requires impact fees to be used for capital improvements or facility expansions identified in a capital improvements plan. In addition to capital improvements, development impact fees may also be used to pay for debt service costs if the proceeds of the debt issued were used in accordance with the capital improvements plan.

The expenditures of collected fees must improve the following facilities:

1) Water supply, treatment, and distribution facilities and waste water collection and treatment facilities;

2) Parks, recreational areas, open space, trails and related areas and facilities.

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

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

Development impact fee activity for the year ended June 30, 2011, is shown below. Unspent fees collected in previous years are available for expenditure in the current fiscal year.

Parks Impact Fees	
Impact fees collected	$ 356,435
Investment income	5,353
Expenditures	(120,955)
Net Parks Impact Fees	$ 240,833
Water Impact Fees	
Impact fees collected	$ 2,648,938
Investment income	41,107
Expenditures	(2,526,427)
Net Water Impact Fees	$ 163,618
Wastewater Impact Fees	
Impact fees collected	$ 927,111
Investment income	83,276
Expenditures	(2,823,393)
Net Wastewater Impact Fees	$ (1,813,006)
Total Impact Fees	
Impact fees collected	$ 3,932,484
Investment income	129,736
Expenditures	(5,470,775)
Net Total Impact Fees	$ (1,408,555)

15) 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 deposited amounts into escrow accounts to cover contingencies of the hospital and pay hospital liabilities specified in the agreement, including outstanding bonds.

The net lease proceeds, after these deposits and liabilities, are summarized as follows:

	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.

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. In April 2005 Province Health Care merged with LifePoint Hospitals. The lease continues with LifePoint Hospitals.

The City and County received distributions from the escrow accounts in fiscal year 2011. The distribution of medical malpractice claims escrow represents the remaining balance in the escrow account:

	Total	City Portion
Escrow for medical malpractice claims	$ 5,591,591	$ 2,795,763
Escrow for other losses (representations and warranties)	2,602,500	1,302,250
	$ 8,194,091	$ 4,098,013

16) Las Cruces Convention Center

In 2008, the City began construction of the Las Cruces Convention Center. Construction and furnishing the convention center was completed in December 2010, with the grand opening in January 2011. The City retains ownership of all the furnishings, equipment, and the convention center facility.

The City has entered into a five year contract with Global Spectrum to provide pre-opening consulting and to manage the facility and grounds on behalf of the City. Global Spectrum is responsible for operations and maintenance of all physical and mechanical facilities necessary for the operation, maintenance, and management of the convention center. All facility staff and other personnel are hired by Global Spectrum and are employees or independent contractors of Global Spectrum. Compensation to Global Spectrum during FY11 for management services was a fixed management fee.

The City applied to the state on April 14, 2011 and obtained a governmental liquor license pursuant to 60-6A-101, NMSA 1978. In accordance with the management agreement, the liquor license will be leased to Global Spectrum effective August 2011. It will be used exclusively for the operation of the convention center. The operations manager will ensure that all activities associated with the liquor license shall strictly conform to New Mexico law and the regulations of the New Mexico Alcohol and Gaming Division of the New Mexico Regulation and Licensing Department.

Each year the annual operating budget prepared by Global Spectrum will be provided to the City. The operating budget will include a projection of operating revenues and expenses for the fiscal year. The annual budget is subject to the review and approval of the City. The City has agreed to fund the annual operating deficit (if one exists) from revenues generated by the convention center fee and lodgers' tax. Once approved, the budget provides the basis for quarterly funding from the City to Global Spectrum to cover the expenses for the upcoming quarter. During FY11, the City provided funding of $472,303, including the management fee.

Global Spectrum must maintain independent records, in accordance with generally accepted accounting principles, of the operations and maintenance of the convention center. The City has the right to audit the records. Additionally, Global Spectrum must provide monthly financial statements to the City, and must provide the City with a copy of their audited annual financial statements.

17) Fund Deficits and Budget Variances

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

Fund	Deficit Fund Balance
DWI Prevention	$ 183
Judicial Education	5,172

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
Debt Service	$ 52,844,346	$ 53,038,962	$ (194,616)
Judicial Education	36,000	$ 40,359	(4,359)
Gas Tax Street Maintenance	594,060	629,648	(35,588)
2003 Sales Tax Facilities and Parks	-	5,438	(5,438)
Internal Services	6,623,456	7,000,830	(377,374)
Environmental Gross Receipts Tax (Transfers)	1,588,465	1,932,091	(343,626)

18) Major Construction Commitments

The City has the following construction commitments as of June 30, 2011. These projects are evidenced by contractual arrangements with construction contractors:

Commitments if Governmental Activities

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Flood Channels Sonoma N. & Hwy 70	Flood Control	$ 100,000	$ -	$ 100,000	Property Tax
Midway	Flood Control	100,000	-	100,000	Property Tax
Map South Main St Alameda to Idaho	GRT Street Maintenance	119,123	18,027	101,096	GRT TAX
East Mesa Flood Control 2009	NMFA Flood Control	185,970	81,802	104,168	NMFA Loan
Map South Main St Alameda to Idaho	NMFA Streets 2007	115,000	-	115,000	NMFA Loan
El Paseo/Idaho Intersection Improve	GRT Street Maintenance	126,356	1,177	125,179	GRT TAX
Downtown North Main Street	GRT Street Maintenance	131,392	-	131,392	GRT Tax
Rehab Taxiway A FY13	Facilities General Fund	144,314	-	144,314	Net sale of securities.
Midway	GRT Street Maintenance	150,000	-	150,000	GRT TAX
Traffic Signal Improvements	GRT Street Maintenance	300,253	150,253	150,000	GRT TAX
Sandhill Arroyo Modification	NMFA Flood Control	450,000	296,703	153,297	NMFA Loan
Jefferson Phase II	2012 MGRT Streets Projects	190,447	36,505	153,942	GRT TAX
Map South Main St Alameda to Idaho	Flood Control	169,909	-	169,909	Property Tax
S Main St Reconstruction	2013 MGRT Streets Projects	175,000	-	175,000	GRT TAX
Munson Senior Center FY12	Facilities State Grants	178,500	-	178,500	State Legislative Grants
Jefferson Roadway Improvements	Flood Control	255,234	69,432	185,802	Property Tax
Amador Ave 17th TO Motel Blvd	GRT Street Maintenance	186,000	-	186,000	GRT TAX
Flood Channels Bruins Land Rehab	Flood Control	187,500	-	187,500	Property Tax
Police Dept. - HVAC	2011 GRT Facilities Projects	191,834	-	191,834	GRT TAX
Trackways Exhibit at Monas	Facilities Federal Grants	200,000	-	200,000	Federal Grant
Amador Ave 17th to Motel Blvd	State Grant Street Imprv	210,018	-	210,018	State Legislative Grants
Map South Main St Alameda to Idaho	State Grant Street Imprv	228,019	-	228,019	State Legislative Grants
Sage Café	2011 GRT Facilities Projects	237,646	-	237,646	GRT TAX
Calico/Central Drainage Channel	Flood Control	436,127	186,126	250,001	Property Tax
Alameda Arroyo Trail	State Grant Park/Land	266,330	-	266,330	State Legislative Grants
El Molino	Flood Control	308,955	8,955	300,000	Property Tax
El Paseo Idaho Intersection	2015 MGRT Streets Projects	300,000	-	300,000	GRT TAX
Sonoma N of Hwy 70	2016 MGRT Streets Projects	300,000	-	300,000	GRT TAX
Convention Center Stimulus	State Stimulus Capital Pr	495,330	178,310	317,020	Federal Grant
Flood Channels N Valley/Tashiro	Flood Control	358,000	31,923	326,077	Property Tax
Burn Lake 2011 Facilities	2011 GRT Facilities Projects	380,806	-	380,806	GRT TAX
Air Traffic Control Tower	Airport Improvements	1,100,900	696,051	404,849	FAA funds
Electronic Airport Layout Plan	Airport Improvements	418,589	-	418,589	Federal/State grants
Bruins Lane Rehab	2014 MGRT Streets Projects	450,000	-	450,000	GRT TAX
Downtown North Main Street	Flood Control	567,131	101,912	465,219	Property Tax
Las Cruces Aquatic & Rec Center 09	Facilities State Grants	588,060	85,686	502,374	State Legislative Grants
El Molino Phase VII	2011 MGRT Streets Projects	650,000	-	650,000	GRT TAX
Burn Lake 2011 Bond	2011 GRT Flood Control Proj.	720,500	-	720,500	GRT TAX
Calico/Central Drainage Channel	2011 GRT Flood Control Proj.	720,500	-	720,500	GRT Tax
Museum of Nature & Science	Federal Stimulus Capital Pr	888,000	139,032	748,968	Federal Grant
El Molino Phase VI	2010 MGRT Streets Projects	795,480	-	795,480	GRT TAX
2011 Fire Apparatus NMFA Loan	NMFA Equipment Acquisition	903,526	-	903,526	NMFA Loan
East Side Public Safety Bldg.	2011 GRT Facilities Projects	954,400	-	954,400	GRT TAX
Main St Rehab STP-9991-2	State Grant Street Imprv	1,665,060	-	1,665,060	State Legislative Grants
Las Cruces Convention Center-NMFA	Convention Center	25,500,000	23,780,683	1,719,317	NMFA Loan
Museum of Nature and Science-Loan	HUD Facilities Projects	2,000,000	216,082	1,783,918	HUD LOAN
Museum of Nature and Science-BEDI	Facilities Federal Grants	2,000,000	9,194	1,990,806	BEDI GRANT
Sonoma Ranch Blvd 2011 Bond	2011 GRT Street Projects	2,386,000	-	2,386,000	GRT TAX
Fire Station 7 2011 Bond	2011 GRT Facilities Projects	2,863,200	-	2,863,200	GRT TAX
Griggs/Walnut/Plume	NMFA Griggs/Walnut/Plume	3,535,000	213,425	3,321,575	NMFA Loan
Rehab Taxiway A FY12	Airport Improvements	5,483,879	-	5,483,879	Federal/State grants
Total		$ 61,368,288	$ 26,301,278	$ 35,067,010	

Commitments of Business Type Activities

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Water Street Utility Rehabilitation	Water Capital Improvements	$ 280,925	$ 162,726	$ 118,199	2010 Joint Utility Bond
Wastewater New Interceptors	Wastewater Development	149,502	18,071	131,432	Wastewater Dev Impact Fees
South Jornada Water System Phase II	Water NMFA Loan Projects	132,870	-	132,870	2010 Joint Utility Bond
Wastewater Treatment Plant Rehab	Wastewater Capital Imp	154,091	-	154,091	Wastewater Utility Rates
Transit Intermodel Center	Transit Intermodel	412,544	83,353	329,191	FTA Grant
Solid Waste Vehicle Mtnce Facility	Solid Waste NMFA Loan	1,339,343	693,952	645,391	2008 NMFA Loan
Gas High Pressure Lines	Gas Capital Improvements	1,990,168	1,233,049	757,120	Gas Utility Rates
Total		$ 4,459,444	$ 2,191,150	$ 2,268,294	

19) Contingent Liabilities

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

The City is a defendant in various lawsuits. Management estimates that balances available in the self-insurance fund are sufficient to losses that may arise from such lawsuits. Management is not aware of any pending or threatened litigation that would adversely affect the City's financial position.

20) Downtown Tax Increment Development District (TIDD)

In December of 2007, Las Cruces formed the state's first Tax Increment Development District (TIDD) for downtown revitalization. The Downtown TIDD is defined by certain geographic boundaries, and receives an incremental portion of the gross receipts tax and property tax collected in this geographic area. The State of New Mexico, Dona Ana County, and the City contribute 75% of the incremental gross receipts tax that's all collected in the district. Additionally, both City and County contribute 75% of the incremental property tax assessed in the district.

The tax revenues that go to the TIDD are used for downtown public improvements and revitalization of the downtown area. Projects to be supported by TIDD funds include pedestrian safety improvements, roadways, street lighting and landscaping.

In fiscal year 2010 the City's General Fund advanced $1 million to the TIDD to begin reconstruction of Main Street. The loan was paid back to the General Fund during fiscal year 2011.

21) Affiliated Organizations and Joint Powers Agreements

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

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, 2011. Requests for copies of financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

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. 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, 2011. Request for copies of financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

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; three each appointed by the City of Las Cruces, Dona Ana County and Town of Mesilla, respectively. 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.

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.

The repayment of the bonds is secured by a pledge of the Authority's net revenues from operation of the facility. If the net revenues are not enough to satisfy the debt service requirements, 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 are pledged.

SCSWA is governed by a board comprised of six working members and two ex-officio members. Three of the members are appointed from the City Council by the Mayor and three members are appointed from the County Commission by the Chairman. The two ex-officio members are the City Manager and the County Manager or their designees.

The City serves as the fiscal agent for the Authority for the term of the agreement. The fiscal agent is compensated for services rendered to the Authority in the amount of $83,360 per year base rate of which $13,223 pertains to audit fees. The base rate increases each year by the Consumer Price Index.

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 2011, the City of Las Cruces and Dona Ana County paid approximately $2.4 million and $559,601, respectively, to SCSWA for solid waste services provided.

Rio Grande Natural Gas Association

The Rio Grande Natural Gas Association (the "Association") is a nonprofit corporation formed in 1969 in accordance with the provisions of Sections 3-28-1 through 3-28-22 of New Mexico State Statutes, and organized as a nonprofit corporation that provides inter-community natural gas and services to residents of Las Cruces, Hatch, and Dona Ana County.

Prior to 2010, the Association was jointly owned by the City of Las Cruces and the Village of Hatch, New Mexico. During June and July 2010, the owners agreed to change the Association. The Village of Hatch Commissioners on June 22, 2010, and the Las Cruces City Council on July 6, 2010, mutually agreed to the reorganization of the Association. Each government approved a resolution for reorganization. On July 27, 2010, the Rio Grande Board approved a similar resolution for reorganization.

The reorganization called for a division of the customers and the gas distribution system. According to the approved plan, the City of Las Cruces acquired the customers and gas distribution system that were within the city limits. The distributed system transferred to the City was $7.0 million, less accumulated depreciation of $2.8 million, resulting in a net increase in Gas capital assets of $4.1 million. The Village of Hatch retained all other customers and infrastructure within Dona Ana County, valued at $9.9 million, net of accumulated depreciation. The City continued as a statutory member of the Association, but without the rights of ownership in the restructured organization.

During fiscal year 2011, the City served as fiscal agent for the Association, and handled the day-to-day operations of the Association. The City accounted for the Association in an agency fund. The Association reimbursed the City for all expenditures incurred for the operation of the Association, plus an administrative fee for serving as fiscal agent. The Association paid the City $1,795,438 in 2011 and $3,055,886 in 2010. Additionally, the Association had gas sales of $377,092 and $492,385 to the Village of Hatch during the years ended June 30, 2011 and 2010, respectively.

The City of Las Cruces ceased to serve as the fiscal agent for RGNGA on June 30, 2011. The Village of Hatch became the fiscal agent for the Association effective July 1, 2011.

Requests for copies of the financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

Animal Service Center of the Mesilla Valley

Animal Service Center of the Mesilla Valley was formed though a joint powers agreement (JPA) between the City of Las Cruces and Dona Ana County. The JPA provides for a governing board for the Authority. The ASCMV is governed by a Board that consists of six members and two ex-officio members. Three members are appointed from the City Council by the Mayor with the advice and consent of the City Council. Three members are appointed from the County Commission by the Chair with the advice and consent of the County Commission. The two ex-officio members are the City Manager and the County Manager, or their designees.

It is the mission of the center to provide safe shelter for all lost, mistreated, and abandoned animals of the Mesilla Valley and surrounding communities. The operations of the Authority began in February 2009. ASCMV receives funding from members of the joint powers agreement. During fiscal year 2011, ASCMV received $605,513 from the City of Las Cruces and $848,365 from Dona Ana County.

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, 2011. Request for copies of financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

22) Subsequent Events

Gas Tax Loan–Refinancing

The City's 2000 Gasoline Tax Improvement Revenue Bonds with a remaining principal balance of slightly more than $2 million became eligible for early redemption on June 1, 2011. The City's financial advisor, in discussions with the New Mexico Finance Authority (NMFA), determined that the City could realize net interest savings of approximately $180,000 by refinancing the remaining balance of the 2000 bonds. Accordingly, the City Council approved the submission of an application to the NMFA to borrow an amount necessary to fully refund the 2000 bonds. The interest rate on the new NMFA loan will average approximately 1% over the five year repayment period, compared to a remaining average interest rate of more than 5% on the existing bonded indebtedness. The new debt ordinance was scheduled for a first reading on August 15, 2011. City Council approved the debt ordinance on September 6, 2011. The transaction closed on October 14, 2011.

Public Housing Authority

In order to improve efficiencies and to reduce administrative costs, the City and the County have determined that a merger between the two housing authorities is in the best interest of both parties. A merged housing authority is authorized under NMSA, 1978,3-45-1 et. seq. An Intergovernmental Agreement between the City Council and the County Commission was presented for consideration and adoption by the respective governing bodies in October 2011. The City Council approved resolution 12-071 on October 17 approving the agreement. The County also approved the agreement in October 2011. The fully executed intergovernmental agreement establishes the Mesilla Valley Public Housing Authority (MVPHA). The MVPHA and its Board of Commissioners are independent of the City and County, and have all powers afforded to them under state statute. The MVPHA will issue separate financial statements. Effective January 1, 2012, the Public Housing Authority of the City merge into the MVPHA and will no longer be presented as a discretely presented component unit in the City's financial statements.

City of Las Cruces

Combining Balance Sheet—Nonmajor Governmental Funds

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Debt Service	Court Awarded Funds	MPO Urban Transportation
Assets			
Cash and investments	$ -	$ 213,927	$ -
Restricted cash and investments	7,079,695	-	-
Receivables, net	10,094	-	-
Due from other governmental units	-	-	185,305
Total assets	$ 7,089,789	$ 213,927	$ 185,305
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ -	$ -	$ 2,179
Due to other funds	-	-	174,167
Accrued liabilities	-	-	8,959
Deferred revenue	-	-	-
Total liabilities	-	-	185,305
Fund balances			
Restricted for			
Public safety programs	-	213,927	-
Debt service	7,089,789	-	-
Public works	-	-	-
Facilities	-	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	7,089,789	213,927	-
Total liabilities and fund balances	$ 7,089,789	$ 213,927	$ 185,305

Special Revenue Fund				
Fire	Police Protection	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program
$ 571,924	$ 43,865	$ 8,411	$ 105,243	$ 352,627
-	-	-	-	-
-	4,860	-	-	142,350
-	377,617	-	-	-
$ 571,924	$ 426,342	$ 8,411	$ 105,243	$ 494,977
$ 48,383	$ 21,018	$ -	$ -	$ 170,431
-	105,060	-	-	-
-	3,880	-	-	295
365,021	87,060	87	-	-
413,404	217,018	87	-	170,726
158,520	209,324	8,324	105,243	324,251
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
158,520	209,324	8,324	105,243	324,251
$ 571,924	$ 426,342	$ 8,411	$ 105,243	$ 494,977

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Court Automation	Prisoner Care	Juvenile Recreation
Assets			
Cash and investments	$ 466,491	$ 1,775,326	$ 93,079
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	-
Total assets	$ 466,491	$ 1,775,326	$ 93,079
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ 9,948	$ 374,461	$ 2,009
Due to other funds	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	9,948	374,461	2,009
Fund balances			
Restricted for			
Public safety programs	456,543	1,400,865	91,070
Debt service	-	-	-
Public works	-	-	-
Facilities	-	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	456,543	1,400,865	91,070
Total liabilities and fund balances	$ 466,491	$ 1,775,326	$ 93,079

continued

Special Revenue Fund				
Lodgers' Tax and LCCVB	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease
$ 2,380,487	$ 544	$ -	$ 157,103	$ 41,084
-	-	-	-	-
82,285	-	-	-	-
169,452	-	-	259,219	-
$ 2,632,224	$ 544	$ -	$ 416,322	$ 41,084
$ 115,472	$ 727	$ 3,797	$ 157,103	$ 10,897
-	-	1,375	-	-
18,947	-	-	-	-
-	-	-	-	-
134,419	727	5,172	157,103	10,897
-	(183)	(5,172)	-	-
-	-	-	259,219	-
-	-	-	-	-
2,497,805	-	-	-	-
-	-	-	-	30,187
-	-	-	-	-
-	-	-	-	-
2,497,805	(183)	(5,172)	259,219	30,187
$ 2,632,224	$ 544	$ -	$ 416,322	$ 41,084

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Legislative Equipment Grants	Gasoline Tax Street Maintenance Fund	Public Safety Gross Receipts Tax
Assets			
Cash and investments	$ -	$ 3,851	$ -
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	79,736	263,263	533,652
Total assets	$ 79,736	$ 267,114	$ 533,652
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ -	$ 6,558	$ -
Due to other funds	79,736	-	-
Accrued liabilities	-	12,741	-
Deferred revenue	-	-	-
Total liabilities	79,736	19,299	-
Fund balances			
Restricted for			
Public safety programs	-	-	533,652
Debt service	-	-	-
Public works	-	247,815	-
Facilities	-	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	-	247,815	533,652
Total liabilities and fund balances	$ 79,736	$ 267,114	$ 533,652

continued

Special Revenue Fund				
Keep Las Cruces Beautiful	Older Americans Act Programs	Cash in Lieu of Commodities	RSVP	State Library Resources Grant
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
14,108	132,165	14,824	17,130	14,812
$ 14,108	$ 132,165	$ 14,824	$ 17,130	$ 14,812
$ 1,819	$ 2,662	$ -	$ -	$ -
7,039	115,062	14,824	16,977	14,812
-	14,441	-	153	-
5,250	-	-	-	-
14,108	132,165	14,824	17,130	14,812
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 14,108	$ 132,165	$ 14,824	$ 17,130	$ 14,812

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Street Maintenance Operations	Flood Control Operations	Special Assessments/ Northrise Morningstar
Assets			
Cash and investments	$ 390,275	$ 114,373	$ 99,188
Restricted cash and investments	-	-	-
Receivables, net	-	-	997,626
Due from other governmental units	-	-	1,772,066
Total assets	$ 390,275	$ 114,373	$ 2,868,880
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ 19,018	$ 38,833	$ -
Due to other funds	-	-	-
Accrued liabilities	5,499	10,436	-
Deferred revenue	-	-	2,769,692
Total liabilities	24,517	49,269	2,769,692
Fund balances			
Restricted for			
Public safety programs	-	-	-
Debt service	-	-	99,188
Public works	365,758	65,104	-
Facilities	-	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	365,758	65,104	99,188
Total liabilities and fund balances	$ 390,275	$ 114,373	$ 2,868,880

continued

Special Revenue Fund				
Downtown Revitalization	State Operating Grants	Valley View Heske Garden	Griggs Walnut Plume	TIDD Dedicated Revenues
$ 43,225	$ 42,404	$ 160,296	$ 279,838	$ 1,294,532
-	-	-	-	-
500	614	-	-	-
-	3,489	-	-	522,431
$ 43,725	$ 46,507	$ 160,296	$ 279,838	$ 1,816,963
$ -	$ 840	$ -	$ 1,229	$ -
-	-	-	-	-
-	663	669	-	-
-	31,404	-	-	-
-	32,907	669	1,229	-
-	-	-	-	-
-	-	-	-	-
43,725	13,600	-	278,609	1,816,963
-	-	159,627	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
43,725	13,600	159,627	278,609	1,816,963
$ 43,725	$ 46,507	$ 160,296	$ 279,838	$ 1,816,963

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Special Revenue Fund		
	Las Cruces Convention Center	Federal Stimulus Operating	HUD Facilities Projects
Assets			
Cash and investments	$ 32,138	$ -	$ 2,098
Restricted cash and investments	-	-	1,832,437
Receivables, net	114,266	-	-
Due from other governmental units	-	15,799	-
Total assets	$ 146,404	$ 15,799	$ 1,834,535
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ -	$ -	$ 7,273
Due to other funds	-	15,799	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	15,799	7,273
Fund balances			
Restricted for			
Public safety programs	-	-	-
Debt service	146,404	-	-
Public works	-	-	-
Facilities	-	-	1,827,262
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	146,404	-	1,827,262
Total liabilities and fund balances	$ 146,404	$ 15,799	$ 1,834,535

continued

Capital Projects Fund				
Public Parks Development	Street Improvement	Airport Improvement	Sales Tax-Street Maintenance	Flood Control
$ 1,631,875	$ 1,945,103	$ 1,180,476	$ 4,945,316	$ 3,401,994
-	-	-	-	-
-	1,050,644	-	26,358	73,199
173,954	227,256	-	1,036,926	77,177
$ 1,805,829	$ 3,223,003	$ 1,180,476	$ 6,008,600	$ 3,552,370
$ 25,815	$ 245	$ -	$ 210,068	$ 79,734
173,954	147,723	-	-	-
-	-	-	10,000	-
-	1,060,512	431,976	45,618	-
199,769	1,208,480	431,976	265,686	79,734
-	-	-	-	-
-	-	-	-	-
-	569,402	-	5,742,914	3,472,636
1,606,060	-	748,500	-	-
-	-	-	-	-
-	1,445,121	-	-	-
-	-	-	-	-
1,606,060	2,014,523	748,500	5,742,914	3,472,636
$ 1,805,829	$ 3,223,003	$ 1,180,476	$ 6,008,600	$ 3,552,370

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Capital Improvement Reserve	Legislative Capital Improvements	State Capital Improvements
Assets			
Cash and investments	$ 3,423,312	$ -	$ -
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	9,607	1,525,101
Total assets	$ 3,423,312	$ 9,607	$ 1,525,101
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ 14,299	$ -	$ 210,147
Due to other funds	-	9,607	1,314,954
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	14,299	9,607	1,525,101
Fund balances			
Restricted for			
Public safety programs	-	-	-
Debt service	-	-	-
Public works	-	-	-
Facilities	-	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	3,409,013	-	-
Total fund balances	3,409,013	-	-
Total liabilities and fund balances	$ 3,423,312	$ 9,607	$ 1,525,101

continued

Capital Projects Fund				
EDA West Mesa Industrial Park Fund	2003 Sales Tax Facilities and Parks	State Equipment Acquisition	2003 Sales Tax Street Lights	2005 Gross Receipts Tax Public Improvements
$ 330,259	$ 138,528	$ -	$ 69,112	$ 582,490
-	-	187,836	-	-
6,450	-	-	-	-
-	-	-	-	-
$ 336,709	$ 138,528	$ 187,836	$ 69,112	$ 582,490
$ -	$ 5,439	$ -	$ -	$ -
-	-	173,070	-	-
-	-	-	-	-
-	-	-	-	-
-	5,439	173,070	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	69,112	582,490
-	133,089	14,766	-	-
-	-	-	-	-
-	-	-	-	-
336,709	-	-	-	-
336,709	133,089	14,766	69,112	582,490
$ 336,709	$ 138,528	$ 187,836	$ 69,112	$ 582,490

City of Las Cruces
Combining Balance Sheet—*Nonmajor Governmental Funds*
June 30, 2011

	Las Cruces Convention Center	NMFA Street Improvements	Capital Stimulus Capital Projects
Assets			
Cash and investments	$ 2,243,870	$ 278,273	$ 28,391
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	425,762
Total assets	$ 2,243,870	$ 278,273	$ 454,153
Liabilities and Fund Balance			
Liabilities			
Accounts and contracts payable	$ -	$ 403	$ 35,972
Due to other funds	-	-	418,181
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	403	454,153
Fund balances			
Restricted for			
Public safety programs	-	-	-
Debt service	-	-	-
Public works	-	277,870	-
Facilities	2,243,870	-	-
Committed for			
Health related programs	-	-	-
Public works	-	-	-
Facilities	-	-	-
Total fund balances	2,243,870	277,870	-
Total liabilities and fund balances	$ 2,243,870	$ 278,273	$ 454,153

continued

Projects Fund			
NMFA Parking Deck	TIDD Street Projects	2008 NMFA Griggs/Walnut/ Plume	Total
$ 135,525	$ 184,348	$ -	$ 29,191,201
-	-	-	9,099,968
-	-	-	2,509,246
-	-	-	7,850,851
$ 135,525	$ 184,348	$ -	$ 48,651,266
$ -	$ 110,238	$ -	$ 1,687,017
-	-	-	2,782,340
-	-	-	86,683
-	-	-	4,796,620
-	110,238	-	9,352,660
-	-	-	3,496,364
-	-	-	7,594,600
-	74,110	-	13,620,108
135,525	-	-	9,366,504
-	-	-	30,187
-	-	-	1,445,121
-	-	-	3,745,722
135,525	74,110	-	39,298,606
$ 135,525	$ 184,348	$ -	$ 48,651,266

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, 2011

	Debt Service	Court Awarded Funds	MPO Urban Transportation
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Fees and fines	-	5,963	-
Investment income (loss)	173,273	(397)	-
Licenses and permits	-	-	-
Intergovernmental	-	-	319,554
Other	839,766	-	-
Total revenues	1,013,039	5,566	319,554
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	122,323	-
Fire	-	-	-
Community development	-	-	319,554
Public services	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	48,897,966	-	-
Interest and other charges	4,140,996	-	-
Total expenditures	53,038,962	122,323	319,554
Revenues over (under) expenditures	(52,025,923)	(116,757)	-
Other Financing Sources (Uses)			
Issuance of debt	40,162,869	-	-
Sale of capital assets	-	-	-
Transfers in	14,458,035	-	-
Transfers out	(2,736,034)	-	-
Total other financing sources (uses)	51,884,870	-	-
Net change in fund balances	(141,053)	(116,757)	-
Fund balances, beginning of year	7,230,842	330,684	-
Fund balances, end of year	$ 7,089,789	$ 213,927	$ -

Special Revenue Fund				
Fire	Police Protection	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	43,272	1,074,735
(139)	(1,075)	(238)	341	883
-	-	-	-	-
288,372	1,129,783	19,913	-	-
-	290,084	-	-	-
288,233	1,418,792	19,675	43,613	1,075,618
-	-	-	-	-
-	-	-	-	-
-	1,292,298	-	12,196	818,744
280,740	-	19,913	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,632	30,147	-	3,407	147,517
-	-	-	-	-
-	-	-	-	-
288,372	1,322,445	19,913	15,603	966,261
(139)	96,347	(238)	28,010	109,357
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(10,000)	-	-	-
-	(10,000)	-	-	-
(139)	86,347	(238)	28,010	109,357
158,659	122,977	8,562	77,233	214,894
$ 158,520	$ 209,324	$ 8,324	$ 105,243	$ 324,251

City of Las Cruces

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

For the Year Ended June 30, 2011

	Court Automation	Prisoner Care	Juvenile Recreation
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	13,826
Fees and fines	151,995	200,243	2,200
Investment income (loss)	(9,964)	(2,400)	354
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	355	-	-
Total revenues	142,386	197,843	16,380
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	-
Police	133,365	1,609,163	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	38,942
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	133,365	1,609,163	38,942
Revenues over (under) expenditures	9,021	(1,411,320)	(22,562)
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	2,000,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	2,000,000	-
Net change in fund balances	9,021	588,680	(22,562)
Fund balances, beginning of year	447,522	812,185	113,632
Fund balances, end of year	$ 456,543	$ 1,400,865	$ 91,070

Special Revenue Fund				
Lodgers' Tax and LCCVB	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Health Care Services From MMC Lease
$ -	$ -	$ -	$ 2,486,097	$ -
-	-	-	-	-
1,842,260	-	-	-	-
-	-	-	-	-
-	7,881	40,262	-	-
2,489	-	-	-	240
-	-	-	-	-
14,300	-	-	-	-
5,085	-	-	-	-
1,864,134	7,881	40,262	2,486,097	240
-	-	-	871,969	288,883
-	-	-	-	-
-	8,064	40,359	-	-
-	-	-	-	-
-	-	-	-	-
1,671,518	-	-	-	-
-	-	-	-	-
488,270	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,159,788	8,064	40,359	871,969	288,883
(295,654)	(183)	(97)	1,614,128	(288,643)
-	-	-	-	-
-	-	-	-	-
2,395,041	-	-	-	300,000
(2,679,126)	(61,118)	-	(1,932,091)	-
(284,085)	(61,118)	-	(1,932,091)	300,000
(579,739)	(61,301)	(97)	(317,963)	11,357
3,077,544	61,118	(5,075)	577,182	18,830
$ 2,497,805	$ (183)	$ (5,172)	$ 259,219	$ 30,187

City of Las Cruces

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

For the Year Ended June 30, 2011

	Legislative Equipment Grants	Gasoline Tax Street Maintenance Fund	Public Safety Gross Receipts Tax
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ 3,191,757
Property	-	-	-
Lodgers	-	-	-
State-shared	-	1,537,530	-
Fees and fines	-	-	-
Investment income (loss)	-	(2,697)	-
Licenses and permits	-	-	-
Intergovernmental	268,875	-	-
Other	-	-	-
Total revenues	268,875	1,534,833	3,191,757
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	2,158,353
Fire	-	-	1,062,992
Community development	4,701	-	-
Public services	-	-	-
Public works	-	629,648	-
Capital outlay	264,174	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	268,875	629,648	3,221,345
Revenues over (under) expenditures	-	905,185	(29,588)
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	(1,019,828)	-
Total other financing sources (uses)	-	(1,019,828)	-
Net change in fund balances	-	(114,643)	(29,588)
Fund balances, beginning of year	-	362,458	563,240
Fund balances, end of year	$ -	$ 247,815	$ 533,652

continued

Special Revenue Fund				
Keep Las Cruces Beautiful	Older Americans Act Programs	Cash in Lieu of Commodities	RSVP	State Library Resources Grant
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,224	548,459	129,386	62,964	57,644
-	209,024	-	-	-
31,224	757,483	129,386	62,964	57,644
-	-	-	-	-
-	-	-	-	-
31,224	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	683,598	129,386	62,964	57,644
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,224	683,598	129,386	62,964	57,644
-	73,885	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(73,885)	-	-	-
-	(73,885)	-	-	-
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

City of Las Cruces

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

For the Year Ended June 30, 2011

	Street Maintenance Operations	Flood Control Operations	Special Assessments/ Northrise Morningstar
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Fees and fines	-	-	-
Investment income (loss)	1,249	(2,596)	223
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
Total revenues	1,249	(2,596)	223
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	323,786	518,712	-
Capital outlay	-	194,923	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	323,786	713,635	-
Revenues over (under) expenditures	(322,537)	(716,231)	223
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	558,851	615,000	-
Transfers out	-	-	-
Total other financing sources (uses)	558,851	615,000	-
Net change in fund balances	236,314	(101,231)	223
Fund balances, beginning of year	129,444	166,335	98,965
Fund balances, end of year	$ 365,758	$ 65,104	$ 99,188

continued

Special Revenue Fund				
Downtown Revitalization	State Operating Grants	Valley View Heske Garden	Griggs and Walnut Plume	TIDD Dedicated Revenues
$ -	$ -	$ -	$ -	$ 1,985,823
-	-	-	-	-
-	-	-	-	-
-	-	-	-	401,376
-	-	-	-	-
1,419	-	93	2,116	1,791
-	-	-	-	-
-	108,305	-	-	-
2,550	6,877	-	209,037	-
3,969	115,182	93	211,153	2,388,990
-	-	-	233,151	12,321
100,000	-	19,847	-	-
-	614	-	-	-
-	2,095	-	-	-
-	11,552	-	-	-
-	135,924	-	-	-
-	-	-	-	-
197,556	-	-	133,754	-
-	-	-	-	-
-	-	-	-	-
297,556	150,185	19,847	366,905	12,321
(293,587)	(35,003)	(19,754)	(155,752)	2,376,669
-	-	-	-	-
-	-	-	-	-
80,000	-	-	375,724	-
-	-	-	-	(300,643)
80,000	-	-	375,724	(300,643)
(213,587)	(35,003)	(19,754)	219,972	2,076,026
257,312	48,603	179,381	58,637	(259,063)
$ 43,725	$ 13,600	$ 159,627	$ 278,609	$ 1,816,963

City of Las Cruces

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

For the Year Ended June 30, 2011

	Special Revenue Fund		
	Las Cruces Convention Center	Federal Stimulus Operating	HUD Facilities Projects
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Fees and fines	-	-	-
Investment income (loss)	(117)	-	239
Licenses and permits	-	-	-
Intergovernmental	-	101,789	-
Other	1,348,593	-	-
Total revenues	1,348,476	101,789	239
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	-
Police	-	85,990	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	-	15,799	162,067
Debt service			
Principal	-	-	-
Interest and other charges	-	-	10,910
Total expenditures	-	101,789	172,977
Revenues over (under) expenditures	1,348,476	-	(172,738)
Other Financing Sources (Uses)			
Issuance of debt	-	-	2,000,000
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(1,202,072)	-	-
Total other financing sources (uses)	(1,202,072)	-	2,000,000
Net change in fund balances	146,404	-	1,827,262
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ 146,404	$ -	$ 1,827,262

continued

Capital Projects Fund				
Public Parks Development	Street Improvement	Airport Improvement	Sales Tax-Street Maintenance	Flood Control
$ -	$ -	$ -	$ 6,385,322	$ -
-	-	-	-	3,905,051
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,494	14,595	15,415	9,265	8,756
356,435	-	-	-	-
1,326,347	217,555	1,104,279	-	-
-	89,528	-	1,094,961	123,727
1,688,276	321,678	1,119,694	7,489,548	4,037,534
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,274	-	182,827	38,957
1,447,303	1,165,887	1,109,157	3,325,807	1,174,359
-	-	-	-	-
-	-	-	44,542	4,781
1,447,303	1,172,161	1,109,157	3,553,176	1,218,097
240,973	(850,483)	10,537	3,936,372	2,819,437
-	-	-	3,132,811	30,000
-	470,950	-	-	-
-	800,000	-	-	-
-	-	-	(4,402,572)	(3,837,548)
-	1,270,950	-	(1,269,761)	(3,807,548)
240,973	420,467	10,537	2,666,611	(988,111)
1,365,087	1,594,056	737,963	3,076,303	4,460,747
$ 1,606,060	$ 2,014,523	$ 748,500	$ 5,742,914	$ 3,472,636

City of Las Cruces

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

For the Year Ended June 30, 2011

	Capital Improvement Reserve	Legislative Capital Improvements	State Capital Improvements
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Fees and fines	-	-	-
Investment income (loss)	21,036	-	-
Licenses and permits	-	-	-
Intergovernmental	-	9,195	1,784,379
Other	1,876	-	-
Total revenues	22,912	9,195	1,784,379
Expenditures			
Current			
General government	-	-	-
Facilities	33,956	-	11,324
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	936,172	9,195	1,773,055
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	970,128	9,195	1,784,379
Revenues over (under) expenditures	(947,216)	-	-
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	1,652,205	-	-
Transfers out	-	-	-
Total other financing sources (uses)	1,652,205	-	-
Net change in fund balances	704,989	-	-
Fund balances, beginning of year	2,704,024	-	-
Fund balances, end of year	$ 3,409,013	$ -	$ -

continued

Capital Projects Fund				
EDA West Mesa Industrial Park Fund	2003 Sales Tax Facilities and Parks	State Equipment Acquisition	2003 Sales Tax Street Lights	2005 Gross Receipts Tax Public Improvements
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
885	(324)	147	155	2,634
-	-	-	-	-
-	-	-	-	-
16,324	-	-	-	-
17,209	(324)	147	155	2,634
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
34,751	-	-	-	-
-	-	889,684	-	13,491
-	-	-	-	-
-	5,438	35,349	-	-
34,751	5,438	925,033	-	13,491
(17,542)	(5,762)	(924,886)	155	(10,857)
-	110,000	938,875	-	-
104,814	-	-	-	-
-	-	-	-	-
-	-	-	-	-
104,814	110,000	938,875	-	-
87,272	104,238	13,989	155	(10,857)
249,437	28,851	777	68,957	593,347
$ 336,709	$ 133,089	$ 14,766	$ 69,112	$ 582,490

City of Las Cruces

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

For the Year Ended June 30, 2011

	Las Cruces Convention Center	NMFA Street Improvements	Capital Stimulus Capital Projects
Revenues			
Taxes			
Gross receipts	$ -	$ -	$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Fees and fines	-	-	-
Investment income (loss)	(19,864)	(12,620)	-
Licenses and permits	-	-	-
Intergovernmental	-	-	1,526,002
Other	-	-	-
Total revenues	(19,864)	(12,620)	1,526,002
Expenditures			
Current			
General government	-	-	-
Facilities	-	-	1,350
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Public services	-	-	-
Public works	-	-	-
Capital outlay	6,599,019	533,076	1,524,652
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	6,599,019	533,076	1,526,002
Revenues over (under) expenditures	(6,618,883)	(545,696)	-
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	(6,618,883)	(545,696)	-
Fund balances, beginning of year	8,862,753	823,566	-
Fund balances, end of year	$ 2,243,870	$ 277,870	$ -

continued

Projects Fund			
NMFA Parking Deck	TIDD Street Projects	2008 NMFA Griggs/Walnut/ Plume	Total
$ -	$ -	$ -	$ 14,048,999
-	-	-	3,905,051
-	-	-	1,842,260
-	-	-	1,952,732
-	-	-	1,526,551
1,677	5,847	-	218,185
-	-	-	356,435
-	-	-	9,048,325
-	-	-	4,237,787
1,677	5,847	-	37,136,325
-	-	-	1,406,324
-	-	-	166,477
-	-	-	6,312,693
-	-	-	1,365,740
-	-	-	335,807
-	-	-	2,779,976
-	-	-	1,734,955
200,000	1,232,493	23,438	23,602,034
-	-	-	48,897,966
-	-	2,113	4,244,129
200,000	1,232,493	25,551	90,846,101
(198,323)	(1,226,646)	(25,551)	(53,709,776)
-	-	25,551	46,400,106
-	-	-	575,764
-	300,643	-	23,535,499
-	-	-	(18,254,917)
-	300,643	25,551	52,256,452
(198,323)	(926,003)	-	(1,453,324)
333,848	1,000,113	-	40,751,930
$ 135,525	$ 74,110	$ -	$ 39,298,606

City of Las Cruces

Nonmajor Enterprise Funds

City of Las Cruces

Combining Statement of Net Assets—*Nonmajor Enterprise Funds*

June 30, 2011

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
Assets				
Current assets				
Pooled cash and investments	$ 926,858	$ -	$ 58,477	$ 985,335
Accounts receivable, net of allowance for uncollectible accounts	8,636	-	-	8,636
Due from other governments	184,113	-	-	184,113
Total current assets	1,119,607	-	58,477	1,178,084
Capital assets	7,547,704	397,106	120,861	8,065,671
Less: accumulated depreciation	(3,603,012)	(251,942)	(113,793)	(3,968,747)
Net capital assets	3,944,692	145,164	7,068	4,096,924
Total noncurrent assets	3,944,692	145,164	7,068	4,096,924
Total assets	5,064,299	145,164	65,545	5,275,008
Liabilities				
Current liabilities				
Accounts and contracts payable	18,626	-	3,956	22,582
Accrued liabilities	80,242	-	-	80,242
Current portion of noncurrent liabilities	21,626	-	-	21,626
Total current liabilities	120,494	-	3,956	124,450
Noncurrent liabilities				
Compensated absences	86,502	-	-	86,502
Total noncurrent liabilities	86,502	-	-	86,502
Total liabilities	206,996	-	3,956	210,952
Net Assets				
Invested in capital assets, net of related debt	3,944,692	145,164	7,068	4,096,924
Unrestricted	912,611	-	54,521	967,132
Total net assets	$ 4,857,303	$ 145,164	$ 61,589	$ 5,064,056

City of Las Cruces

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

For the Year Ended June 30, 2011

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
Operating Revenues				
Sales/charges	$ 620,213	$ -	$ -	$ 620,213
Other	19,572	-	-	19,572
Total operating revenues	639,785	-	-	639,785
Operating Expenses				
Personnel services	2,554,842	-	-	2,554,842
Supplies	66,704	-	-	66,704
Utilities	26,511	-	9,802	36,313
Professional services	113,715	-	30,000	143,715
Motor pool charges	527,430	-	-	527,430
Motor fuel	269,549	-	-	269,549
Repairs and maintenance	106,528	-	-	106,528
Depreciation and amortization	547,525	28,981	1,414	577,920
Insurance	39,941	-	-	39,941
Other	771	-	-	771
Total operating expenses	4,253,516	28,981	41,216	4,323,713
Operating income (loss)	(3,613,731)	(28,981)	(41,216)	(3,683,928)
Nonoperating Revenues (Expenses)				
Grants and contributions	1,671,970	-	-	1,671,970
Total nonoperating revenue (expenses)	1,671,970	-	-	1,671,970
Income (loss) before transfers	(1,941,761)	(28,981)	(41,216)	(2,011,958)
Transfers in	1,783,257	-	54,400	1,837,657
Increase in fund net assets	(158,504)	(28,981)	13,184	(174,301)
Net assets, beginning of year	5,015,807	174,145	48,405	5,238,357
Total net assets, end of year	$ 4,857,303	$ 145,164	$ 61,589	$ 5,064,056

City of Las Cruces
Combining Statement of Cash Flows—*Nonmajor Enterprise Funds*
For the Year Ended June 30, 2011

	Transit	Alternative Fuel Station	Clean Community Commission	Totals
Cash flows from operating activities				
Cash received from customers	$ 615,569	$ -	$ -	$ 615,569
Cash paid to suppliers	(1,140,757)	-	(39,135)	(1,179,892)
Cash paid to employees	(2,549,706)	-	-	(2,549,706)
Other receipts	19,572	-	-	19,572
Net cash used by operating activities	(3,055,322)	-	(39,135)	(3,094,457)
Cash flows from noncapital financing activities				
Grants and contributions	2,313,957	-	-	2,313,957
Transfers in	1,783,257	-	54,400	1,837,657
Transfers out	-	-	-	-
Net cash provided by noncapital financing activities	4,097,214	-	54,400	4,151,614
Cash flows from capital financing activities				
Purchase of capital assets	(401,793)	-	-	(401,793)
Grants and contributions	11,555	-	-	11,555
Net cash used by capital financing activities	(390,238)	-	-	(390,238)
Cash flows from investing activities				
Net increase (decrease) in pooled cash and investments	651,654	-	15,265	666,919
Pooled cash and investments, beginning of year	275,204	-	43,212	318,416
Pooled cash and investments, end of year	$ 926,858	$ -	$ 58,477	$ 985,335
Reconciliation of operating loss to net cash used by operating activities				
Operating loss	$ (3,613,731)	$ (28,981)	$ (41,216)	$ (3,683,928)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation and amortization	547,525	28,981	1,414	577,920
Change in assets and liabilities				
Accounts receivable	(4,644)	-	-	(4,644)
Accounts and contracts payable	10,393	-	667	11,060
Wages payable and accrued liabilities	5,135	-	-	5,135
Total adjustments	558,409	28,981	2,081	589,471
Net cash used by operating activities	$ (3,055,322)	$ -	$ (39,135)	$ (3,094,457)

Internal Service Funds

City of Las Cruces

Combining Statement of Net Assets—*Internal Service Funds*

June 30, 2011

	Internal Services	Self Insurance	Totals
Assets			
Current assets			
Pooled cash and investments	$ 385,026	$ 14,318,296	$ 14,703,322
Accounts receivable, net of allowance for uncollectible accounts	-	10,162	10,162
Due from other governments	130,591	-	130,591
Inventories	386,251	-	386,251
Total current assets	901,868	14,328,458	15,230,326
Capital assets	2,684,918	40,110	2,725,028
Less accumulated depreciation	(2,437,665)	(39,649)	(2,477,314)
Capital assets, net	247,253	461	247,714
Total assets	1,149,121	14,328,919	15,478,040
Liabilities			
Current liabilities			
Accounts and contracts payable	158,801	215,621	374,422
Accrued liabilities	48,085	5,410	53,495
Current portion of noncurrent liabilities	17,645	2,201,202	2,218,847
Total current liabilities	224,531	2,422,233	2,646,764
Noncurrent liabilities			
Compensated absences	70,581	5,959	76,540
Estimated liability for insurance claims	-	5,649,344	5,649,344
Total noncurrent liabilities	70,581	5,655,303	5,725,884
Total liabilities	295,112	8,077,536	8,372,648
Net Assets			
Invested in capital assets, net of related debt	247,253	461	247,714
Unrestricted	606,756	6,250,922	6,857,678
Total net assets	$ 854,009	$ 6,251,383	$ 7,105,392

City of Las Cruces

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets—*Internal Service Funds*

For the Year Ended June 30, 2011

	Internal Services	Self Insurance	Totals
Operating Revenues			
Motor pool charges	$ 6,744,924	$ -	$ 6,744,924
Rental charges and other	128,346	1,003,094	1,131,440
Charges for insurance	-	2,508,930	2,508,930
Total operating revenues	6,873,270	3,512,024	10,385,294
Cost of services	2,484,821	-	2,484,821
Gross margin	4,388,449	3,512,024	7,900,473
Operating Expenses			
Personnel services	1,486,199	179,311	1,665,510
Supplies	2,314,453	2,577	2,317,030
Utilities	64,005	-	64,005
Professional services	103,737	436,761	540,498
Motor pool charges	28,216	-	28,216
Repairs and maintenance	134,322	-	134,322
Rent	211,405	-	211,405
Depreciation	87,193	483	87,676
Claims and judgments	-	3,391,869	3,391,869
Insurance	60,986	-	60,986
Other	25,493	2,665	28,158
Total operating expenses	4,516,009	4,013,666	8,529,675
Operating loss	(127,560)	(501,642)	(629,202)
Nonoperating Revenues (Expenses)			
Contribution of capital assets	(890,921)	-	(890,921)
Investment income	21,573	50,416	71,989
Total nonoperating revenue (expenses)	(869,348)	50,416	(818,932)
Loss before transfers	(996,908)	(451,226)	(1,448,134)
Transfers in	-	1,990,973	1,990,973
Transfers out	(236,139)	-	(236,139)
Increase (decrease) in fund net assets	(1,233,047)	1,539,747	306,700
Net assets, beginning of year	2,087,056	4,711,636	6,798,692
Net assets, end of year	$ 854,009	$ 6,251,383	$ 7,105,392

City of Las Cruces
Combining Statement of Cash Flows—*Internal Service Funds*
For the Year Ended June 30, 2011

	Internal Services	Self Insurance	Totals
Cash flows from operating activities			
Cash received from customers (including other funds)	$ 6,862,820	$ 3,518,835	$ 10,381,655
Cash paid to suppliers	(5,302,064)	(675,549)	(5,977,613)
Cash paid to employees	(1,528,625)	(711)	(1,529,336)
Claims paid	-	(2,903,245)	(2,903,245)
Net cash provided by operating activities	32,131	(60,670)	(28,539)
Cash flows from noncapital financing activities			
Transfers in	-	1,990,973	1,990,973
Transfers out	(236,139)	-	(236,139)
Net cash provided (used) by noncapital financing activities	(236,139)	1,990,973	1,754,834
Cash flows from investing activities			
Interest received	21,573	50,416	71,989
Net cash provided by investing activities	21,573	50,416	71,989
Net increase (decrease) in cash and cash equivalents	(182,435)	1,980,719	1,798,284
Cash and cash equivalents, beginning of year	567,461	12,337,577	12,905,038
Cash and cash equivalents, end of year	$ 385,026	$ 14,318,296	$ 14,703,322
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	$ (127,560)	$ (501,642)	$ (629,202)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	87,193	483	87,676
Capital asset allocation	(12,970)	-	(12,970)
Change in assets and liabilities			
Accounts receivables	2,520	6,811	9,331
Inventories	192,060	-	192,060
Due from governmental agencies	(130,591)	-	(130,591)
Accounts and contracts payable	63,905	(54,235)	9,670
Estimated liability for insurance claims	-	488,624	488,624
Wages payable and accrued liabilities	(42,426)	(711)	(43,137)
Total adjustments	159,691	440,972	600,663
Net cash provided by operating activities	$ 32,131	$ (60,670)	$ (28,539)

Agency Fund

City of Las Cruces
Schedule of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
Mesilla Valley Regional Dispatch Authority				
Assets				
Pooled cash and investments	$ 182,139	$ 2,841,618	$ 2,791,295	$ 232,462
Accounts receivable	24,137	36,897	46,675	14,359
Due from other governments	9,086	1,527,961	1,537,047	-
Total assets	$ 215,362	$ 4,406,476	$ 4,375,017	$ 246,821
Liabilities				
Accounts and contracts payable	$ 32,742	$ 586,219	$ 614,970	$ 3,991
Accrued wages payable	142,376	768,868	770,740	140,504
Funds held for others	40,244	62,471	389	102,326
Total liabilities	$ 215,362	$ 1,417,558	$ 1,386,099	$ 246,821
Metro Narcotics Fund				
Assets				
Pooled cash and investments	$ 1,018,991	$ 1,850,459	$ 1,792,833	$ 1,076,617
Accounts receivable	5,636	128,787	124,408	10,015
Due from other governments	116,997	1,078,770	1,089,659	106,108
Total assets	$ 1,141,624	$ 3,058,016	$ 3,006,900	$ 1,192,740
Liabilities				
Accounts and contracts payable	$ 18,600	$ 1,198,585	$ 1,198,450	$ 18,735
Accrued wages payable	11,178	67,105	68,554	9,729
Funds held for others	1,111,846	74,112	21,682	1,164,276
Total liabilities	$ 1,141,624	$ 1,339,802	$ 1,288,686	$ 1,192,740
Branigan Estate Fund				
Assets				
Pooled cash and investments	$ 2,841,114	$ 212,105	$ 246,711	$ 2,806,508
Total assets	$ 2,841,114	$ 212,105	$ 246,711	$ 2,806,508
Liabilities				
Accounts and contracts payable	$ 409	$ 40,176	$ 40,574	$ 11
Funds held for others	2,840,705	391	34,599	2,806,497
Total liabilities	$ 2,841,114	$ 40,567	$ 75,173	$ 2,806,508

City of Las Cruces
Schedule of Changes in Assets and Liabilities — continued
Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
Gifts and Memorials Fund				
Assets				
Pooled cash and investments	$ 206,974	$ 32,904	$ 39,393	$ 200,485
Accounts receivable	500	500	100	900
Total assets	$ 207,474	$ 33,404	$ 39,493	$ 201,385
Liabilities				
Accounts and contracts payable	$ -	$ 9,136	$ 8,883	$ 253
Funds held for others	207,474	28	6,370	201,132
Total liabilities	$ 207,474	$ 9,164	$ 15,253	$ 201,385
Mesilla Valley Safety Council				
Assets				
Pooled cash and investments	$ 45,901	$ 20,250	$ 66,151	$ -
Due from other governments	-	23,050	13,824	9,226
Total assets	$ 45,901	$ 43,300	$ 79,975	$ 9,226
Liabilities				
Accounts and contracts payable	$ -	$ 26,524	$ 17,298	$ 9,226
Funds held for others	45,901	9,076	54,977	-
Total liabilities	$ 45,901	$ 35,600	$ 72,275	$ 9,226
Employee Benefits Committee				
Assets				
Pooled cash and investments	$ 2,665	$ 15,632	$ 5,866	$ 12,431
Total assets	$ 2,665	$ 15,632	$ 5,866	$ 12,431
Liabilities				
Accounts and contracts payable	$ -	$ 2,893	$ 2,893	$ -
Funds held for others	2,665	9,766	-	12,431
Total liabilities	$ 2,665	$ 12,659	$ 2,893	$ 12,431

City of Las Cruces
Schedule of Changes in Assets and Liabilities — continued
Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
Veteran's Museum				
Assets				
Pooled cash and investments	$ 153	$ 11	$ 11	$ 153
Total assets	$ 153	$ 11	$ 11	$ 153
Liabilities				
Funds held for others	$ 153	$ -	$ -	$ 153
Total liabilities	$ 153	$ -	$ -	$ 153
Veteran's Memorial Wall				
Assets				
Pooled cash and investments	$ 18,791	$ 3,326	$ 3,190	$ 18,927
Total assets	$ 18,791	$ 3,326	$ 3,190	$ 18,927
Liabilities				
Funds held for others	$ 18,791	$ 136	$ -	$ 18,927
Total liabilities	$ 18,791	$ 136	$ -	$ 18,927
RGNGA				
Assets				
Pooled cash and investments	$ 1,332,248	$ 17,339,343	$ 18,663,030	$ 8,561
Total assets	$ 1,332,248	$ 17,339,343	$ 18,663,030	$ 8,561
Liabilities				
Funds held for others	$ 1,332,248	$ 17,339,343	$ 18,663,030	$ 8,561
Total liabilities	$ 1,332,248	$ 17,339,343	$ 18,663,030	$ 8,561

City of Las Cruces
Schedule of Changes in Assets and Liabilities — continued
Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
Animal Services of Mesilla Valley				
Assets				
Pooled cash and investments	$ 467,922	$ 2,183,829	$ 2,120,294	$ 531,457
Accounts receivable	60,157	-	60,157	-
Due from other governments	-	1,028,835	1,028,835	-
Total assets	$ 528,079	$ 3,212,664	$ 3,209,286	$ 531,457
Liabilities				
Accounts and contracts payable	$ 17,063	$ 614,561	$ 620,442	$ 11,182
Accrued wages payable	58,156	399,971	404,969	53,158
Funds held for others	452,860	176,303	162,046	467,117
Total liabilities	$ 528,079	$ 1,190,835	$ 1,187,457	$ 531,457
Total – All Fiduciary Funds				
Assets				
Pooled cash and investments	$ 6,116,898	$ 24,499,477	$ 25,728,774	$ 4,887,601
Accounts receivable	90,430	166,184	231,340	25,274
Due from other governments	126,083	3,658,616	3,669,365	115,334
Total assets	$ 6,333,411	$ 28,324,277	$ 29,629,479	$ 5,028,209
Liabilities				
Accounts and contracts payable	$ 68,814	$ 2,478,094	$ 2,503,510	$ 43,398
Accrued wages payable	211,710	1,235,944	1,244,263	203,391
Funds held for others	6,052,887	17,671,626	18,943,093	4,781,420
Total liabilities	$ 6,333,411	$ 21,385,664	$ 22,690,866	$ 5,028,209

City of Las Cruces

Budgetary Comparison Schedules

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

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

Debt Service Fund

Special Revenue Funds

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

Capital Projects Funds

- HUD Facilities Projects
- 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
- 2003 Sales Tax Facilities and Parks
- State Equipment Acquisition
- 2003 Sales Tax Street Lights
- 2005 Gross Receipts Tax Public Improvements
- Las Cruces Convention Center
- NMFA Street Improvements
- Stimulus Capital Projects
- NMFA Parking Deck
- TIDD Street Projects
- 2008 NMFA Griggs/Walnut/Plume

Debt Service Fund

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

Special Revenue Funds

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

Special Revenue Funds
— continued —

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

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

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

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

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

City of Las Cruces

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

Debt Service Fund

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income (loss)	$ 92,250	$ (215,004)	**$ 173,273**	$ 388,277	$ 235,358
Other	839,766	839,966	**839,766**	(200)	839,566
Total revenues	932,016	624,962	**1,013,039**	388,077	1,074,924
Expenditures					
Debt service					
Principal	8,508,502	48,897,966	**48,897,966**	-	7,554,567
Interest and other charges	4,209,032	3,946,380	**4,140,996**	(194,616)	4,183,455
Total expenditures	12,717,534	52,844,346	**53,038,962**	(194,616)	11,738,022
Revenues over (under) expenditures	(11,785,518)	(52,219,384)	**(52,025,923)**	193,461	(10,663,098)
Other Financing Sources (Uses)					
Issuance of debt	-	39,783,950	**40,162,869**	378,919	-
Transfers in	12,076,872	14,455,553	**14,458,035**	2,482	10,131,010
Transfers out	(84,159)	(2,736,037)	**(2,736,034)**	3	(81,994)
Total other financing sources (uses)	11,992,713	51,503,466	**51,884,870**	381,404	10,049,016
Net change in fund balance	207,195	(715,918)	**(141,053)**	574,865	(614,082)
Fund balance, beginning of year	7,230,842	7,230,842	**7,230,842**	-	7,844,924
Fund balance, end of year	$ 7,438,037	$ 6,514,924	**$ 7,089,789**	$ 574,865	$ 7,230,842

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 30,000	$ 30,000	**$ 5,963**	$ (24,037)	$ (13,948)
Investment income	5,000	5,000	**(397)**	(5,397)	7,880
Total revenues	35,000	35,000	**5,566**	(29,434)	(6,068)
Expenditures					
Current					
Police	61,402	143,932	**122,323**	21,609	65,499
Capital outlay	21,349	15,819	**-**	15,819	6,500
Total expenditures	82,751	159,751	**122,323**	37,428	71,999
Net change in fund balance	(47,751)	(124,751)	**(116,757)**	7,994	(78,067)
Fund balance, beginning of year	330,684	330,684	**330,684**	-	408,751
Fund balance, end of year	$ 282,933	$ 205,933	**$ 213,927**	$ 7,994	$ 330,684

City of Las Cruces

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

MPO Urban Transportation

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 404,538	$ 590,399	**$ 319,554**	$ (270,845)	$ 284,197
Total revenues	404,538	590,399	**319,554**	(270,845)	284,197
Expenditures					
Current					
Community development	404,538	590,399	**319,554**	270,845	269,417
Capital outlay	-	-	-	-	14,780
Total expenditures	404,538	590,399	**319,554**	270,845	284,197
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Uses					
Transfers out	-	-	-	-	(108,863)
Total other financing uses	-	-	-	-	(108,863)
Net change in fund balance	-	-	-	-	(108,863)
Fund balance, beginning of year	-	-	-	-	108,863
Fund balance, end of year	$ -	$ -	**$ -**	$ -	$ -

City of Las Cruces

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

Fire

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 8,000	$ 8,000	**$ (139)**	$ (8,139)	$ 11,853
Intergovernmental	407,228	654,532	**288,372**	(366,160)	371,360
Total revenues	415,228	662,532	**288,233**	(374,299)	383,213
Expenditures					
Current					
Fire	402,053	608,531	**280,740**	327,791	431,335
Capital outlay	5,175	58,289	**7,632**	50,657	69,818
Total expenditures	407,228	666,820	**288,372**	378,448	501,153
Net change in fund balance	8,000	(4,288)	**(139)**	4,149	(117,940)
Fund balance, beginning of year	158,659	158,659	**158,659**	-	276,599
Fund balance, end of year	$ 166,659	$ 154,371	**$ 158,520**	$ 4,149	$ 158,659

City of Las Cruces

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

Police Protection

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 3,500	$ 3,500	**$ (1,075)**	$ (4,575)	$ 5,146
Intergovernmental	1,182,435	2,237,279	**1,129,783**	(1,107,496)	796,940
Other	138,750	186,512	**290,084**	103,572	92,491
Total revenues	1,324,685	2,427,291	**1,418,792**	(1,008,499)	894,577
Expenditures					
Current					
Police	3,057,416	2,275,423	**1,292,298**	983,125	1,017,307
Community development	-	-	**-**	-	2,540
Capital outlay	-	422,992	**30,147**	392,845	47,713
Total expenditures	3,057,416	2,698,415	**1,322,445**	1,375,970	1,067,560
Revenues over (under) expenditures	(1,732,731)	(271,124)	**96,347**	367,471	(172,983)
Other Financing Sources (Uses)					
Transfers in	-	-	**-**	-	-
Transfers out	(10,000)	(10,000)	**(10,000)**	-	(199,688)
Total other financing sources (uses)	(10,000)	(10,000)	**(10,000)**	-	(199,688)
Net change in fund balance	(1,742,731)	(281,124)	**86,347**	367,471	(372,671)
Fund balance, beginning of year	122,977	122,977	**122,977**	-	495,648
Fund balance, end of year	$ (1,619,754)	$ (158,147)	**$ 209,324**	$ 367,471	$ 122,977

City of Las Cruces

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

Emergency Medical Services

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ (238)**	$ (238)	$ 462
Intergovernmental	27,000	20,000	**19,913**	(87)	21,162
Other	-	-	**-**	-	849
Total revenues	27,000	20,000	**19,675**	(325)	22,473
Expenditures					
Current					
Fire	27,000	20,000	**19,913**	87	24,613
Capital outlay	-	-	**-**	-	9,385
Total expenditures	27,000	20,000	**19,913**	87	33,998
Net change in fund balance	-	-	**(238)**	(238)	(11,525)
Fund balance, beginning of year	8,562	8,562	**8,562**	-	20,087
Fund balance, end of year	$ 8,562	$ 8,562	**$ 8,324**	$ (238)	$ 8,562

City of Las Cruces

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

Traffic Safety

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 35,000	$ 39,000	**$ 43,272**	$ 4,272	$ 35,011
Investment income	1,500	1,500	**341**	(1,159)	2,093
Total revenues	36,500	40,500	**43,613**	3,113	37,104
Expenditures					
Current					
Police	18,500	18,500	**12,196**	6,304	24,650
Capital outlay	-	60,000	**3,407**	56,593	45,126
Total expenditures	18,500	78,500	**15,603**	62,897	69,776
Net change in fund balance	18,000	(38,000)	**28,010**	66,010	(32,672)
Fund balance, beginning of year	77,233	77,233	**77,233**	-	109,905
Fund balance, end of year	$ 95,233	$ 39,233	**$ 105,243**	$ 66,010	$ 77,233

City of Las Cruces

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

Safe Traffic Operations Program

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 1,448,961	$ 1,151,352	**$ 1,074,735**	$ (76,617)	$ 1,184,361
Investment income	-	-	**883**	883	11,868
Other	-	-	**-**	-	-
Total revenues	1,448,961	1,151,352	**1,075,618**	(75,734)	1,196,229
Expenditures					
Current					
Police	1,301,688	1,062,788	**818,744**	244,044	1,176,180
Capital outlay	-	148,230	**147,517**	713	360,592
Total expenditures	1,301,688	1,211,018	**966,261**	244,757	1,536,772
Net change in fund balance	147,273	(59,666)	**109,357**	169,023	(340,543)
Fund balance, beginning of year	214,894	214,894	**214,894**	-	555,437
Fund balance, end of year	$ 362,167	$ 155,228	**$ 324,251**	$ 169,023	$ 214,894

City of Las Cruces

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

Court Automation

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 110,000	$ 110,000	**$ 151,995**	$ 41,995	$ 122,158
Investment income	6,000	6,000	**(9,964)**	(15,964)	10,201
Other	-	-	**355**	355	41,219
Total revenues	116,000	116,000	**142,386**	26,386	173,578
Expenditures					
Current					
Police	210,232	210,232	**133,365**	76,867	121,014
Capital outlay	-	-	**-**	-	23,837
Total expenditures	210,232	210,232	**133,365**	76,867	144,851
Net change in fund balance	(94,232)	(94,232)	**9,021**	103,253	28,727
Fund balance, beginning of year	447,522	447,522	**447,522**	-	418,795
Fund balance, end of year	$ 353,290	$ 353,290	**$ 456,543**	$ 103,253	$ 447,522

City of Las Cruces

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

Prisoner Care

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 225,000	$ 225,000	**$ 200,243**	$ (24,757)	$ 376,359
Investment income	15,000	15,000	**(2,400)**	(17,400)	16,958
Total revenues	240,000	240,000	**197,843**	(42,157)	393,317
Expenditures					
Current					
Police	2,450,590	2,450,590	**1,609,163**	841,427	1,691,135
Total expenditures	2,450,590	2,450,590	**1,609,163**	841,427	1,691,135
Revenues under expenditures	(2,210,590)	(2,210,590)	**(1,411,320)**	799,270	(1,297,818)
Other Financing Sources					
Transfers in	2,000,000	2,000,000	**2,000,000**	-	1,780,000
Total other financing sources	2,000,000	2,000,000	**2,000,000**	-	1,780,000
Net change in fund balance	(210,590)	(210,590)	**588,680**	799,270	482,182
Fund balance, beginning of year	812,185	812,185	**812,185**	-	330,003
Fund balance, end of year	$ 601,595	$ 601,595	**$ 1,400,865**	$ 799,270	$ 812,185

City of Las Cruces

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

Juvenile Recreation

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
State-shared taxes	$ -	$ -	**$ 13,826**	$ 13,826	$ 53,593
Fees and fines	5,000	5,000	**2,200**	(2,800)	-
Investment income	1,000	1,000	**354**	(646)	2,374
Total revenues	6,000	6,000	**16,380**	10,380	55,967
Expenditures					
Current					
Public services	40,000	40,000	**38,942**	1,058	38,330
Total expenditures	40,000	40,000	**38,942**	1,058	38,330
Net change in fund balance	(34,000)	(34,000)	**(22,562)**	11,438	17,637
Fund balance, beginning of year	113,632	113,632	**113,632**	-	95,995
Fund balance, end of year	$ 79,632	$ 79,632	**$ 91,070**	$ 11,438	$ 113,632

City of Las Cruces

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

Lodgers' Tax & LCCVB

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Local taxes					
Lodgers' tax	$ 1,759,393	$ 1,798,978	**$ 1,842,260**	$ 43,282	$ 1,717,810
Total local taxes	1,759,393	1,798,978	**1,842,260**	43,282	1,717,810
Investment income	50,000	30,000	**2,489**	(27,511)	75,354
Other	7,000	7,000	**5,085**	(1,915)	5,277
Intergovernmental	18,700	14,300	**14,300**	-	18,700
Total revenues	1,835,093	1,850,278	**1,864,134**	13,856	1,817,141
Expenditures					
Current					
Public services	1,808,586	2,111,205	**1,671,518**	439,687	1,818,647
Capital outlay	-	593,882	**488,270**	105,612	-
Total expenditures	1,808,586	2,705,087	**2,159,788**	545,299	1,818,647
Revenues over (under) expenditures	26,507	(854,809)	**(295,654)**	559,155	(1,506)
Other Financing Sources (Uses)					
Transfers in	1,539,469	2,396,099	**2,395,041**	(1,058)	1,914,295
Transfers out	(2,665,150)	(2,680,184)	**(2,679,126)**	1,058	(2,230,987)
Total other financing sources (uses)	(1,125,681)	(284,085)	**(284,085)**	-	(316,692)
Net change in fund balance	(1,099,174)	(1,138,894)	**(579,739)**	559,155	(318,198)
Fund balance, beginning of year	3,077,544	3,077,544	**3,077,544**	-	3,395,742
Fund balance, end of year	$ 1,978,370	$ 1,938,650	**$ 2,497,805**	$ 559,155	$ 3,077,544

City of Las Cruces
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
DWI Prevention
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 23,000	$ 23,000	**$ 7,881**	$ (15,119)	$ 10,125
Investment income	-	-	**-**	-	1,313
Total revenues	23,000	23,000	**7,881**	(15,119)	11,438
Expenditures					
Current					
Police	23,000	23,000	**8,064**	14,936	(51,293)
Total expenditures	23,000	23,000	**8,064**	14,936	(51,293)
Revenues under expenditures	-	-	**(183)**	(183)	62,731
Other Financing Sources					
Transfers out	-	(61,118)	**(61,118)**	-	-
Total other financing sources	-	(61,118)	**(61,118)**	-	-
Net change in fund balance	-	(61,118)	**(61,301)**	(183)	62,731
Fund balance, beginning of year	61,118	61,118	**61,118**	-	(1,613)
Fund balance, end of year	$ 61,118	$ -	**$ (183)**	$ (183)	$ 61,118

City of Las Cruces

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

Judicial Education

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Fees and fines	$ 36,000	$ 36,000	**$ 40,262**	$ 4,262	$ 27,515
Total revenues	36,000	36,000	**40,262**	4,262	27,515
Expenditures					
Current					
Police	36,000	36,000	**40,359**	(4,359)	28,619
Total expenditures	36,000	36,000	**40,359**	(4,359)	28,619
Net change in fund balance	-	-	**(97)**	(97)	(1,104)
Fund balance, beginning of year	(5,075)	(5,075)	**(5,075)**	-	(3,971)
Fund balance, end of year	$ (5,075)	$ (5,075)	**$ (5,172)**	$ (97)	$ (5,075)

City of Las Cruces

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

Environmental Gross Receipts Tax

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Local taxes					
Gross receipts	$ 2,683,295	$ 2,683,295	**$ 2,486,097**	$ (197,198)	$ 2,483,339
Total revenues	2,683,295	2,683,295	**2,486,097**	(197,198)	2,483,339
Expenditures					
Current					
General government	1,119,350	1,119,350	**871,969**	247,381	997,105
Total expenditures	1,119,350	1,119,350	**871,969**	247,381	997,105
Revenues over expenditures	1,563,945	1,563,945	**1,614,128**	50,183	1,486,234
Other Financing Uses					
Transfers out	(1,588,465)	(1,588,465)	**(1,932,091)**	(343,626)	(1,172,413)
Total other financing sources	(1,588,465)	(1,588,465)	**(1,932,091)**	(343,626)	(1,172,413)
Net change in fund balance	(24,520)	(24,520)	**(317,963)**	(293,443)	313,821
Fund balance, beginning of year	577,182	577,182	**577,182**	-	263,361
Fund balance, end of year	$ 552,662	$ 552,662	**$ 259,219**	$ (293,443)	$ 577,182

City of Las Cruces

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

Health Care Services From MMC Lease

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 1,655	$ 1,655	**$ 240**	$ (1,415)	$ 443
Total revenues	1,655	1,655	**240**	(1,415)	443
Expenditures					
Current					
General government	300,000	300,000	**288,883**	11,117	314,692
Total expenditures	300,000	300,000	**288,883**	11,117	314,692
Revenues under expenditures	(298,345)	(298,345)	**(288,643)**	9,702	(314,249)
Other Financing Sources					
Transfers in	300,000	300,000	**300,000**	-	300,000
Total other financing sources	300,000	300,000	**300,000**	-	300,000
Net change in fund balance	1,655	1,655	**11,357**	9,702	(14,249)
Fund balance, beginning of year	18,830	18,830	**18,830**	-	33,079
Fund balance, end of year	$ 20,485	$ 20,485	**$ 30,187**	$ 9,702	$ 18,830

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Capital grants and contributions	$ 563,511	$ 417,501	**$ 268,875**	$ (148,626)	$ 109,171
Total revenues	563,511	417,501	**268,875**	(148,626)	109,171
Expenditures					
Current					
Community development	-	5,000	**4,701**	299	-
Police	20,636	-	-	-	-
Capital outlay	515,981	412,501	**264,174**	148,327	109,171
Total expenditures	536,617	417,501	**268,875**	148,626	109,171
Net change in fund balance	26,894	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ 26,894	$ -	**$ -**	$ -	$ -

City of Las Cruces

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

Gasoline Tax Street Maintenance Fund

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
State-shared taxes	$ 1,561,947	$ 1,640,137	**$ 1,537,530**	$ (102,607)	$ 1,523,173
Investment income	-	-	**(2,697)**	(2,697)	7,721
Total revenues	1,561,947	1,640,137	**1,534,833**	(105,304)	1,530,894
Expenditures					
Current					
Public works	592,977	594,060	**629,648**	(35,588)	622,552
Capital outlay	-	-	**-**	-	-
Total expenditures	592,977	594,060	**629,648**	(35,588)	622,552
Revenues over expenditures	968,970	1,046,077	**905,185**	(140,892)	908,342
Other Financing Uses					
Transfers out	(1,085,466)	(1,103,015)	**(1,019,828)**	83,187	(1,331,148)
Total other financing uses	(1,085,466)	(1,103,015)	**(1,019,828)**	83,187	(1,331,148)
Net change in fund balance	(116,496)	(56,938)	**(114,643)**	(57,705)	(422,806)
Fund balance, beginning of year	362,458	362,458	**362,458**	-	785,264
Fund balance, end of year	$ 245,962	$ 305,520	**$ 247,815**	$ (57,705)	$ 362,458

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Gross receipts tax	$ 3,216,000	$ 3,251,000	**$ 3,191,757**	$ (59,243)	$ 3,211,398
Total revenues	3,216,000	3,251,000	**3,191,757**	(59,243)	3,211,398
Expenditures					
Current					
Police	2,154,720	2,177,968	**2,158,353**	19,615	2,123,367
Fire	1,061,280	1,072,731	**1,062,992**	9,739	1,045,838
Total expenditures	3,216,000	3,250,699	**3,221,345**	29,354	3,169,205
Net change in fund balance	-	301	**(29,588)**	(29,889)	42,193
Fund balances, beginning of year	563,240	563,240	**563,240**	-	521,047
Fund balances, end of year	$ 563,240	$ 563,541	**$ 533,652**	$ (29,889)	$ 563,240

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 31,000	$ 36,673	**$ 31,224**	$ (5,449)	$ 41,568
Total revenues	31,000	36,673	**31,224**	(5,449)	41,568
Expenditures					
Current					
Police	31,000	36,673	**31,224**	5,449	41,568
Total expenditures	31,000	36,673	**31,224**	5,449	41,568
Revenues under expenditures	-	-	-	-	-
Other Financing Sources					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
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

Older Americans Act Programs

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 559,159	$ 548,459	**$ 548,459**	**$ -**	$ 792,142
Other	233,500	233,500	**209,024**	(24,476)	-
Total revenues	792,659	781,959	**757,483**	(24,476)	792,142
Expenditures					
Current					
Public services	718,774	708,074	**683,598**	24,476	778,200
Total expenditures	718,774	708,074	**683,598**	24,476	778,200
Revenues over (under) expenditures	73,885	73,885	**73,885**	-	13,942
Other Financing Sources (Uses)					
Transfers out	(73,885)	(73,885)	**(73,885)**	-	(237,863)
Total other financing sources (uses)	(73,885)	(73,885)	**(73,885)**	-	(237,863)
Net change in fund balance	-	-	-	-	(223,921)
Fund balance, beginning of year	-	-	-	-	223,921
Fund balance, end of year	$ -	$ -	**$ -**	$ -	$ -

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 143,994	$ 129,386	**$ 129,386**	$ -	$ 143,993
Total revenues	143,994	129,386	**129,386**	-	143,993
Expenditures					
Current					
Public services	143,994	129,386	**129,386**	-	160,814
Total expenditures	143,994	129,386	**129,386**	-	160,814
Net change in fund balance	-	-	-	-	(16,821)
Fund balance, beginning of year	-	-	-	-	16,821
Fund balance, end of year	$ -	$ -	**$ -**	$ -	$ -

City of Las Cruces
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
RSVP
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 76,600	$ 62,965	**$ 62,964**	$ (1)	$ 71,480
Total revenues	76,600	62,965	**62,964**	(1)	71,480
Expenditures					
Current					
Public services	76,600	62,965	**62,964**	1	71,480
Total expenditures	76,600	62,965	**62,964**	1	71,480
Revenues under expenditures	-	-	-	-	-
Other Financing Sources					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
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

Children, Youth, and Families

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 116,770	$ -	**$** -	$ -	$ 80,210
Total revenues	116,770	-	-	-	80,210
Expenditures					
Current					
Public services	116,770	-	-	-	83,890
Total expenditures	116,770	-	-	-	83,890
Revenues under expenditures	-	-	-	-	(3,680)
Other Financing Uses					
Transfers out	-	-	-	-	(80,849)
Total other financing uses	-	-	-	-	(80,849)
Net change in fund balance	-	-	-	-	(84,529)
Fund balance, beginning of year	-	-	-	-	84,529
Fund balance, end of year	$ -	$ -	**$** -	$ -	$ -

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 7,780	$ -	**$** -	$ -	$ 8,846
Total revenues	7,780	-	-	-	8,846
Expenditures					
Current					
Public services	7,780	-	-	-	8,846
Total expenditures	7,780	-	-	-	8,846
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 Library Resources Grant

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 125,026	$ 125,026	**$ 57,644**	$ (67,382)	$ 198,702
Total revenues	125,026	125,026	**57,644**	(67,382)	198,702
Expenditures					
Current					
Public services	95,026	125,026	**57,644**	67,382	119,609
Capital outlay	30,000	-	**-**	-	79,341
Total expenditures	125,026	125,026	**57,644**	67,382	198,950
Net change in fund balance	-	-	**-**	-	(248)
Fund balance, beginning of year	-	-	**-**	-	248
Fund balance, end of year	$ -	$ -	**$ -**	$ -	$ -

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 1,249**	$ 1,249	$ 2,417
Expenditures					
Current					
Public works	555,050	555,723	**323,786**	231,937	355,359
Revenues under expenditures	(555,050)	(555,723)	**(322,537)**	233,186	(352,942)
Other Financing Sources (Uses)					
Transfers in	558,851	558,851	**558,851**	-	482,386
Total other financing sources (uses)	558,851	558,851	**558,851**	-	482,386
Net change in fund balance	3,801	3,128	**236,314**	233,186	129,444
Fund balance, beginning of year	129,444	129,444	**129,444**	-	-
Fund balance, end of year	$ 133,245	$ 132,572	**$ 365,758**	$ 233,186	$ 129,444

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ (2,596)**	$ (2,596)	**$ 5,799**
Expenditures					
Current					
Public works	564,861	565,774	**518,712**	47,062	378,315
Capital outlay	200,000	200,000	**194,923**	5,077	-
Total expenditures	764,861	765,774	**713,635**	52,139	378,315
Revenues under expenditures	(764,861)	(765,774)	**(716,231)**	49,543	(372,516)
Other Financing Sources					
Transfers in	615,000	615,000	**615,000**	-	159,750
Net change in fund balance	(149,861)	(150,774)	**(101,231)**	49,543	(212,766)
Fund balance, beginning of year	166,335	166,335	**166,335**	-	379,101
Fund balance, end of year	$ 16,474	$ 15,561	**$ 65,104**	$ 49,543	$ 166,335

City of Las Cruces

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

Special Assessments–Northrise/Morningstar

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 223**	$ 223	$ 99,858
Intergovernmental	-	-	**-**	-	188,937
Total revenues	-	-	**223**	223	288,795
Other Financing Uses					
Transfers out	-	-	**-**	-	(208,000)
Total other financing uses	-	-	**-**	-	(208,000)
Net change in fund balance	-	-	**223**	223	80,795
Fund balance, beginning of year	98,965	98,965	**98,965**	-	18,170
Fund balance, end of year	$ 98,965	$ 98,965	**$ 99,188**	$ 223	$ 98,965

City of Las Cruces

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

State Special Projects

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 28,538	$ -	**$ -**	$ -	$ 1,398,143
Total revenues	28,538	-	-	-	1,398,143
Expenditures					
Current					
Facilities	28,538	-	-	-	1,398,143
Total expenditures	28,538	-	-	-	1,398,143
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

Downtown Revitalization

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 500	$ 500	**$ 1,419**	$ 919	$ 6,076
Other	1,200	1,200	**2,550**	1,350	1,100
Total revenues	1,700	1,700	**3,969**	2,269	7,176
Expenditures					
Facilities	110,000	110,000	**100,000**	10,000	50,000
Capital outlay	29,631	214,846	**197,556**	17,290	7,089
Total expenditures	139,631	324,846	**297,556**	27,290	57,089
Revenues under expenditures	(137,931)	(323,146)	**(293,587)**	29,559	(49,913)
Other Financing Sources					
Transfers in	80,000	80,000	**80,000**	-	-
Net change in fund balance	(57,931)	(243,146)	**(213,587)**	29,559	(49,913)
Fund balance, beginning of year	257,312	257,312	**257,312**	-	307,225
Fund balance, end of year	$ 199,381	$ 14,166	**$ 43,725**	$ 29,559	$ 257,312

City of Las Cruces

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

State Operating Grants

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 4,062	$ 248,204	**$ 108,305**	$ (139,899)	$ 1,034,021
Other	34,696	15,095	**6,877**	(8,218)	-
Total revenues	38,758	263,299	**115,182**	(148,117)	1,034,021
Expenditures					
Current					
Facilities	-	-	**-**	-	1,512
Police	-	-	**614**	(614)	-
Fire	33,377	2,095	**2,095**	-	20,530
Community development	1,319	38,000	**11,552**	26,448	672,955
Public services	4,062	223,204	**135,924**	87,280	290,421
Total expenditures	38,758	263,299	**150,185**	113,114	985,418
Net change in fund balance	-	-	**(35,003)**	(35,003)	48,603
Fund balance, beginning of year	48,603	48,603	**48,603**	-	-
Fund balance, end of year	$ 48,603	$ 48,603	**$ 13,600**	$ (35,003)	$ 48,603

City of Las Cruces
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Valley View Heske Garden
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 2,500	$ 2,500	**$ 93**	$ (2,407)	$ 4,015
Total revenues	2,500	2,500	**93**	(2,407)	4,015
Expenditures					
Current					
Facilities	27,500	27,500	**19,847**	7,653	2,250
Total expenditures	27,500	27,500	**19,847**	7,653	2,250
Net change in fund balance	(25,000)	(25,000)	**(19,754)**	5,246	1,765
Fund balance, beginning of year	179,381	179,381	**179,381**	-	177,616
Fund balance, end of year	$ 154,381	$ 154,381	**$ 159,627**	$ 5,246	$ 179,381

City of Las Cruces

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

Griggs and Walnut Plume

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 9,653	$ 9,653	**$ 2,116**	$ (7,537)	$ 96
Other	331,000	464,754	**209,037**	(255,717)	161,284
Total revenues	340,653	474,407	**211,153**	(263,254)	161,380
Expenditures					
Current					
General government	771,108	673,429	**233,151**	440,278	296,486
Capital outlay	-	133,754	**133,754**	-	35,640
Total expenditures	771,108	807,183	**366,905**	440,278	332,126
Revenues under expenditures	(430,455)	(332,776)	**(155,752)**	177,024	(170,746)
Other Financing Sources					
Transfers in	381,347	381,347	**375,724**	(5,623)	64,457
Total other financing sources	381,347	381,347	**375,724**	(5,623)	64,457
Net change in fund balance	(49,108)	48,571	**219,972**	171,401	(106,289)
Fund balance, beginning of year	58,637	58,637	**58,637**	-	164,926
Fund balance, end of year	$ 9,529	$ 107,208	**$ 278,609**	$ 171,401	$ 58,637

City of Las Cruces

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

TIDD Dedicated Revenues

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Gross receipts tax	$ 158,224	$ 1,035,224	**$ 1,985,823**	$ 950,599	$ 190,719
State share	89,381	986,000	**401,376**	(584,624)	74,264
Investment	500	500	**1,791**	1,291	7,609
Total revenues	248,105	2,021,724	**2,388,990**	367,266	272,592
Expenditures					
Current					
General government	1,931	16,232	**12,321**	3,911	11,048
Total expenditures	1,931	16,232	**12,321**	3,911	11,048
Revenues over expenditures	246,174	2,005,492	**2,376,669**	371,177	261,544
Other Financing Uses					
Transfers out	(1,000,000)	(1,300,643)	**(300,643)**	1,000,000	(1,000,000)
Total other financing uses	(1,000,000)	(1,300,643)	**(300,643)**	1,000,000	(1,000,000)
Net change in fund balance	(753,826)	704,849	**2,076,026**	1,371,177	(738,456)
Fund balance, beginning of year	(259,063)	(259,063)	**(259,063)**	-	479,393
Fund balance, end of year	$ (1,012,889)	$ 445,786	**$ 1,816,963**	$ 1,371,177	$ (259,063)

City of Las Cruces

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

Las Cruces Convention Center

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 100	$ 100	**$ (117)**	$ (217)	$ 600
Other	1,172,714	1,201,972	**1,348,593**	146,621	1,154,370
Total revenues	1,172,814	1,202,072	**1,348,476**	146,404	1,154,970
Other Financing Uses					
Transfers out	(1,189,917)	(1,202,072)	**(1,202,072)**	-	(1,154,970)
Total other financing uses	(1,189,917)	(1,202,072)	**(1,202,072)**	-	(1,154,970)
Net change in fund balance	(17,103)	-	**146,404**	146,404	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ (17,103)	$ -	**$ 146,404**	$ 146,404	$ -

City of Las Cruces

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

Federal Stimulus Operating

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 1,617,520	$ 1,882,522	**$ 101,789**	$ (1,780,733)	$ 114,069
Total revenues	1,617,520	1,882,522	**101,789**	(1,780,733)	114,069
Expenditures					
Current					
Police	1,617,520	1,653,378	**85,990**	1,567,388	55,413
Public services	-	-	**-**	-	29,937
Capital outlay	-	229,144	**15,799**	213,345	28,719
Total expenditures	1,617,520	1,882,522	**101,789**	1,780,733	114,069
Net change in fund balance	-	-	**-**	-	-
Fund balance, beginning of year	-	-	**-**	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -	$ -

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.

HUD Facilities Projects: To provide financing for the acquisition and rehabilitation of the Museum of Nature and Science on Main Street in downtown Las Cruces. Funding is from HUD grants and section 108 loans.

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

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

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

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

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

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

State Equipment Acquisition: To provide for well improvements.

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

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

Capital Projects Funds
— continued —

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.

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

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

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

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

2008 NMFA Griggs/Walnut/Plume: To provide for the construction of the remediation site. 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, 2011

	Project Appropriations	2011 Expenditures	Expenditures Project to Date	Variance with Project Appropriations-Positive (Negative)
Capital Improvement Reserve	$ 2,000,000	$ 43,105	$ 216,083	$ 1,783,917
Facilities Federal Grants	2,000,000	9,195	14,035	1,985,965
Legislative Capital Improvements	5,274,773	370,155	4,529,824	744,949
Sales Tax-Street Maintenance	307,806	18,027	18,027	289,779
Street Improvement	3,294,374	584,058	626,374	2,668,000
NMFA Street Projects	175,505	517,608	519,882	(344,377)
TIDD Street Projects	1,300,643	1,232,494	1,232,494	68,149
Flood Control	4,488,070	1,343,069	2,552,946	1,935,124
Flood Control-NMFA	187,729	403,482	403,482	(215,753)
State Stimulus Capitla Projects	2,495,330	907,302	2,131,360	363,970
Federal Stimulus Capitla Projects	888,000	8,598	137,032	750,968
Total	$ 22,412,230	$ 5,437,093	$ 12,381,539	$ 10,030,691

City of Las Cruces

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

HUD Facilities Projects

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 239**	$ 239	$ -
Total revenues	-	-	**239**	239	-
Expenditures					
Capital outlay	1,980,000	1,989,000	**162,067**	1,826,933	-
Debt service					
Interest and other charges	-	-	**10,910**	(10,910)	-
Total expenditures	1,980,000	1,989,000	**172,977**	1,816,023	-
Revenues under expenditures	(1,980,000)	(1,989,000)	**(172,738)**	(1,815,784)	-
Other Financing Sources					
Issuance of debt	-	1,989,000	**2,000,000**	11,000	-
Total other financing sources	-	1,989,000	**2,000,000**	11,000	-
Net change in fund balance	(1,980,000)	-	**1,827,262**	1,827,262	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ (1,980,000)	$ -	**$ 1,827,262**	$ 1,827,262	$ -

City of Las Cruces

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

Public Parks Development

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 32,000	$ 32,000	**$ 5,494**	(26,506)	$ 33,315
Licenses and permits	252,802	252,802	**356,435**	$ 103,633	262,079
Intergovernmental	1,284,502	1,412,049	**1,326,347**	(85,702)	386,591
Total revenues	1,569,304	1,696,851	**1,688,276**	(8,575)	681,985
Expenditures					
Capital outlay	2,849,405	3,021,313	**1,447,303**	1,574,010	688,406
Total expenditures	2,849,405	3,021,313	**1,447,303**	1,574,010	688,406
Net change in fund balance	(1,280,101)	(1,324,462)	**240,973**	1,565,435	(6,421)
Fund balance, beginning of year	1,365,087	1,365,087	**1,365,087**	-	1,371,508
Fund balance, end of year	$ 84,986	$ 40,625	**$ 1,606,060**	$ 1,565,435	$ 1,365,087

City of Las Cruces

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

Street Improvement

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income (loss)	$ -	$ -	**$ 14,595**	$ 14,595	$ (17,437)
Other	-	-	**89,528**	89,528	101,126
Intergovernmental	-	-	**217,555**	217,555	3,977,463
Total revenues	-	-	**321,678**	321,678	4,061,152
Expenditures					
Public works	-	-	**6,274**	(6,274)	6,568
Capital outlay	5,199,734	6,227,683	**1,165,887**	5,061,796	5,055,748
Total expenditures	5,199,734	6,227,683	**1,172,161**	5,055,522	5,062,316
Revenues over (under) expenditures	(5,199,734)	(6,227,683)	**(850,483)**	5,377,200	(1,001,164)
Other Financing Sources (Uses)					
Sale of capital assets	500,000	500,000	**470,950**	(29,050)	-
Transfers in	-	800,000	**800,000**	-	79,653
Transfers out	-	-	**-**	-	(40,370)
Total other financing sources (uses)	500,000	1,300,000	**1,270,950**	29,050	39,283
Net change in fund balance	(4,699,734)	(4,927,683)	**420,467**	5,406,250	(961,881)
Fund balance, beginning of year	1,594,056	1,594,056	**1,594,056**	-	2,555,937
Fund balance, end of year	$ (3,105,678)	$ (3,333,627)	**$ 2,014,523**	$ 5,406,250	$ 1,594,056

City of Las Cruces

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

Airport Improvement

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 20,000	$ 20,000	**$ 15,415**	$ (4,585)	$ 20,716
Intergovernmental	1,795,448	2,406,890	**1,104,279**	(1,302,611)	2,419,697
Total revenues	1,815,448	2,426,890	**1,119,694**	(1,307,196)	2,440,413
Expenditures					
Capital outlay	1,795,448	2,406,890	**1,109,157**	1,297,733	2,419,698
Total expenditures	1,795,448	2,406,890	**1,109,157**	1,297,733	2,419,698
Net change in fund balance	20,000	20,000	**10,537**	(9,463)	20,715
Fund balance, beginning of year	737,963	737,963	**737,963**	-	717,248
Fund balance, end of year	$ 757,963	$ 757,963	**$ 748,500**	$ (9,463)	$ 737,963

City of Las Cruces

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

Sales Tax–Street Maintenance

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Gross receipts taxes	$ 6,784,000	$ 6,855,000	**$ 6,385,322**	$ (469,678)	$ 6,425,417
Investment income	8,000	8,000	**9,265**	1,265	27,079
Other	-	-	**1,094,961**	1,094,961	40,973
Total revenues	6,792,000	6,863,000	7,489,548	626,548	6,493,469
Expenditures					
Current					
Public works	178,294	183,000	**182,826**	174	183,045
Capital outlay	3,441,841	7,031,463	**3,325,807**	3,705,656	1,857,572
Interest and other charges	-	31,031	**44,542**	(13,511)	-
Total expenditures	3,620,135	7,245,494	**3,553,175**	3,692,319	2,040,617
Revenues over expenditures	3,171,865	(382,494)	**3,936,373**	4,318,867	4,452,852
Other Financing Sources (Uses)					
Issuance of debt	-	3,415,151	**3,132,811**	282,340	-
Transfers in	6,358	-	-	-	-
Transfers out	(4,417,391)	(4,402,571)	**(4,402,571)**	-	(2,770,371)
Total other financing sources (uses)	(4,411,033)	(987,420)	**(1,269,760)**	282,340	(2,770,371)
Net change in fund balance	(1,239,168)	(1,369,914)	**2,666,613**	4,036,527	1,682,481
Fund balance, beginning of year	3,076,303	3,076,303	**3,076,303**	-	1,393,822
Fund balance, end of year	$ 1,837,135	$ 1,706,389	**$ 5,742,916**	$ 4,036,527	$ 3,076,303

City of Las Cruces
Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual
Flood Control
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Property taxes	$ 3,754,858	$ 3,888,155	**$ 3,905,051**	$ 16,896	$ 3,724,715
Investment income	30,000	30,000	**8,756**	(21,244)	74,848
Other	40,000	40,000	**123,727**	83,727	58,681
Total revenues	3,824,858	3,958,155	**4,037,534**	79,379	3,858,244
Expenditures					
Current					
Public works	37,445	38,765	**38,957**	(192)	37,247
Capital outlay	4,149,813	4,222,768	**1,174,359**	3,048,409	2,385,485
Interest and other charges	-	-	**4,781**	(4,781)	-
Total expenditures	4,187,258	4,261,533	**1,218,097**	3,043,436	2,422,732
Revenues over (under) expenditures	(362,400)	(303,378)	**2,819,437**	3,122,815	1,435,512
Other Financing Sources (Uses)					
Issuance of debt	-	-	**30,000**	30,000	-
Transfers out	(2,840,710)	(3,837,548)	**(3,837,548)**	-	(2,066,134)
Total other financing sources (uses)	(2,840,710)	(3,837,548)	**(3,807,548)**	30,000	(2,066,134)
Net change in fund balance	(3,203,110)	(4,140,926)	**(988,111)**	3,152,815	(630,622)
Fund balance, beginning of year	4,460,747	4,460,747	**4,460,747**	-	5,091,369
Fund balance, end of year	$ 1,257,637	$ 319,821	**$ 3,472,636**	$ 3,152,815	$ 4,460,747

City of Las Cruces

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

Capital Improvement Reserve

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 75,000	$ 75,000	**$ 21,036**	$ (53,964)	$ 89,499
Other	-	-	**1,876**	1,876	-
Total revenues	75,000	75,000	**22,912**	(52,088)	89,499
Expenditures					
Current					
Facilities	-	-	**33,954**	(33,954)	20,536
Capital outlay	2,563,718	4,381,027	**936,172**	3,444,855	4,125,121
Total expenditures	2,563,718	4,381,027	**970,126**	3,410,901	4,145,657
Revenues under expenditures	(2,488,718)	(4,306,027)	**(947,214)**	3,358,813	(4,056,158)
Other Financing Sources					
Transfers in	585,000	1,652,205	**1,652,205**	-	650,000
Total other financing sources	585,000	1,652,205	**1,652,205**	-	650,000
Net change in fund balance	(1,903,718)	(2,653,822)	**704,991**	3,358,813	(3,406,158)
Fund balance, beginning of year	2,704,024	2,704,024	**2,704,024**	-	6,110,182
Fund balance, end of year	$ 800,306	$ 50,202	**$ 3,409,015**	$ 3,358,813	$ 2,704,024

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 1,000,000	$ 1,200,000	**$ 9,195**	$ (1,190,805)	$ -
Total revenues	1,000,000	1,200,000	**9,195**	(1,190,805)	-
Expenditures					
Current					
Facilities	-	200,000	-	200,000	-
Capital outlay	1,000,000	1,200,000	**9,195**	1,190,805	-
Total expenditures	1,000,000	1,400,000	**9,195**	1,390,805	-
Net change in fund balance	-	(200,000)	-	200,000	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ -	$ (200,000)	**$ -**	$ 200,000	$ -

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 1,464,092	$ 2,374,420	**$ 1,784,379**	$ (590,041)	$ 10,857,269
Total revenues	1,464,092	2,374,420	**1,784,379**	(590,041)	10,857,269
Expenditures					
Current					
Facilities	-	-	**11,324**	(11,324)	19,577
Capital outlay	1,464,092	2,374,420	**1,773,055**	601,365	10,837,692
Total expenditures	1,464,092	2,374,420	**1,784,379**	590,041	10,857,269
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources					
Transfers in	-	-	-	-	23,449
Total other financing sources	-	-	-	-	23,449
Net change in fund balance	-	-	-	-	23,449
Fund balance, beginning of year	-	-	-	-	(23,449)
Fund balance, end of year	$ -	$ -	**$ -**	$ -	$ -

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 10,000	$ 10,000	**$ 885**	$ (9,115)	$ 6,270
Other	20,000	20,000	**16,324**	(3,676)	11,469
Total revenues	30,000	30,000	**17,209**	(12,791)	17,739
Expenditures					
Current					
Public works	50,000	50,000	**34,751**	15,249	23,192
Capital outlay	-	-	**-**	-	224,092
Total expenditures	50,000	50,000	**34,751**	15,249	247,284
Revenues under expenditures	(20,000)	(20,000)	**(17,542)**	2,458	(229,545)
Other Financing Sources					
Sale of capital assets	500,000	500,000	**104,814**	(395,186)	28,308
Total other financing sources	500,000	500,000	**104,814**	(395,186)	28,308
Net change in fund balance	480,000	480,000	**87,272**	(392,728)	(201,237)
Fund balance, beginning of year	249,437	249,437	**249,437**	-	450,674
Fund balance, end of year	$ 729,437	$ 729,437	**$ 336,709**	$ (392,728)	$ 249,437

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ (324)**	$ (324)	$ 915
Total revenues	-	-	**(324)**	(324)	915
Expenditures					
Capital outlay	27,721	-	-	-	68,944
Interest and other charges	-	-	**5,438**	(5,438)	-
Total expenditures	27,721	-	**5,438**	(5,438)	68,944
Revenues over (under) expenditures	(27,721)	-	**(5,762)**	5,114	(68,029)
Other Financing Sources (Uses)					
Issuance of debt	-	-	**110,000**	(110,000)	-
Total other financing sources (uses)	-	-	**110,000**	(110,000)	-
Net change in fund balance	(27,721)	-	**104,238**	(104,886)	(68,029)
Fund balance, beginning of year	28,851	28,851	**28,851**	-	96,880
Fund balance, end of year	$ 1,130	$ 28,851	**$ 133,089**	$ (104,886)	$ 28,851

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 147**	$ 147	$ 546
Total revenues	-	-	**147**	147	546
Expenditures					
Capital outlay	895,700	903,525	**889,684**	13,841	822,000
Interest and other charges	4,300	35,350	**35,349**	1	-
Total expenditures	900,000	938,875	**925,033**	13,842	822,000
Revenues over (under) expenditures	(900,000)	(938,875)	**(924,886)**	13,989	(821,454)
Other Financing Sources (Uses)					
Issuance of debt	900,000	938,875	**938,875**	-	-
Total other financing sources (uses)	900,000	938,875	**938,875**	-	-
Net change in fund balance	-	-	**13,989**	13,989	(821,454)
Fund balance, beginning of year	777	777	**777**	-	822,231
Fund balance, end of year	$ 777	$ 777	**$ 14,766**	$ 13,989	$ 777

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 900	$ 900	**$ 155**	$ (745)	$ 1,655
Total revenues	900	900	**155**	(745)	1,655
Expenditures					
Capital outlay	25,547	25,547	**-**	25,547	3,632
Total expenditures	25,547	25,547	**-**	25,547	3,632
Net change in fund balance	(24,647)	(24,647)	**155**	24,802	(1,977)
Fund balance, beginning of year	68,957	68,957	**68,957**	-	70,934
Fund balance, end of year	$ 44,310	$ 44,310	**$ 69,112**	$ 24,802	$ 68,957

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 5,000	$ 5,000	**$ 2,634**	$ (2,366)	$ 43,060
Total revenues	5,000	5,000	**2,634**	(2,366)	43,060
Expenditures					
Capital outlay	642,555	642,555	**13,491**	**629,064**	118,146
Total expenditures	642,555	642,555	**13,491**	629,064	118,146
Net change in fund balance	(637,555)	(637,555)	**(10,857)**	626,698	(75,086)
Fund balance, beginning of year	593,347	593,347	**593,347**	-	668,433
Fund balance, end of year	$ (44,208)	$ (44,208)	**$ 582,490**	$ 626,698	$ 593,347

City of Las Cruces

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

Las Cruces Convention Center

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ (19,864)**	$ (19,864)	$ (65,663)
Total revenues	-	-	**(19,864)**	(19,864)	(65,663)
Expenditures					
Current					
Public works	30,760	30,760	-	30,760	4,477
Capital outlay	15,494,009	14,475,076	**6,599,019**	7,876,057	15,372,149
Total expenditures	15,524,769	14,505,836	**6,599,019**	7,906,817	15,376,626
Net change in fund balance	(15,524,769)	(14,505,836)	**(6,618,883)**	7,886,953	(15,442,289)
Fund balance, beginning of year	8,862,753	8,862,753	**8,862,753**	-	24,305,042
Fund balance, end of year	$ (6,662,016)	$ (5,643,083)	**$ 2,243,870**	$ 7,886,953	$ 8,862,753

City of Las Cruces

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

NMFA Street Improvements

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ (12,620)**	$ (12,620)	$ (15,149)
Total revenues	-	-	**(12,620)**	(12,620)	(15,149)
Expenditures					
Capital outlay	3,465,663	794,347	**533,076**	261,271	261,251
Interest and other charges	13,000	-	**-**	-	-
Total expenditures	3,478,663	794,347	**533,076**	261,271	261,251
Revenues over (under) expenditures	(3,478,663)	(794,347)	**(545,696)**	248,651	(276,400)
Other Financing Sources (Uses)					
Issuance of debt	3,000,000	-	**-**	-	-
Total other financing sources (uses)	3,000,000	-	**-**	-	-
Net change in fund balance	(478,663)	(794,347)	**(545,696)**	248,651	(276,400)
Fund balance, beginning of year	823,566	823,566	**823,566**	-	1,099,966
Fund balance, end of year	$ 344,903	$ 29,219	**$ 277,870**	$ 248,651	$ 823,566

City of Las Cruces
Schedule of Revenues, Expenditures and Changes in Fund Balance —Budget and Actual
Stimulus Capital Projects
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Intergovernmental	$ 3,203,330	$ 2,797,490	**$ 1,526,002**	$ (1,271,488)	$ 8,235,996
Total revenues	3,203,330	2,797,490	**1,526,002**	(1,271,488)	8,235,996
Expenditures					
Current					
Facilities	-	88,000	**1,350**	86,650	-
Capital outlay	3,203,330	2,709,490	**1,524,652**	1,184,838	8,235,996
Total expenditures	3,203,330	2,797,490	**1,526,002**	1,271,488	8,235,996
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
NMFA Parking Deck
For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ 700	$ 700	**$ 1,677**	$ 977	$ 10,059
Total revenues	700	700	**1,677**	977	10,059
Expenditures					
Capital outlay	129,272	336,016	**200,000**	136,016	3,956,978
Total expenditures	129,272	336,016	**200,000**	136,016	3,956,978
Revenues under expenditures	(128,572)	(335,316)	**(198,323)**	136,993	(3,946,919)
Other Financing Sources					
Issuance of debt	-	-	**-**	-	(10,848)
Total other financing sources	-	-	**-**	-	(10,848)
Net change in fund balance	(128,572)	(335,316)	**(198,323)**	136,993	(3,957,767)
Fund balance, beginning of year	333,848	333,848	**333,848**	-	4,291,615
Fund balance, end of year	$ 205,276	$ (1,468)	**$ 135,525**	$ 136,993	$ 333,848

City of Las Cruces

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

TIDD Street Projects

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Investment income	$ -	$ -	**$ 5,847**	$ 5,847	$ 113
Total revenues	-	-	**5,847**	5,847	113
Expenditures					
Capital outlay	-	1,300,643	**1,232,493**	68,150	-
Total expenditures	-	1,300,643	**1,232,493**	68,150	-
Revenues under expenditures	-	(1,300,643)	**(1,226,646)**	73,997	113
Other Financing Sources					
Transfers in	-	30,043	**300,643**	270,600	1,000,000
Total other financing sources	-	30,043	**300,643**	270,600	1,000,000
Net change in fund balance	-	(1,270,600)	**(926,003)**	344,597	1,000,113
Fund balance, beginning of year	1,000,113	1,000,113	**1,000,113**	-	-
Fund balance, end of year	$ 1,000,113	$ (270,487)	**$ 74,110**	$ 344,597	$ 1,000,113

City of Las Cruces

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

2008 NMFA Griggs/Walnut/Plume

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Revenues					
Other	$ -	$ -	**$ -**	$ -	$ -
Total revenues	-	-	**-**	-	-
Expenditures					
Capital outlay	4,343,262	6,335,675	**23,438**	6,312,237	187,874
Interest and other charges	-	35,000	**2,113**	32,887	-
Total expenditures	4,343,262	6,370,675	**25,551**	6,345,124	187,874
Revenues under expenditures	(4,343,262)	(6,370,675)	**(25,551)**	(6,345,124)	(187,874)
Other Financing Sources					
Issuance of debt	-	6,370,675	**25,551**	(6,345,124)	187,874
Total other financing sources	-	6,370,675	**25,551**	(6,345,124)	187,874
Net change in fund balance	(4,343,262)	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ (4,343,262)	$ -	**$ -**	$ -	$ -

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

Enterprise Funds

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

Internal Service Funds

- Internal Services Fund
- Self-Insurance

City of Las Cruces

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

Gas Fund

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Sales/charges	$ 31,980,628	$ 24,134,628	**$ 24,418,177**	$ 283,549	$ 22,709,632
Provision for uncollectible accounts	(236,105)	(236,105)	**(1,143,105)**	(907,000)	(275,228)
Net sales/charges	31,744,523	23,898,523	**23,275,072**	(623,451)	22,434,404
Utility extension/service fee	200,000	200,000	**184,531**	(15,469)	155,003
Other	2,330,000	1,520,000	**1,038,280**	(481,720)	2,103,941
Total operating revenues	34,274,523	25,618,523	**24,497,883**	(1,120,640)	24,693,348
Operating Expenses					
Personnel services	3,483,040	3,491,454	**3,211,751**	279,703	3,144,276
Cost of gas purchased	22,828,204	13,728,204	**14,397,188**	(668,984)	14,422,689
Supplies	238,300	252,300	**242,145**	10,155	200,244
Utilities	38,400	38,400	**26,211**	12,189	25,650
Professional services	659,699	659,699	**355,863**	303,836	374,536
Repairs and maintenance	1,041,136	1,041,136	**1,021,223**	19,913	908,247
Rent	15,000	11,000	**5,953**	5,047	6,191
Depreciation and amortization	2,000,900	1,839,300	**2,070,085**	(230,785)	1,856,366
Payment in lieu of taxes	767,589	767,589	**602,042**	165,547	565,628
Administrative charges from other funds	544,462	544,462	**544,462**	-	546,649
Customer service	3,868,254	4,108,594	**2,728,977**	1,379,617	3,428,988
Insurance	214,944	214,944	**214,944**	-	214,944
Other	102,600	92,600	**37,648**	54,952	80,009
Total operating expenses	35,802,528	26,789,682	**25,458,492**	1,331,190	25,774,417
Operating loss	(1,528,005)	(1,171,159)	**(960,609)**	210,550	(1,081,069)
Nonoperating Revenues (Expenses)					
Gain (loss) on sale of capital assets	-	-	**1,128**	1,128	-
Investment income	338,952	203,141	**57,839**	(145,302)	218,965
Contributed capital	120,000	120,000	**4,569,540**	4,449,540	49,896
Interest expense	(32,000)	(32,000)	**-**	32,000	(18,096)
Total nonoperating revenue (expense)	426,952	291,141	**4,628,507**	4,337,366	250,765
Loss before transfers	(1,101,053)	(880,018)	**3,667,898**	4,547,916	(830,304)
Transfers in	100,000	100,000	**-**	(100,000)	-
Transfers out	(54,400)	(54,400)	**(54,400)**	-	(54,400)
Transfers, net	45,600	45,600	**(54,400)**	(100,000)	(54,400)
Change in fund net assets	(1,055,453)	(834,418)	**3,613,498**	4,447,916	(884,704)
Fund net assets, beginning of year	38,411,271	38,411,271	**38,411,271**	-	39,295,975
Fund net assets, end of year	$ 37,355,818	$ 37,576,853	**$ 42,024,769**	$ 4,447,916	$ 38,411,271

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Sales/charges	$ 13,037,127	$ 13,175,327	**$ 14,834,080**	$ 1,658,753	$ 12,959,785
Provision for uncollectible accounts	(197,378)	(83,628)	**(517,628)**	(434,000)	(101,394)
Net sales/charges	12,839,749	13,091,699	**14,316,452**	1,224,753	12,858,391
Utility extension/service fee	50,000	50,000	**110,273**	60,273	55,819
Rentals	12,495	12,495	**12,495**	-	10,920
Other	160,325	92,325	**62,252**	(30,073)	306,252
Total operating revenues	13,062,569	13,246,519	**14,501,472**	1,254,953	13,231,382
Operating Expenses					
Personnel services	2,479,764	2,646,304	**2,543,854**	102,450	2,514,254
Supplies	545,900	562,850	**459,778**	103,072	436,321
Utilities	1,895,350	1,862,300	**1,728,441**	133,859	1,732,948
Professional services	2,237,602	2,315,256	**1,708,078**	607,178	1,657,739
Repairs and maintenance	825,581	1,224,281	**1,119,936**	104,345	1,046,488
Rent	37,000	37,000	**31,684**	5,316	28,515
Depreciation and amortization	2,702,600	2,185,500	**2,205,837**	(20,337)	2,137,367
Payment in lieu of taxes	475,230	475,230	**505,827**	(30,597)	448,530
Administrative charges from other funds	550,141	550,141	**550,141**	-	552,350
Customer service	2,128,973	2,376,784	**1,572,954**	803,830	1,947,100
Insurance	107,034	107,034	**107,034**	-	107,034
Other	167,200	170,200	**11,434**	158,766	85,915
Total operating expenses	14,152,375	14,512,880	**12,544,998**	1,967,882	12,694,561
Operating income (loss)	(1,089,806)	(1,266,361)	**1,956,474**	3,222,835	536,821
Nonoperating Revenues (Expenses)					
Gain (loss) on sale of capital assets	-	-	**895**	895	-
Investment income	624,436	588,409	**79,626**	(508,783)	389,860
Grants	-	339,104	**96,550**	(242,554)	649,817
Capital contributions	500,000	500,000	**2,451,343**	1,951,343	427,243
Interest expense	(1,615,876)	(1,902,788)	**(1,407,339)**	495,449	(1,683,040)
Total nonoperating revenue (expense)	(491,440)	(475,275)	**1,221,075**	1,696,350	(216,120)
Income (loss) before transfers	(1,581,246)	(1,741,636)	**3,177,549**	4,919,185	320,701
Transfers in	1,786,196	1,786,196	**2,112,470**	326,274	229,995
Transfers, net	1,786,196	1,786,196	**2,112,470**	326,274	229,995
Change in fund net assets	204,950	44,560	**5,290,019**	5,245,459	550,696
Fund net assets, beginning of year	71,090,326	71,090,326	**71,090,326**	-	70,539,630
Fund net assets, end of year	$ 71,295,276	$ 71,134,886	**$ 76,380,345**	$ 5,245,459	$ 71,090,326

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Sales/charges	$ 10,400,911	$ 10,504,911	**$ 11,271,132**	$ 766,221	$ 10,678,961
Provision for uncollectible accounts	(184,827)	(166,904)	**(427,154)**	(260,250)	(87,327)
Net sales/charges	10,216,084	10,338,007	**10,843,978**	505,971	10,591,634
Line extension/service fee	25,000	25,000	**16,249**	(8,751)	-
Other	75,000	75,000	**36,704**	(38,296)	230,539
Total operating revenues	10,316,084	10,438,007	**10,896,931**	458,924	10,822,173
Operating Expenses					
Personnel services	2,612,038	2,594,187	**2,428,584**	165,603	2,558,946
Supplies	826,000	884,415	**597,176**	287,239	666,418
Utilities	1,000,600	1,092,600	**909,240**	183,360	817,805
Professional services	1,128,342	1,232,975	**588,234**	644,741	715,256
Repairs and maintenance	703,817	743,961	**593,087**	150,874	546,958
Rent	24,250	15,750	**10,913**	4,837	5,199
Depreciation and amortization	3,158,000	3,092,500	**3,132,427**	(39,927)	2,717,459
Payment in lieu of taxes	451,905	451,905	**464,192**	(12,287)	422,289
Administrative charges from other funds	522,126	522,126	**522,126**	-	524,223
Customer service	1,014,041	1,076,989	**738,984**	338,005	849,283
Insurance	42,043	42,043	**42,043**	-	42,043
Other	17,100	17,600	**15,929**	1,671	12,151
Total operating expenses	11,500,262	11,767,051	**10,042,935**	1,724,116	9,878,030
Operating income (loss)	(1,184,178)	(1,329,044)	**853,996**	2,183,040	944,143
Nonoperating Revenues (Expenses)					
Investment income	335,992	319,429	**148,723**	(170,706)	428,830
Grants	164,540	164,540	**-**	(164,540)	156,250
Capital contribution	500,000	500,000	**2,034,232**	1,534,232	374,796
Interest expense	(1,179,855)	(1,382,001)	**(1,128,316)**	253,685	(1,248,535)
Total nonoperating revenue (expense)	(179,323)	(398,032)	**1,054,639**	1,452,671	(288,659)
Income (loss) before transfers	(1,363,501)	(1,727,076)	**1,908,635**	3,635,711	655,484
Transfers in	1,307,421	2,284,391	**856,889**	(1,427,502)	796,279
Transfers out	(1,477,593)	(2,454,563)	**(1,477,593)**	976,970	-
Transfers, net	(170,172)	(170,172)	**(620,704)**	(450,532)	796,279
Change in fund net assets	(1,533,673)	(1,897,248)	**1,287,931**	3,185,179	1,451,763
Fund net assets, beginning of year	77,915,919	77,915,919	**77,915,919**	-	76,464,156
Fund net assets, end of year	$ 76,382,246	$ 76,018,671	**$ 79,203,850**	$ 3,185,179	$ 77,915,919

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Sales/charges	$ 9,522,379	$ 10,297,379	**$ 10,558,672**	$ 261,293	$ 10,272,591
Provision for uncollectible accounts	(76,306)	(76,306)	**(512,306)**	(436,000)	(92,388)
Net sales/charges	9,446,073	10,221,073	**10,046,366**	(174,707)	10,180,203
Rentals	-	(1,100)	**750**	1,850	-
Other	-	-	**313,840**	313,840	24,045
Total operating revenues	9,446,073	10,219,973	**10,360,956**	140,983	10,204,248
Operating Expenses					
Personnel services	2,338,354	2,342,023	**1,931,611**	410,412	2,259,110
Supplies	368,100	349,100	**256,929**	92,171	244,851
Utilities	22,200	22,200	**9,593**	12,607	12,860
Professional services	3,692,968	5,024,808	**4,094,067**	930,741	3,451,974
Repairs and maintenance	1,584,753	1,584,753	**1,191,004**	393,749	1,237,677
Rent	72,000	72,000	**-**	72,000	4,413
Depreciation and amortization	648,300	854,400	**841,656**	12,744	742,188
Payment in lieu of taxes	210,371	210,371	**188,146**	22,225	211,866
Administrative charges from other funds	227,665	227,665	**203,543**	24,122	228,579
Customer service	1,892,921	2,010,977	**1,208,896**	802,081	1,691,731
Accrued post closure costs	70,000	86,440	**-**	86,440	94,275
Insurance	133,311	133,311	**119,186**	14,125	133,311
Other	13,500	13,500	**-**	13,500	7,439
Total operating expenses	11,274,443	12,931,548	**10,044,631**	2,886,917	10,320,274
Operating income (loss)	(1,828,370)	(2,711,575)	**316,325**	3,027,900	(116,026)
Nonoperating Revenues (Expenses)					
Gain on sale of capital assets	-	-	**11,849**	11,849	233,200
Other receipts	-	-	**-**	-	223,897
Investment income	130,182	130,182	**(4,077)**	(134,259)	184,613
Interest expense	(80,844)	(80,844)	**(85,412)**	(4,568)	(87,833)
Total nonoperating revenue (expense)	49,338	49,338	**(77,640)**	(126,978)	553,877
Change in fund net assets	(1,779,032)	(2,662,237)	**238,685**	2,900,922	437,851
Fund net assets, beginning of year	7,784,707	7,784,707	**7,784,707**	-	7,346,856
Fund net assets, end of year	$ 6,005,675	$ 5,122,470	**$ 8,023,392**	$ 2,900,922	$ 7,784,707

City of Las Cruces

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

Transit Fund

For the Year Ended June 30, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Sales	$ 473,011	$ 588,411	**$ 620,213**	$ 31,802	$ 559,226
Other	100	100	**19,572**	19,472	4,539
Total operating revenues	473,111	588,511	**639,785**	51,274	563,765
Operating Expenses					
Personnel services	2,673,792	2,699,826	**2,554,841**	144,985	2,626,818
Supplies	119,797	80,413	**66,704**	13,709	93,869
Utilities	27,080	29,100	**26,511**	2,589	28,601
Professional services	108,949	121,263	**113,715**	7,548	98,769
Motor pool charges	489,513	566,522	**527,430**	39,092	450,018
Motor fuel	235,058	277,056	**269,549**	7,507	262,973
Repairs and maintenance	161,650	117,034	**106,528**	10,506	110,032
Depreciation and amortization	382,130	534,954	**547,526**	(12,572)	482,549
Insurance	39,941	39,941	**39,941**	-	39,941
Other	1,040	1,040	**771**	269	224
Total operating expenses	4,238,950	4,467,149	**4,253,516**	213,633	4,193,794
Operating loss	(3,765,839)	(3,878,638)	**(3,613,731)**	264,907	(3,630,029)
Nonoperating Revenues (Expenses)					
Operating grants and contributions	2,916,029	3,141,838	**1,671,970**	(1,469,868)	1,993,756
Total nonoperating revenue (expense)	2,916,029	3,141,838	**1,671,970**	(1,469,868)	1,993,756
Income (loss) before transfers	(849,810)	(736,800)	**(1,941,761)**	(1,204,961)	(1,636,273)
Transfers in	1,868,461	1,866,444	**1,783,257**	(83,187)	2,338,169
Transfers, net	1,868,461	1,866,444	**1,783,257**	(83,187)	2,338,169
Change in fund net assets	1,018,651	1,129,644	**(158,504)**	(1,288,148)	701,896
Fund net assets, beginning of year	5,015,807	5,015,807	**5,015,807**	-	4,313,911
Fund net assets, end of year	$ 6,034,458	$ 6,145,451	**$ 4,857,303**	$ (1,288,148)	$ 5,015,807

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Expenses					
Depreciation and amortization	$ -	$ 29,100	**$ 28,981**	$ 119	$ 28,981
Total operating expenses	-	29,100	**28,981**	119	28,981
Change in fund net assets	-	(29,100)	**(28,981)**	(119)	(28,981)
Fund net assets, beginning of year	174,145	174,145	**174,145**	-	203,126
Fund net assets, end of year	$ 174,145	$ 145,045	**$ 145,164**	$ (119)	$ 174,145

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Expenses					
Supplies	$ 1,000	$ 1,000	**$ -**	$ 1,000	$ -
Utilities	14,400	14,400	**9,802**	4,598	10,451
Special professional services	52,993	52,993	**30,000**	22,993	32,500
Depreciation and amortization	37,400	8,300	**1,414**	6,886	10,306
Total operating expenses	105,793	76,693	**41,216**	35,477	53,257
Loss before transfers	(105,793)	(76,693)	**(41,216)**	35,477	(53,257)
Transfers in	54,400	54,400	**54,400**	-	54,400
Change in fund net assets	(51,393)	(22,293)	**13,184**	35,477	1,143
Fund net assets, beginning of year	48,405	48,405	**48,405**	-	47,262
Fund net assets, end of year	$ (2,988)	$ 26,112	**$ 61,589**	$ 35,477	$ 48,405

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Motor pool charges	$ 6,969,472	$ 6,969,472	**$ 6,744,924**	$ (224,548)	$ 9,242,016
Rental charges and other	108,215	115,852	**128,346**	12,494	164,763
Total operating revenues	7,077,687	7,085,324	**6,873,270**	(212,054)	9,406,779
Operating Expenses					
Personnel services	742,849	785,472	**1,486,199**	(700,727)	3,245,369
Cost of goods sold	2,530,723	2,730,723	**2,484,821**	245,902	2,166,185
Supplies	2,662,424	2,384,839	**2,314,453**	70,386	2,495,500
Utilities	62,764	67,944	**64,005**	3,939	291,500
Professional services	91,372	109,820	**103,737**	6,083	142,407
Motor pool charges	16,500	16,500	**28,216**	(11,716)	13,123
Repairs and maintenance	81,050	107,570	**134,322**	(26,752)	501,919
Rent	207,680	211,480	**211,405**	75	215,682
Insurance	59,174	59,174	**60,986**	(1,812)	100,927
Depreciation	119,200	119,200	**87,193**	32,007	589,652
Other	40,474	30,734	**25,493**	5,241	32,890
Total operating expenses	6,614,210	6,623,456	**7,000,830**	(377,374)	9,795,154
Operating income (loss)	463,477	461,868	**(127,560)**	(589,428)	(388,375)
Nonoperating Revenue					
Loss on sale of capital assets	-	-	**(890,921)**	(890,921)	-
Investment income	5,500	5,500	**21,573**	16,073	22,058
Total nonoperating revenue (expense)	5,500	5,500	**(869,348)**	(874,848)	22,058
Income (loss) before transfers	468,977	467,368	**(996,908)**	(1,464,276)	(366,317)
Transfers in	-	-	**-**	-	130,165
Transfers out	(754,954)	(236,139)	**(236,139)**	-	(940,712)
Transfers, net	(754,954)	(236,139)	**(236,139)**	-	(810,547)
Change in fund net assets	(285,977)	231,229	**(1,233,047)**	(1,464,276)	(1,176,864)
Fund net assets, beginning of year	2,087,056	2,087,056	**2,087,056**	-	3,263,920
Fund net assets, end of year	$ 1,801,079	$ 2,318,285	**$ 854,009**	$ (1,464,276)	$ 2,087,056

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, 2011

	2011				
	Budgeted Amounts			Variance with Final Budget - Positive	2010
	Original	Final	**Actual**	(Negative)	Actual
Operating Revenues					
Rental charges and other	$ 771,271	$ 924,090	**$ 1,003,094**	$ 79,004	$ 847,577
Charges for insurance	2,469,014	2,469,014	**2,508,930**	39,916	2,484,438
Total operating revenues	3,240,285	3,393,104	**3,512,024**	118,920	3,332,015
Operating Expenses					
Personnel services	172,722	173,190	**179,311**	(6,121)	175,118
Supplies	4,900	4,900	**2,577**	2,323	6,632
Professional services	539,200	572,001	**436,761**	135,240	478,714
Depreciation	-	500	**483**	17	1,107
Other	7,000	7,000	**2,665**	4,335	4,045
Claims and judgments	3,166,160	4,002,859	**3,391,869**	610,990	3,072,314
Total operating expenses	3,889,982	4,760,450	**4,013,666**	746,784	3,737,930
Operating income (loss)	(649,697)	(1,367,346)	**(501,642)**	865,704	(405,915)
Nonoperating Revenue					
Investment income	123,000	123,000	**50,416**	(72,584)	254,907
Total nonoperating revenue	123,000	123,000	**50,416**	(72,584)	254,907
Income (loss) before transfers	(526,697)	(1,244,346)	**(451,226)**	793,120	(151,008)
Transfers in	1,490,973	1,990,973	**1,990,973**	-	1,756,564
Change in fund net assets	964,276	746,627	1,539,747	793,120	1,605,556
Fund net assets, beginning of year	4,711,636	4,711,636	**4,711,636**	-	3,106,080
Fund net assets, end of year	$ 5,675,912	$ 5,458,263	**$ 6,251,383**	$ 793,120	$ 4,711,636

City of Las Cruces

City of Las Cruces
Schedule of Insurance in Force
June 30, 2011

Insurer	Deductible	Amount of Coverage	Risks Covered
ACE/Huntington T. Block In	$ 1,000 per claim	$1,000,000 max any one loss	Fine Arts Policy, museum collections and temporary loans
Travelers-commercial pkge			
Commercial Property	5,000	various	Property, earnings & expense, equipment breakdown boiler & machinery.
Inland Marine	5,000/1,000	various	Contractor equipment, vehicles over $100,000, leased/ rented equipment, EDP (electronic data processing)
ACE Crime	50,000	$5,000,000.00 per occurrence	Employee dishonesty, forgery, theft, robbery, fraud, outside the premises
Indian Harbor Insurance Co. expires 06/20/2014	25,000	$5,000,000	Pollution liability Environmental impairment. Underground storage tank Self-insured retention $250,000 for each pollution condit
ACE Property & Casualty	Nil (zero)	$10,000 to $10,000,000	Airport liability
Safety National	450,000	$375,001-$1,000,000 Statutory liability in excess-per occurrence	Excess workers' compensation liability
CCMSI - TPA Contractor	Per NM Fee schedule		Third Party Administrator for workers compensation clai they are managing WC claims for city of Las Cruces.
City of Las Cruces	N/A	Actual expense up to maximum allowable under State Tort Claims Act	Comprehensive automobile liability, general liability, defense of civil rights litigation, foreign jurisdiction coverage
Westchester Fire Ins. Co.	50,000	$5,000,000 umbrella	Excess crime
Traveler's Insurance Co.	5,000	cost of replacement, minus deductible.	Commercial automobile coverage Comprehensive and collision Commercial vehicles, such as fire truck and semi trucks,

The insurance in force covers all City of Las Cruces employees, boards, council members, and the 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, 2011

Deposits

Institution/Security	CUSIP #	Maturity Date	Safe Keeping Location	Market Value
Wells Fargo Bank, NA			Wells Fargo Bank	
FG G01838 5.000% 07/01/2035	3128LXBF8	7/1/2035		$ 3,885
FG G04832 5.000% 10/01/2038	3128M6VZ8	10/1/2038		45,086
FG H01489 6.000% 04/01/2038	3128MTUN6	4/1/2038		41,496
FN 825776 6.00% 08/01/2035	31407BMZ9	8/1/2035		2,647
FN 868293 6.000% 04/01/2036	31409DUS0	4/1/2036		4,859
FN 888268 6.000% 03/01/2037	31410FZ99	3/1/2037		1,670
FN 933732 6.000% 04/01/2038	31412SY58	4/1/2038		1,951,736
FN 983377 5.5000% 08/01/2038	31415LM20	8/1/2038		694,215
				$ 2,745,594

Summary of Collateralization

Wells Fargo Bank	
Ending bank balance	$ 24,352,237
Less: FDIC insurance	(21,610,567)
Total uninsured public funds	$ 2,741,670
Pledged collateral held by the pledging bank's trust department in the City's name	$ 2,745,594
100% collateral requirement	2,741,670
Pledged collateral in excess of requirement	$ 3,924
Uninsured and uncollateralized	$ -

City of Las Cruces
Schedule of Special Appropriations
June 30, 2011

Appropriation Number	Appropriation Description	Original Appropriation	Amended Appropriation	Appropriation Period	Expended to 6/30/2011	Outstanding Encumbered 6/30/2011	Unencumbered Balance
08-3221	P/D/C Downtown Plaza	$ 295,000	$ 292,050	02/10 - 06/12	$ 292,050	$ -	$ -
08-3222	P/D/C Transitional Housing Vets Community of Hope	227,700	227,000	02/10 - 06/12	-	-	227,000
08-3223	P/D/C/E/F Recreation & Aquatic Center	594,000	588,060	02/10 - 06/12	85,687	72,621	429,752
08-3224	P/C/E/F La Casa Transitional Housing Facilities	215,000	215,000	02/10 - 06/12	128,350	15,212	71,438
08-4276	P/D/C/R Amador Museum	114,000	96,162	02/10 - 06/12	95,744	413	5
08-4278	P/D/C Branigan Library Children's Wing	125,000	98,858	02/10 - 06/12	26,614	64,276	7,968
08-4283	P/D/C Kitchen for Meal Preparation	20,000	20,000	02/10 - 06/12	-	20,000	-
08-4285	P/D/C Improvements to Mesilla Park Community Center	55,000	52,019	02/10 - 06/12	52,019	-	-
08-4286	P/D/Purchase/Install Lighting Mesilla Park	20,000	6,730	02/10 - 06/12	6,730	-	-
08-4291	P/D/C/Purchase/Install Skeet & Trap Range	65,000	65,000	02/10 - 06/12	60,116	3,119	1,765
09-3877	P/D/C/E/F Recreation & Aquatic Center (06-1608)	3,740,000	344,490	02/10 - 06/13	245,868	-	98,622
09-3878	P/D/C/R Improvements to MoNaS (08-4289)	180,000	178,200	02/10 - 06/13	178,171	-	29
08-4808	East Mesa Senior Center - 2500	18,000	18,000	02/10 - 06/11	18,000	-	-
08-4809	East Side Senior Center - 2500	5,000	5,000	02/10 - 06/11	-	-	5,000
08-4810	East Side Senior Center - 4012	18,000	18,000	02/10 - 06/11	-	-	18,000
08-4811	Las Cruces Senior Center - Citywide - 2500	6,000	6,000	02/10 - 06/11	6,000	-	-
08-4812	Las Cruces Senior Center - Citywide - 2500	40,700	40,700	02/10 - 06/11	40,700	-	-
09-3023	Benavidez Senior Center	76,600	76,600	02/10 - 06/13	73,599	3,001	-
09-3024	Las Cruces Senior Center - Citywide (Vehicles) - 2500	84,000	84,000	02/10 - 06/13	79,736	-	4,264
09-3025	Senior Programs Vehicles - Handicap Access - 2500	100,000	100,000	02/10 - 06/12	97,885	-	2,115
08-4618	Union Multi-Use Path	70,000	70,000	09/08 - 06/12	65,259	-	4,741
ES11230	Del Rey Arroyo (ARRA)	2,000,000	2,000,000	07/09 - 09/12	2,000,000	-	-
G2S7512	Telshor Loman Intersection Improvement	3,705,000	3,705,000	04/09 - 06/13	2,052,435	8,738	1,643,827
STP-9991-2(1)	Main Street (North)	1,176,000	1,665,060	07/09 - 09/13	-	-	1,665,060
MAP-7613(904	Main Street (South)	228,019	228,019	10/12 - 06/12	-	-	228,019
SP-1-11 (960)	Union Avenue/Stern Drive Intersection	40,500	40,500	08/10 - 12/11	-	-	40,500
08-4619	Valley Drive Master Plan	20,000	20,000	09/08 - 06/12	-	-	20,000
09-690-9704-0	La Casa, Inc. Domestic Violence Capital Project	635,384	635,384	07/10 - 06/12	565,467	58,008	11,910
08-3854	Las Cruces Griggs / Walnut Superfund Site Infra - 2781	75,000	75,000	-	75,000	-	-
08-3856	Las Cruces Sewer Line / Willow Glen - 5450	125,000	125,000	10/08 - 06/12	49,421	-	75,579

City of Las Cruces
Schedule of Deposit Accounts and Investments
June 30, 2011

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit 6/30/2011
Deposit accounts					
Wells Fargo Bank					
Community Development	Checking	$ -	$ 14,791	$ 14,791	$ 113,085
Community Development Home Rehab	Checking	-	20,717	20,717	20,717
Community Development Home Program	Checking	-	28,010	28,010	28,010
Community Development MONAS Loan	Checking	-	2,098	2,098	2,098
Metro Narcotics Agency	Savings	-	95,458	95,458	95,458
5375 Wells Fargo MM	Savings	-	1,395,488	1,395,488	1,395,488
8710-Wells Fargo MM	Savings	-	1,500,723	1,500,723	1,500,723
Treasury Fund - Operating	Checking	21,125,868	-	21,125,868	21,173,326
Payroll Direct Deposit Account	Checking	(37,867)	-	(37,867)	-
Accounts Payable	Checking	(1,822,344)	-	(1,822,344)	-
On Demand	Checking	5,349	-	5,349	23,331
Rio Grande Natural Gas Assoc Revenue	Checking	(154,870)	-	(154,870)	-
Depository	Checking	453,379	-	453,379	-
Credit Card	Checking	4,657	-	4,657	-
Electronic	Checking	(78,506)	-	(78,506)	-
Total deposit accounts		19,495,666	3,057,285	22,552,951	$ 24,352,236
Investments					
Wells Fargo Brokerage Services, LLC					
FNMA Step 7/28/2022-11	Investment	3,005,100	-	3,005,100	
FNMA Step 9/3/2019-11	Investment	3,970,920	-	3,970,920	
FNMA Step 5/18/2026-12	Investment	3,003,630	-	3,003,630	
SDWF MM	Investment	-	1,832,437	1,832,437	
First Tennessee					
FHLB 2.5 4/7/2016-11	Investment	1,000	2,484,820	2,485,820	
FHLB 2.7 4/18/2016-12	Investment	2,034	1,797,896	1,799,930	
FHLB Step 6/30/2023-11	Investment	2,952,840	-	2,952,840	
FHLMC Step 11/15/2022-11	Investment	1,847,580	-	1,847,580	
FHLMC Step 2/15/2023-12	Investment	2,001,380	-	2,001,380	
FHLMC Step 7/15/2025-11	Investment	1,970,040	-	1,970,040	
FHLMC Step 3/15/2023-12	Investment	3,996,120	-	3,996,120	
FHLMC Step 8/15/2022-11	Investment	2,963,790	-	2,963,790	
FHLMC Step 8/15/2022-11	Investment	1,959,900	-	1,959,900	
FHLMC Step 8/15/2025-11	Investment	4,664,050	-	4,664,050	
FHLMC Step 8/15/2022-11	Investment	1,885,660	-	1,885,660	
FHLMC Step 8/15/2025-11	Investment	-	9,413,000	9,413,000	
FHLMC Step 8/18/2025-10	Investment	2,957,850	-	2,957,850	
FHLMC Step 9/14/2020-11	Investment	2,906,400	-	2,906,400	
FHLMC 1.7 11/4/2015-11	Investment	9,546	1,565,014	1,574,560	
FHLMC Step 11/23/2022-11	Investment	1,968,520	-	1,968,520	
FHLMC 2.375 6/22/2016-11	Investment	-	510,458	510,458	
FNMA Step 8/4/2025-11	Investment	-	1,478,505	1,478,505	
FNMA Step 2/25/2026-11	Investment	2,010,760	-	2,010,760	
FNMA Step 12/10/2025-11	Investment	2,937,330	-	2,937,330	
FNMA Step 9/23/2022-11	Investment	2,858,820	-	2,858,820	
FNMA Step 9/30/2025-11	Investment	4,862,050	-	4,862,050	
FNMA Step 9/29/2020-11	Investment	6,928,390	-	6,928,390	
FNMA Step 10/15/2020-11	Investment	2,944,800	-	2,944,800	
FNMA Step 10/21/2025-11	Investment	-	1,942,600	1,942,600	
FNMA Step 10/28/2020-11	Investment	8,839,080	-	8,839,080	
FNMA Step 10/28/2020-11	Investment	4,886,000	-	4,886,000	
FNMA Step 11/24/2020-11	Investment	1,968,340	-	1,968,340	
FNMA Step 6/23/2026-11	Investment	-	1,968,740	1,968,740	
FNMA 4.7 6/27/2031-12	Investment	-	980,540	980,540	

City of Las Cruces
Schedule of Deposit Accounts and Investments — continued
June 30, 2011

Account	Type of Account	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance
Morgan Keegan				
FHLB Step 11/24/2025-11	Investment	7,955,680	-	7,955,680
FHLMC Step 12/15/2025-11	Investment	2,902,170	-	2,902,170
FHLMC Step 8/15/2025-11	Investment	7,761,360	-	7,761,360
FNMA Step 9/29/2020-11	Investment	4,908,050	-	4,908,050
FNMA Step 11/26/2025-11	Investment	4,920,150	-	4,920,150
First Tennessee Safekeeping				
T-Bond 7.25 5/15/2016	Investment	-	782,750	782,750
NM State Investment Council				
Large Cap Active Equity Pool	Investment	-	4,990,823	4,990,823
Large Cap Index Equity Pool	Investment	-	2,442,019	2,442,019
Non-U.S. Developed Equity Pool	Investment	-	1,942,532	1,942,532
Mid/Small Cap Equity Pool	Investment	-	4,490,263	4,490,263
Total investments		108,749,340	38,622,397	147,371,737
Total deposits and investment		128,245,006	41,679,682	169,924,688
Other cash				
Petty cash and change funds	Cash	-	12,797	12,797
New Mexico Finance Authority				
2007 C PPRF - LAS CRUCES CITY	Debt Service	-	186,557	186,557
2007 A PPRF - LAS CRUCES CITY	Debt Service	-	1	1
2007 C PPRF - LAS CRUCES CITY	Debt Service	-	179,661	179,661
2008 A PPRF - LAS CRUCES CITY OF	Debt Service	-	221,464	221,464
2008 A PPRF - LAS CRUCES CITY	Debt Service	-	89,674	89,674
2008 B PPRF - LAS CRUCES CITY OF	Debt Service	-	170,904	170,904
2008 C PPRF - LAS CRUCES CITY OF	Debt Service	-	456,457	456,457
2008 C PPRF - LAS CRUCES CITY	Debt Service	-	5	5
Accrued interest receivable				
Accrued Interest - Pooled Investments	Accrued int	709,515	-	709,515
Total cash and investments		$ 128,954,521	$ 42,997,202	$ 171,951,723

City of Las Cruces

City of Las Cruces
Statistical Section Table of Contents
June 30, 2011

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 Ten Years
(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	$ 128,924	$ 133,022	$ 139,710	$ 149,395	$ 131,645	$ 140,890	$ 146,327	$ 199,706	$ 258,566	$ 276,355
Restricted	21,629	22,263	20,820	19,752	17,301	34,371	32,766	32,625	33,168	34,983
Unrestricted	26,910	31,278	50,714	63,166	103,080	103,926	126,919	82,891	57,690	64,435
Subtotal governmental activities net assets	177,463	186,563	211,244	232,313	252,026	279,187	306,012	315,222	349,424	375,773
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	126,330	140,672	152,450
Restricted	5,333	4,814	-	13,879	20,976	34,894	49,377	30,498	22,870	21,757
Unrestricted	22,201	31,764	42,854	35,901	40,051	43,678	41,540	43,807	39,193	38,596
Subtotal business-type activities net assets	131,604	136,046	142,003	154,676	167,642	184,128	194,415	200,635	202,735	212,803
Primary government										
Invested in capital assets, net of related debt	232,994	232,490	238,859	254,291	238,260	246,446	249,825	326,036	399,238	428,805
Restricted	26,962	27,077	20,820	33,631	38,277	69,265	82,143	63,123	56,038	56,740
Unrestricted	49,111	63,042	93,568	99,067	143,131	147,604	168,459	126,698	96,883	103,031
Total primary government net assets	$ 309,067	$ 322,609	$ 353,247	$ 386,989	$ 419,668	$ 463,315	$ 500,427	$ 515,857	$ 552,159	$ 588,576

Note:
* The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2011 is shown.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities										
General government	$ 12,242	$ 12,948	$ 14,953	$ 17,433	$ 16,800	$ 25,894	$ 16,560	$ 16,914	$ 16,101	$ 16,667
Facilities	6,418	6,953	7,107	7,948	9,018	9,648	9,857	10,372	13,629	13,237
Police	16,093	16,745	17,666	19,474	21,822	21,426	23,814	28,112	26,886	26,628
Fire	7,646	7,810	7,653	8,464	9,288	10,346	11,290	11,261	11,155	11,339
Community development	1,744	3,903	4,728	4,653	5,123	4,641	5,047	4,605	7,586	5,835
Public services	8,597	8,862	9,201	9,741	10,889	11,774	12,525	12,797	10,506	9,833
Public works	12,900	13,017	13,888	14,334	15,604	16,756	19,728	20,552	19,728	20,285
Information technology	-	-	-	-	-	-	-	-	-	3,245
Interest on long-term debt	1,755	2,015	2,166	1,919	2,726	3,148	4,003	4,307	4,564	3,862
Subtotal governmental activities expenses	67,395	72,253	77,362	83,966	91,271	103,633	102,824	108,920	110,155	110,931
Business-type activities										
Gas	12,782	17,986	22,414	22,934	30,367	29,976	30,478	25,095	25,834	25,500
Water	8,522	6,398	9,549	8,621	10,655	12,219	11,679	14,787	14,474	13,997
Waste water	6,706	6,260	7,506	7,697	8,362	8,514	8,767	10,878	11,217	11,212
Solid waste	6,887	9,124	8,403	8,163	9,335	9,172	10,905	10,534	10,431	10,151
Transit	-	-	-	-	-	-	-	4,167	4,310	4,363
Other	2,361	2,435	2,492	3,059	3,419	3,801	4,185	107	-	-
Interest on long-term debt	1,853	1,920	1,665	1,709	1,965	2,626	3,422	-	-	-
Subtotal business-type activities expenses	39,111	44,123	52,029	52,183	64,103	66,308	69,437	65,568	66,266	65,223
Total primary government expenses	106,506	116,376	129,391	136,149	155,374	169,941	172,261	174,488	176,421	176,154
Program Revenues										
Governmental activities										
Charges for services										
General government	105	95	99	108	5,291	5,038	4,676	2,042	3,736	4,793
Facilities	361	172	173	44	114	396	-	340	340	987
Police	115	104	63	169	2,234	2,833	2,041	4,638	3,544	3,405
Fire	-	-	-	-	-	61	161	-	1	146
Community development	3	5	8	-	3,662	1,607	3,644	2,618	2,615	2,889
Public services	452	531	351	313	1,404	4,879	3,942	1,920	610	409
Public works	91	134	235	287	698	2,910	2,249	1,987	1,491	2,711
Information technology	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General government	17	1,010	733	926	1,420	490	540	30	1,701	102
Facilities	58	-	-	-	-	-	-	-	-	-
Police	68	1,517	1,061	996	1,019	688	1,669	955	839	1,269
Fire	114	251	328	357	349	442	440	381	392	308
Community development	1,468	2,311	2,977	1,797	2,727	1,896	2,410	1,369	4,768	320
Public services	2,062	942	1,425	1,497	1,082	1,148	1,262	1,197	1,290	789
Public works	-	27	21	73	-	554	11	-	2,909	7,290
Capital grants and contributions										
General government	6	-	-	-	1,236	3,344	2,531	3,350	15,129	4,226
Facilities	1,210	-	-	-	-	-	-	-	-	-
Police	68	-	-	-	-	-	-	-	-	-
Fire	17	-	-	-	-	-	-	-	-	-
Community development	503	-	-	1,718	-	134	-	-	-	2,905
Public services	131	-	-	-	-	-	-	-	-	-
Public works	2,079	4,074	1,650	3,868	4,673	11,832	11,508	11,515	10,857	2,524
Subtotal governmental activities revenues	8,928	11,173	9,124	12,153	25,909	38,252	37,084	32,342	50,222	35,073

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues - continued										
Business-type activities										
Charges for services										
Gas	12,565	17,342	22,580	24,019	30,498	31,614	31,991	23,880	24,693	24,498
Water	10,354	11,302	13,721	13,289	16,235	15,140	13,941	13,182	13,231	14,501
Waste water	6,849	7,518	8,661	9,862	11,829	12,070	10,910	10,793	10,822	10,897
Solid waste	5,501	6,066	7,649	8,532	9,854	10,155	10,194	10,267	10,204	10,361
Transit	-	-	-	-	-	-	-	-	564	640
Other	226	221	286	225	233	263	325	420	-	-
Operating grants and contributions										
Gas	128	114	175	200	-	-	-	-	-	-
Water	396	547	608	891	-	-	-	-	8	-
Waste water	464	557	408	938	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	1,520	1,368	1,614
Other	911	735	1,297	2,984	1,048	-	1,188	-	-	-
Capital grants and contributions										
Gas	-	-	-	-	46	342	335	333	50	4,570
Water	-	-	-	-	1,569	1,398	1,263	1,968	1,069	2,548
Waste water	-	-	-	-	307	2,141	1,926	2,383	531	2,034
Solid waste	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	1,267	626	58
Other	-	-	-	-	427	1,141	118	-	-	-
Subtotal business-type activities revenues	37,394	44,402	55,385	60,940	72,046	74,264	72,191	66,013	63,166	71,721
Total primary government revenues	46,322	55,575	64,509	73,093	97,955	112,516	109,275	98,355	113,388	106,794
Net (Expense)/Revenue										
Governmental activities	(58,467)	(61,079)	(68,237)	(71,814)	(65,362)	(65,381)	(65,740)	(76,578)	(59,933)	(75,858)
Business-type activities	(1,717)	279	3,357	8,758	7,943	7,957	2,755	445	(3,100)	6,498
Total primary government net expense	(60,184)	(60,800)	(64,880)	(63,056)	(57,419)	(57,424)	(62,984)	(76,133)	(63,033)	(69,360)
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	73,506	75,230	76,793
Property	5,783	6,786	7,234	7,535	8,483	9,355	10,891	12,168	13,216	13,904
Franchise/lodgers	2,230	2,459	2,114	2,339	2,609	2,999	2,985	2,699	2,739	2,952
Investment income	1,264	1,448	794	1,857	3,881	5,902	3,842	(1,720)	3,569	3,462
Hospital net assets received	-	-	18,025	3,760	3,308	-	-	-	-	-
Telshor Facility income	-	-	-	-	-	2,973	267	278	139	5,473
Other									2,683	2,878
Donated capital assets	-	-	-	8,253	-	-	-	-	-	-
Licenses and permits	-	-	-	3,194	-	-	-	-	-	-
Fees, fines, franchise fees	-	-	-	4,363	-	-	-	-	-	-
Other	9,971	13,784	12,946	5,403	3,335	2,456	2,835	3,091	-	-
Gain (loss) on disposal of fixed assets/sale of investments	(2)	5	-	66	-	-	-	-	-	
Contribution of capital assets	-	-	-	-	-	-	-	-	-	443
Transfers	3,201	(2,389)	(2,507)	(2,834)	(3,158)	(4,434)	(4,083)	(4,232)	(3,442)	(3,697)
Total governmental activities	67,388	70,180	92,918	92,882	85,075	92,138	93,816	85,790	94,134	102,208
Business-type activities										
Investment income	1,415	1,295	35	1,095	1,857	3,855	3,408	1,517	1,302	306
Other	-	371	-	-	8	239	40	25	457	10
Gain (loss) on disposal of fixed assets/sale of investments	67	109	58	(13)	-	-	-	-	-	-
Contribution of capital assets	-	-	-	-	-	-	-	-	-	(443)
Transfers	(3,201)	2,389	2,507	2,834	3,158	4,434	4,083	4,232	3,442	3,697
Total business-type activities	(1,719)	4,164	2,599	3,916	5,023	8,528	7,532	5,774	5,201	3,570
Total primary government	65,669	74,344	95,517	96,798	90,098	100,665	101,348	91,564	99,335	105,778
Change in Net Assets										
Governmental activities	8,920	9,101	24,681	21,069	19,713	26,756	28,076	9,212	34,201	26,350
Business-type activities	(3,435)	4,443	5,956	12,674	12,966	16,486	10,287	6,219	2,101	10,068
Total primary government	$ 5,485	$ 13,544	$ 30,637	$ 33,743	$ 32,679	$ 43,242	$ 38,363	$ 15,431	$ 36,302	$ 36,418

Note:
* The requirement for statistical data is ten years, which begins with the GASB 34 implementation in 2002. Data from 2002 to 2011 is shown.

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

	2011
General Fund	
Nonspendable	$ 1,330,306
Restricted	853,513
Committed	5,809,607
Assigned	4,185,702
Unassigned	21,718,500
General fund subtotal	33,897,628
All Other Governmental Funds	
Restricted	34,129,396
Committed	33,900,122
Unassigned	-
All other governmental funds subtotal	68,029,518
	$ 101,927,146

Notes:

* The requirement for statistical data is ten years. GASB 54 was implemented in 2011, therefore, only data from 2011 is shown.

Prior years data is available upon request.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$ 52,953,900	$ 57,331,966	$ 63,660,076	$ 68,819,813	$ 77,710,596	$ 85,240,647	$ 90,955,351	$ 88,372,353	$ 91,184,536	$ 93,649,128
Charges for services	1,127,933	1,042,261	930,507	919,973	1,224,934	1,401,332	1,359,566	2,038,227	1,639,472	1,693,974
Fees and fines	1,635,321	1,773,983	1,814,857	2,198,654	2,498,111	2,849,604	1,935,093	2,975,920	3,313,826	2,885,626
Franchise fees	1,964,238	2,045,459	2,176,607	2,164,259	2,389,962	2,456,015	2,677,024	2,772,546	2,683,038	2,877,685
Investment income	1,263,509	1,241,166	739,313	1,571,350	3,438,111	5,593,370	3,580,256	(1,909,490)	3,371,641	3,414,644
Licenses and permits	1,026,617	1,633,918	2,007,529	3,194,133	4,307,748	3,792,776	1,963,361	1,340,840	1,240,495	1,714,527
Operating grants and contributions	-	-	-	11,232,583	12,481,851	9,233,847	-	-	-	-
Grants and contracts	-	-	-	-	-	10,072,290	-	-	-	-
Intergovernmental	7,799,610	10,131,917	8,105,548	-	-	-	12,566,035	13,083,996	35,021,604	12,020,390
Other	7,033,198	4,580,702	5,111,599	5,998,934	7,011,904	-	12,030,681	7,805,665	6,780,990	9,661,224
Contributions from other government agencies	-	-	-	-	-	-	-	-	-	-
Total revenues	74,804,326	79,781,372	84,546,036	96,099,699	111,063,217	120,639,881	127,067,367	116,480,057	145,235,602	127,917,198
Expenditures										
Current										
General government	10,854,550	12,036,419	13,775,498	16,753,705	16,378,155	18,249,867	16,096,382	15,793,871	15,499,329	14,007,817
Facilities	5,709,543	6,519,077	6,842,730	7,227,918	8,089,108	8,919,653	9,029,214	9,567,127	12,899,522	12,419,506
Development services	-	-	-	-	-	-	-	-	-	-
Police	14,044,075	16,099,748	17,439,027	18,626,802	20,994,073	20,577,179	22,887,190	26,930,951	25,629,244	25,131,037
Fire	6,601,426	7,426,258	7,398,016	7,909,612	8,663,400	9,717,207	10,620,627	10,611,882	10,461,299	10,704,845
Public safety	-	-	-	-	-	-	-	-	-	-
Community development	2,217,087	3,901,257	4,766,996	4,545,151	5,028,537	4,586,224	5,005,801	4,574,265	7,541,002	5,797,178
Community facilities	-	-	-	-	-	-	-	-	-	-
Public services	7,415,761	8,357,357	8,835,194	9,108,361	10,164,743	10,696,197	11,437,702	11,524,761	9,085,863	8,331,342
Public works	6,194,174	6,576,259	7,276,334	7,213,101	8,003,143	8,950,461	10,909,474	11,083,997	10,260,104	10,401,815
Information technology	-	-	-	-	-	-	-	-	-	2,795,580
Capital outlay	11,763,159	9,555,113	7,763,925	13,723,810	18,572,968	23,443,820	32,342,749	52,076,944	60,876,060	25,235,056

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenditures - continued										
Debt service										
Principal	3,028,443	6,350,612	3,894,959	11,920,744	6,421,767	5,628,623	7,260,878	8,298,537	7,554,567	48,897,966
Interest and other charges	1,754,671	1,917,452	2,046,928	1,811,112	2,724,004	3,021,761	4,003,447	4,307,153	4,194,303	4,244,129
Bond issuance costs	-	-	-	185,926	498,780	-	-	-	-	-
Total expenditures	69,582,889	78,739,552	80,039,607	99,026,242	105,538,678	113,790,992	129,593,464	154,769,488	164,001,293	167,966,271
Excess of revenues over (under) expenditures	5,221,437	1,041,820	4,506,429	(2,926,543)	5,524,539	6,848,889	(2,526,097)	(38,289,431)	(18,765,691)	(40,049,073)
Other Financing Sources (Uses)										
Issuance of debt	-	10,023,555	-	7,980,000	33,000,000	12,667,476	32,184,395	9,749,434	187,874	46,400,106
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 capital assets	-	-	-	40,213	-	-	157,755	587,667	28,308	575,764
Escrow refund	-	-	-	-	-	-	-	-	-	4,097,607
Transfers in	5,271,700	6,283,603	9,020,123	9,870,984	12,951,247	12,616,224	25,472,862	21,088,190	19,719,483	26,035,390
Transfers out	(7,410,125)	(8,884,383)	(13,590,200)	(13,836,610)	(17,038,483)	(17,995,605)	(29,827,582)	(25,797,583)	(24,029,943)	(31,065,247)
Total other financing sources (uses)	(1,574,205)	7,422,775	25,666,716	4,054,587	29,189,039	7,213,204	27,987,430	5,627,708	(4,094,278)	46,043,620
Net change in fund balances	$ 3,647,232	$ 8,464,595	$ 30,173,145	$ 1,128,044	$ 34,713,578	$ 14,062,093	$ 25,461,333	$ (32,661,723)	$ (22,859,969)	$ 5,994,547
Debt service as a percentage of noncapital expenditures	8.27%	11.95%	8.22%	16.32%	11.09%	9.57%	11.58%	12.28%	11.39%	37.23%

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
2002	$1,022,737,173	$3,068,211,519	$ 65,787,419	$ 197,362,257	$ 110,673,980	$ 977,850,612	$2,933,551,836	33%
2003	1,069,314,271	3,207,942,813	64,125,478	192,376,434	112,208,406	1,021,231,343	3,063,694,029	33%
2004	1,145,299,951	3,435,899,853	71,335,260	214,005,780	118,976,695	1,097,658,516	3,292,975,548	33%
2005	1,201,648,115	3,604,944,345	72,472,540	217,417,620	125,099,497	1,149,021,158	3,447,063,474	33%
2006	1,380,287,657	4,140,862,971	75,179,023	225,537,069	145,116,822	1,310,349,858	3,931,049,574	33%
2007	1,465,644,191	4,396,932,573	78,063,717	234,191,151	151,047,500	1,392,660,408	4,177,981,224	33%
2008	1,727,610,513	5,182,831,539	80,241,171	240,723,513	170,687,030	1,637,164,654	4,911,493,962	33%
2009	1,997,809,308	5,993,427,924	87,600,824	262,802,472	176,456,635	1,908,953,497	5,726,860,491	33%
2010	2,106,691,015	6,320,073,045	57,474,536	172,423,608	196,456,064	1,967,709,487	5,903,128,461	33%
2011	2,177,020,916	6,531,062,748	58,320,048	174,960,144	203,413,980	2,031,926,984	6,095,780,952	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
2002	5.748	1.765	8.066	10.053	1.899	27.531
2003	5.813	1.123	8.134	9.838	1.907	26.815
2004	5.841	1.520	7.896	9.835	1.895	26.987
2005	5.985	1.028	8.120	9.832	1.899	26.864
2006	5.781	1.234	7.852	9.722	1.904	26.493
2007	5.879	1.221	7.979	9.795	1.927	26.801
2008	5.960	1.250	8.029	9.809	1.936	26.984
2009	6.136	1.150	8.249	9.807	1.961	27.303
2010	6.155	1.530	8.388	9.818	1.977	27.868
2011	6.452	1.362	8.736	9.831	2.000	28.381

Non-Residential

Fiscal Year	City	State	County	School District	Other	Total Non-Residential
2002	6.480	1.765	12.184	10.164	2.000	32.593
2003	6.617	1.123	12.184	9.976	2.000	31.900
2004	6.551	1.520	11.700	9.970	1.971	31.712
2005	6.794	1.028	12.079	9.982	2.000	31.883
2006	6.831	1.234	12.082	9.954	2.000	32.101
2007	7.120	1.221	12.017	10.014	2.000	32.372
2008	7.120	1.250	11.992	10.014	2.000	32.376
2009	7.120	1.150	12.001	10.004	2.000	32.275
2010	7.120	1.530	12.002	10.014	2.000	32.666
2011	7.120	1.362	12.000	10.014	2.000	32.496

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

City of Las Cruces
Principal Taxpayers
June 30, 2011
Last Ten Years
(Unaudited)

		FY 2011			FY 2010			FY 2009			FY 2008			FY 2007		
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
El Paso Electric Company	Electricity	$ 75,082,228	3.70%	1	$ 74,944,703	3.81%	1	$ 67,831,036	3.72%	1	$ 64,345,540	3.93%	1	$ 59,515,890	4.27%	1
Memorial Medical Center	Medical Center	67,263,063	3.31%	2	74,406,896	3.78%	2	17,287,000	0.95%	6	17,169,067	1.05%	5	16,482,767	1.18%	5
Las Cruces Medical Center LLC	Medical Center	65,207,949	3.21%	3	56,276,100	2.86%	3	18,758,700	1.03%	4	19,334,467	1.18%	4	18,392,667	1.32%	4
Qwest Corporation	Communications	39,753,714	1.96%	4	39,251,670	1.99%	4	19,977,512	1.10%	3	26,869,586	1.64%	3	24,800,703	1.78%	3
Mesilla Valley Mall LLC	Shopping Centers	31,160,200	1.53%	5	31,422,000	1.60%	5									
Comcast Cablevision of NM/PA Inc.	Television Services	27,078,136	1.33%	6	24,878,595	1.26%	6									
Las Cruces Madison Ownership Co. LLC	Real Estate	14,277,800	0.70%	10	15,833,100	0.80%	7	9,171,319	0.50%	9	9,007,400	0.55%	10	7,687,900	0.55%	10
Casa Bandera Tic LLC	Real Estate	14,450,000	0.71%	9	15,454,200	0.79%	8									
Las Cruces - Tmb LLC	Real Estate	15,300,000	0.75%	7	15,300,000	0.78%	9									
FS Laguna Seca I LLC	Shopping Centers				13,160,400	0.67%	10									
Public Service Co of NM	Electricity							34,621,991	1.90%	2	34,744,992	2.12%	2	43,703,556	3.14%	2
Union Pacific Rail Road Company	Railroad							17,964,050	0.99%	5	15,951,623	0.97%	6	13,610,022	0.98%	6
El Paso Natural Gas Co	Gasoline							12,938,360	0.71%	8	12,558,435	0.77%	7	13,732,645	0.99%	7
Las Uvas Valley Dairy	Agriculture										11,841,705	0.72%	8			
Burlington Northern & Santa Fe Railroad	Railroad							13,413,383	0.74%	7	11,487,369	0.70%	9	10,883,002	0.78%	8
New Mexico Mall Partners LP	Shopping Centers							8,309,100	0.46%	10				8,159,267	0.59%	9
My Way of Holdings LLC	Casino															
Sonoma Springs Partners LP	Real Estate															
Park Place Peridot LLC	Business Complex	15,131,252	0.74%	8												
Southwest Malls Real Estate	Shopping Centers															
Las Cruces Apartment Co. LLC	Property Development															
Wal-Mart Stores, Inc.	Discount Stores															
Las Cruces Laguna Seca Ltd	Shopping Centers															
CMAT 1999-Ci Town Center LLC	Business Complex															
Sam's East, Inc.	Discount Stores															
Anthem Park Place LP	Business Complex															
Alameda Land & Development	Property Development															
Voicestream PCS II Corp.	Cellular Telephone															
Property Trust of America	Business Complex															
Raley's of New Mexico, Inc.	Grocery Stores															
Peak Medical Assisted Living, Inc.	Assisted Living															
Campo Loretto Operating Assoc. LP	Business Complex															
Loretto Center LTD Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex															
First Security Bank of DAC	Bank															
Wells Fargo Bank New Mexico	Bank															
Greco Town Rentals, LLC	Apartments															
American Stores Properties, Inc.	Shopping Centers															
Dayton Hudson Corp/Target Stores	Discount Stores															
Las Cruces Hotel LTD Partnership	Hotel															
U.S. West Communications, Inc.	Communications															
Southwest Shopping Centers	Shopping Centers															
Level 3 Communications LLC	Communications															
			17.94%			18.34%			12.11%			13.63%			15.58%	

City of Las Cruces
Principal Taxpayers — continued
June 30, 2011
Last Ten Years
(Unaudited)

		FY 2006			FY 2005			FY 2004			FY 2003			FY 2002		
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
El Paso Electric Company	Electricity	$ 58,026,006	4.43%	1	$ 15,985,973	1.39%	2	$ 14,790,872	1.35%	2	$ 13,351,410	1.31%	2	$ 12,873,898	1.32%	1
Memorial Medical Center	Medical Center	13,754,267	1.05%	5	13,754,267	1.20%	3									
Las Cruces Medical Center LLC	Medical Center	18,392,667	1.40%	4	23,386,967	2.04%	1	17,285,900	1.57%	1	17,651,467	1.73%	1			
Qwest Corporation	Communications	24,027,370	1.83%	3	12,711,340	1.11%	4	12,965,357	1.18%	3	12,571,205	1.23%	3	11,639,054	1.19%	2
Mesilla Valley Mall LLC	Shopping Centers															
Comcast Cablevision of NM/PA Inc.	Television Services				4,779,585	0.42%	7									
Las Cruces Madison Ownership Co. LLC	Real Estate															
Casa Bandera Tic LLC	Real Estate				5,748,767	0.50%	6									
Las Cruces - Tmb LLC	Real Estate															
FS Laguna Seca I LLC	Shopping Centers				3,608,233	0.31%	10									
Public Service Co of NM	Electricity	34,927,202	2.67%	2												
Union Pacific Rail Road Company	Railroad	13,267,394	1.01%	6												
El Paso Natural Gas Co	Gasoline	11,923,259	0.91%	7												
Las Uvas Valley Dairy	Agriculture															
Burlington Northern & Santa Fe Railroad	Railroad	9,824,600	0.75%	8												
New Mexico Mall Partners LP	Shopping Centers	8,249,767	0.63%	9	8,187,367	0.71%	5									
My Way of Holdings LLC	Casino	6,329,967	0.48%	10												
Sonoma Springs Partners LP	Real Estate				4,727,467	0.41%	8									
Park Place Peridot LLC	Business Complex				4,132,329	0.36%	9	3,102,667	0.28%	8						
Southwest Malls Real Estate	Shopping Centers							7,604,067	0.69%	4	7,411,833	0.73%	4	7,551,300	0.77%	3
Las Cruces Apartment Co. LLC	Property Development							3,524,333	0.32%	5	3,524,333	0.35%	5			
Wal-Mart Stores, Inc.	Discount Stores							3,493,133	0.32%	6	3,096,833	0.30%	8	3,158,200	0.32%	6
Las Cruces Laguna Seca Ltd	Shopping Centers							3,115,167	0.28%	7	3,115,167	0.31%	6			
CMAT 1999-Ci Town Center LLC	Business Complex							2,782,267	0.25%	9	2,836,200	0.28%	9			
Sam's East, Inc.	Discount Stores							2,592,833	0.24%	10	2,592,833	0.25%	10			
Anthem Park Place LP	Business Complex										3,102,667	0.30%	7			
Alameda Land & Development	Property Development													4,413,333	0.45%	4
Voicestream PCS II Corp.	Cellular Telephone													3,595,272	0.37%	5
Property Trust of America	Business Complex													3,102,667	0.32%	7
Raley's of New Mexico, Inc.	Grocery Stores													2,878,533	0.29%	8
Peak Medical Assisted Living, Inc.	Assisted Living															
Campo Loretto Operating Assoc. LP	Business Complex													2,825,500	0.29%	9
Loretto Center LTD Co	Business Complex															
Sonoma Ranch Subdivision Ltd	Business Complex															
First Security Bank of DAC	Bank															
Wells Fargo Bank New Mexico	Bank													2,484,100	0.25%	10
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															
			15.16%			8.45%			6.48%			6.79%			5.57%	

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
2002	$ 5,920,572	$ 5,838,191	98.6%	$ 82,381	$ 5,920,572	100.0%
2003	5,962,480	5,879,515	98.6%	82,965	5,962,480	100.0%
2004	6,334,688	6,246,544	98.6%	88,144	6,334,688	100.0%
2005	7,014,082	6,916,485	98.6%	97,597	7,014,082	100.0%
2006	7,708,511	7,601,251	98.6%	107,260	7,708,511	100.0%
2007	9,079,604	8,953,266	98.6%	126,338	9,079,604	100.0%
2008	10,269,520	10,126,626	98.6%	142,894	10,269,520	100.0%
2009	11,824,232	11,249,267	95.1%	574,965	11,824,232	100.0%
2010	12,679,515	12,103,053	95.5%	-	12,103,053	95.5%
2011	13,128,205	12,566,172	95.7%	562,033	13,128,205	100.0%

Source: Doña Ana County Treasurer's Office Property Tax Schedule

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

Governmental Activities

Fiscal Year	Sales Tax Revenue Bonds	Unamortized Premium on Sales Tax Revenue Bonds	Notes Payable	Capital Lease
2002	$ 39,420,000	$ -	$ 949,003	$ 364,169
2003	43,370,000	-	724,897	906,347
2004	39,685,000	-	667,497	1,417,616
2005	37,409,000	-	319,931	1,214,376
2006	64,340,000	276,275	-	998,963
2007	59,080,000	346,548	12,298,853	770,645
2008	54,125,000	208,925	42,333,919	554,258
2009	48,950,000	346,679	49,003,451	324,909
2010	44,145,000	298,717	46,441,758	81,822
2011	73,335,000	2,400,558	12,521,411	-

Business-Type Activities

Fiscal Year	Utility Revenue Bonds	Unamortized Discount on Utility Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income *	Per Capita *
2002	$ 32,095,000	$ (350,859)	$ 845,540	$ 1,065,351	$ 74,388,204	5.70%	986
2003	30,610,000	(322,275)	1,176,991	1,041,291	77,507,251	5.93%	1,028
2004	29,050,000	(293,624)	367,064	549,668	71,443,221	5.14%	925
2005	27,420,000	(264,972)	237,373	1,057,708	67,393,416	4.09%	842
2006	36,755,000	(173,805)	93,439	810,044	103,099,916	6.07%	1,248
2007	52,530,000	(207,671)	83,981	1,029,010	125,931,366	7.41%	1,524
2008	50,200,000	(99,490)	74,147	26,069,790	173,466,549	7.96%	1,933
2009	44,635,000	27,375	65,147	27,486,462	170,839,023	7.84%	1,824
2010	41,225,000	30,003	-	27,046,307	159,268,607	7.31%	1,700
2011	61,980,000	677,189	-	1,904,310	152,818,468	2.63%	1,561

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 2011 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	Ratio of Net Bonded Debt To Taxable Value	Net Bonded Debt Per Capita
2002	74,267	$ 977,850,612	N/A	N/A
2003	77,237	1,021,231,343	N/A	N/A
2004	80,054	1,097,658,516	N/A	N/A
2005	82,611	1,149,021,158	N/A	N/A
2006	86,607	1,310,349,858	N/A	N/A
2007	87,542	1,392,660,408	N/A	N/A
2008	89,722	1,637,164,654	N/A	N/A
2009	93,680	1,821,352,673	N/A	N/A
2010	93,452	1,921,638,946	N/A	N/A
2011	97,906	2,031,926,984	N/A	N/A

Source: Doña Ana County Property Abstract

City of Las Cruces
Computation of Direct and Overlapping Debt
June 30, 2011
(Unaudited)

Jurisdiction	General Obligation as of June 30, 2011	Percentage Applicable to City of Las Cruces	City of Las Cruces Share of Debt
Direct			
City of Las Cruces	$ -	100.00%	$ -
Overlapping			
State of New Mexico	$ 355,500,000	3.30%	11,731,500
Dona Ana County	1,585,000	50.78%	804,863
Las Cruces School District	91,145,000	68.52%	62,452,554
Dona Ana Community College	23,310,000	50.78%	11,836,818
Total overlapping	471,540,000		86,825,735
Total direct and overlapping general obligation bonded debt	$ 471,540,000		$ 86,825,735

Notes:

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

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

City of Las Cruces
Computation of Legal Debt Margin
Last Ten Years
June 30, 2011
(Unaudited)

	2011
Taxable valuation	$2,031,926,984
Legal debt limit - 4% of assessed calculation	81,277,079
Amount of long-term debt subject to legal debt limit: general obligation debt outstanding	-
Legal debt margin	$ 81,277,079

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 39,114,024	$ 40,849,254	$ 43,906,341	$ 45,906,846	$ 52,413,994	$ 55,706,416	$ 65,486,586	$ 72,854,107	$ 76,865,558
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-
Total debt margin	$ 39,114,024	$ 40,849,254	$ 43,906,341	$ 45,906,846	$ 52,413,994	$ 55,706,416	$ 65,486,586	$ 72,854,107	$ 76,865,558
Total debt applicable to the limit as a percentage of debt limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:
* The requirement for statistical data is ten years.

Source: Doña Ana County Property Abstract

City of Las Cruces
Pledged-Revenue Bond/Note Coverage
Last Ten Years
(Unaudited)
June 30, 2011

	Gross Receipts Tax Revenue Bonds/Notes				Utility Revenue Bonds/Notes						Environmental Gross Receipts Tax Bonds			
		Debt Service						Debt Service				Debt Service		
Fiscal Year	Pledged Revenues	Principal	Interest	Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Pledged Revenues	Principal	Interest	Coverage
2002	$ 27,766,154	$ 1,793,168	$ 1,637,898	8.09	$ 29,079,551	$ (22,978,421)	$ 6,101,130	$ 1,325,000	$ 1,668,811	2.04	$ 968,127	$ 405,000	$ 522,775	1.04
2003	29,598,948	1,521,087	927,515	12.09	35,803,200	(27,376,457)	8,426,743	1,550,000	1,607,861	2.67	1,011,472	425,000	498,981	1.09
2004	33,236,280	3,089,418	1,213,189	7.72	43,902,605	(34,970,027)	8,932,578	1,643,043	1,542,500	2.80	1,134,753	450,000	477,200	1.22
2005	36,245,275	3,203,196	1,209,419	8.21	46,421,742	(34,718,010)	11,703,732	1,739,857	1,473,776	3.64	1,237,329	410,000	189,656	2.06
2006	40,686,980	3,992,351	1,096,173	8.00	57,510,802	(44,533,053)	12,977,749	1,838,047	1,781,858	3.59	1,401,404	590,000	253,366	1.66
2007	47,195,398	4,583,873	2,447,367	6.71	58,441,509	(45,068,724)	13,372,785	1,940,010	2,330,112	3.13	1,523,163	605,000	235,666	1.81
2008	52,160,180	6,149,329	3,470,509	5.42	67,036,667	(55,364,226)	11,672,441	2,480,492	3,013,553	2.12	1,616,819	625,000	217,516	1.92
2009	49,211,512	7,084,187	3,931,990	4.47	58,121,771	(50,967,866)	7,153,905	3,197,080	3,415,225	1.08	1,519,556	640,000	198,766	1.81
2010	50,524,723	6,529,567	3,844,737	4.87	59,175,048	(51,213,902)	7,961,146	3,850,158	2,851,760	1.19	1,559,777	660,000	179,566	1.86
2011	50,880,107	7,131,321	2,828,948	5.11	60,253,276	(50,763,746)	9,489,530	4,387,457	2,179,115	1.45	1,555,093	680,000	159,766	1.85

	Gas Tax Bonds				Fire Protection Fund				Lodger's Tax and Convention Center Fees Bonds/Notes			
		Debt Service				Debt Service				Debt Service		
Fiscal Year	Pledged Revenues	Principal	Interest	Coverage	Pledged Revenues	Principal	Interest	Coverage	Pledged Revenues	Principal	Interest	Coverage
2002	$ 1,539,143	$ -	$ 260,853	5.90	$ -	$ -	$ -	-	$ -			-
2003	1,512,281	265,000	260,853	2.88	-	-	-	-	-			-
2004	1,544,437	275,000	248,663	2.95	-	-	-	-	-			-
2005	1,451,120	290,000	235,875	2.76	-	-	-	-	-			-
2006	1,532,985	300,000	222,245	2.94	-	-	-	-	-			-
2007	1,506,014	315,000	207,845	2.88	389,470	38,630	15,213	7.23	-			-
2008	1,439,465	330,000	192,568	2.75	416,741	99,929	27,942	3.26	2,894,472	327,038	738,163	2.72
2009	1,500,597	345,000	176,398	2.88	359,453	201,746	76,637	1.29	2,796,277	678,338	1,184,922	1.50
2010	1,523,173	365,000	159,148	2.91	371,065	208,969	51,045	1.43	2,872,180	703,976	1,159,349	1.54
2011	1,560,598	385,000	140,533	2.97	285,715	219,316	65,387	1.00	3,057,756	365,000	704,831	2.86

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.
* The 2010 Convention Center bonds are pledged first with the lodger's tax and convention center fees and then by the state shared gross receipts taxes.

City of Las Cruces
Demographic Data
Last Ten Years
June 30, 2011
(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
2002	75,409	$ 1,306,159	17,321	30.2	$ 22,706	9.1%
2003	77,237	1,389,030	17,984	31.2	22,633	7.3%
2004	80,054	1,646,951	20,573	31.2	22,880	6.1%
2005	82,611	1,699,556	20,573	31.2	23,400	6.8%
2006	86,607	1,477,429	17,059	30.1	23,100	5.1%
2007	87,542	1,539,951	17,591	32.5	24,000	4.2%
2008	89,722	2,179,617	24,293	32.5	23,747	4.5%
2009	93,680	4,792,238	19,052	31	24,530	7.2%
2010	93,452	5,832,000	28,251	31	24,400	7.9%
2011	97,906	5,814,839	28,165	35.8	24,706	6.9%

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

City of Las Cruces
Principal Employers
Last Two Years
June 30, 2011
(Unaudited)

FY 2011	FY 2010
New Mexico State University	Border Foods Inc.
Las Cruces Public Schools	Dona Ana Branch Community College
Memorial Medical Center	Dona Ana County
Coordinated Care Corp.	Las Cruces Public Schools
Dona Ana Branch Community College	Memorial Medical Center
Wal-Mart	Mountain View Regional Medical Center
Dona Ana County	National Aeronautics & Space
Mountain View Regional Medical Center	New Mexico State University
City of Las Cruces	Tyson Prepared Foods
National Aeronautics & Space	Wal-Mart

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

Source: New Mexico Department of Labor, Bureau of Labor & Statistics

City of Las Cruces
City Government Employees by Function/Program
Last Ten Years
June 30, 2011
(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program										
General Government										
City Administration	16	15	11	18	17	17	8	15	18	22
Human Resources	10	9	11	9	12	12	14	14	15	14
Financial Services	45	49	52	48	49	47	62	59	58	58
Legal	29	34	36	35	31	35	46	35	22	26
Risk Management	6	6	6	6	6	6	7	7	7	9
Community Development										
Administration	16	16	20	29	22	22	22	21	21	19
Permits and Inspections	13	17	16	17	19	20	21	22	23	21
Neighborhood Development	4	5	5	10	6	7	15	16	16	21
Facilities										
Administration	5	6	7	6	7	7	12	12	10	10
Airport Operations	6	5	4	3	4	4	4	4	4	4
Building Services	33	29	39	33	31	32	38	35	34	37
Fleet Services	16	16	22	21	19	22	24	23	27	31
Parks	48	53	56	51	56	60	58	58	72	70
Fire										
Administration	12	12	8	9	10	12	12	13	13	11
Firefighters and Officers	93	100	97	103	115	109	116	108	104	116
Police										
Administration	45	50	69	41	58	61	56	56	64	65
Officers	174	183	189	189	194	192	204	209	213	241
Public Services										
Convention & Visitors' Bureau	7	7	7	8	7	8	10	10	10	10
Library	30	32	34	38	39	37	36	43	40	36
Museum Systems	14	13	14	13	16	15	18	21	19	31
Public Information	6	6	6	5	6	6	7	7	7	7
Parks & Recreation	33	34	35	42	39	51	26	41	43	47
Senior Programs	37	37	37	40	41	46	34	59	51	56
Transit	42	43	36	37	50	51	49	50	49	60
Public Works										
Administration	1	1	2	3	2	2	3	3	3	3
Engineering	39	38	41	40	41	36	53	50	44	38
Street Systems	47	48	44	44	49	58	58	53	53	57
Utilities										
Gas	62	63	68	62	66	67	77	69	61	64
Water	51	50	48	45	48	52	37	33	46	51
Wastewater	51	51	53	53	53	55	81	73	71	75
Solid Waste	55	58	57	57	61	63	74	67	53	39
Support Services										
Information Tech. & Communications	28	30	31	29	26	28	32	27	19	24
Document Services	3	3	3	3	2	3	2	2	2	2
Total employees	1,077	1,119	1,164	1,147	1,202	1,243	1,316	1,315	1,292	1,375

Notes:
* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2011 is shown.

City of Las Cruces
Operating Indicators by Function/Program
Last Ten Years
June 30, 2011
(Unaudited)

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Number of newsletters printed and mailed				108,000	216,000	216,000	231,100	232,000	222,000	232,800
Cost per newsletter				$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.23
Average number of days from position postings to position hires				43	44	44	39	80	79	77
Operating and maintenance cost per work station				<$3500	<$3500	<$3500	<$3500	<$3,600	<$3,600	<3,800
Facilities										
Dollar amount of projects managed per employee				N/A	$7.13 M	$8.96 M	$10.49 M	$8.94 M	$10.4 M	$4.1 M
Number of project work orders (over $10,000) requested				N/A	86	75	79	70	43	31
Conduct park safety and maintenance inspections per quarter				120/qtr	126/qtr	126	147/qtr	148/qtr	150/qtr	153/qtr
Total number of facilities operated and maintained	88	88	88	88	90	94	96	97	99	99
Police										
Number of citations issued				28,251	32,000	26,374	33,810	30,109	47,193	21,869
Number of clean up events				N/A	25		141	132	146	223
Number of codes violations addressed		30,784	33,547	37,073	31,719		30,944	20,082	23,064	30,399
Fire										
Number of building inspections	not avail.	1,871	2,535	3,586	3,410	2,696	3,400	1,449	2,279	2,796
Number of citizens who receive safety education	not avail.	1,763	4,385	3,653	2,584	3,860	2,224	1,556	2,150	3,150
Community Development										
Number of affordable rental and owner occupied housing using CDBG and HOME funds	25	50	147	50	100	108	71	67	96	53
Miles of bicycle facility lane installed	12	14	11	6	10	5	-	2	4	3
Number of special events hosted in downtown area	10	11	12	22	23	23	21	15	25	14
Number of vendors participating in the Farmer's and Crafts Market	100	110	125	135	121	126	255	295	275	300
Number of residential building permits issued	1,108	1,389	1,435	2,044	1,756	1,547	1,158	490	468	475
Amount collected for residential permits	$ 1,549,769	$ 2,767,171	$ 2,841,679	$ 5,072,857	$ 4,883,106	$ 4,751,817	$ 2,948,042	$ 1,370,971	$ 1,272,140	$ 1,447,377
Number of commercial building permits issued	166	170	218	177	131	147	125	22	17	21
Amount collected for commercial permits	$ 383,684	$ 417,162	$ 589,046	$ 342,056	$ 551,029	$ 532,631	$ 367,385	$ 156,315	$ 83,232	$ 64,748

City of Las Cruces
Operating Indicators by Function/Program — continued
Last Ten Years
June 30, 2011
(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 26,426	$ 30,657	$ 20,832
Walk-in visitors to CVB office	3,483	4,824	3,702	5,544	5,674	5,153	5,464	4,834	3,332	1,660
Number of congregate meals served to seniors	73,036	72,877	76,500	78,877	73,138	82,205	88,215	95,192	87,017	85,715
Number of home-delivered meals served to seniors	83,961	130,852	155,000	172,141	173,048	184,615	192,192	156,828	135,014	130,587
Number of homemaker units	6,257	3,334	5,510	7,135	8,200	9,905	10,103	10,027	8,235	3,164
Museum visitors				159,630	172,245	279,202	301,318	270,512	291,232	269,260
Museum exhibit openings attendance				10,271	11,409	9,659	18,056	16,415	16,345	18,876
Museum program participants				13,248	32,755	13,643	19,494	31,550	26,436	26,409
Fixed route ridership				622,560	690,000	733,128	671,727	656,590	601,782	637,797
Cost per trip on fixed route				$ 2.90	$ 2.90	$ 2.90	$ 3.85	$ 3.81	$ 4.13	$ 4.00
Total library circulations	393,500	421,925	425,757	423,340	475,156	533,294	540,936	550,687	583,892	566,302
Total number of library sponsored programs	277	308	283	304	445	1,040	971	676	665	887
Computer sessions at library	32,027	47,817	59,515	54,654	97,932	104,382	106,539	100,428	97,058	95,780
Public Works										
Percentage of potholes patched within 24 hours of report				95.7%	90.0%	92.0%	76.0%	59.0%	75.5%	63.9%
Maintain major arterials and intersections through routine striping program				1/yr	2/yr		3/yr	3/yr	2/yr	2/yr
Utilities										
Meter reading complaints	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%
Metering operating cost per customer	$ 0.45	$ 0.52	$ 0.59	$ 0.58	$ 0.60	$ 0.61	$ 0.61	$ 0.61	$ 0.67	$ 0.77
Operating and maintenance cost per dekatherm (Gas)	$ 0.93	$ 1.10	$ 1.24	$ 1.03	$ 1.48	$ 1.83	$ 2.05	$ 2.37	$ 1.83	$ 1.76
Operating and maintenance cost per 1,000 gallons produced (Water)	$ 0.86	$ 0.93	$ 1.07	$ 1.05	$ 1.10	$ 1.37	$ 1.23	$ 1.20	$ 1.13	$ 1.06
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	$ 1.81	$ 1.83	$ 2.23	$ 2.03	$ 2.02	$ 2.44	$ 1.97	$ 1.80	$ 1.73	$ 1.44
Total operating cost per ton collected (Solid Waste)	$ 31.79	$ 42.27	$ 48.40	$ 43.04	$ 44.42	$ 49.34	$ 57.82	$ 77.43	$ 60.06	$ 66.09

* The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2002 to 2011 is shown.

City of Las Cruces
Capital Assets and Infrastructure Statistics by Function/Program
Last Ten Years
June 30, 2011
(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program										
Area in square miles	50.46	50.46	51.5	52.25	56.07	76.18	76.38	76.38	76.99	76.99
Government facilities and services										
Miles of streets	438	438	438	992	524	537	556	558	563	564
Number of street lights	5,400	4,245	5,019	5,488	4,889	6,392	6,641	7,138	7,360	7,458
Culture and Recreation										
Community centers	5	5	6	6	5	5	5	5	5	5
Lakes	1	1	1	1	1	1	1	1	1	1
Pond	1	1	1	1	1	1	1	1	1	1
Parks	72	72	51	75	78	77	80	80	82	84
Park acreage	736	303	308	308	373	373	600	600	646	678
Sports complex	12	12	13	13	13	13	13	13	13	13
Swimming pools	3	3	3	3	3	3	4	4	4	4
Shooting range	1	1	1	1	1	1	1	1	1	1
Tennis courts	18	18	18	18	18	18	18	18	18	18
Bike path	2	2	2	2	2	2	2	2	2	2
Miles of bike paths					10	10	10	10	10	10
Fire Protection										
Number of stations	7	7	7	7	7	7	7	7	7	7
Police Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Sewerage Systems										
Miles of sanitary sewers (est.)	321	369	373	393	435	476	507	525	530	530
Miles of storm sewers (mains)	29	29	111	18	17	17.5	17	17	17	17
Number of treatment plants	2	2	2	2	2	2	2	2	3	3
Number of service connections	22,264	23,117	23,955	25,180	33,806	26,018	28,323	29,329	30,866	31,734
Water System										
Miles of water mains (est.)	356	389	412	462	476	505	525	547	558	558
Number of service connections	23,852	24,525	25,616	27,040	28,835	29,980	31,193	30,521	31,249	31,797
Transit System										
Miles of Bus Routes			81.7	81.7	86	86	125	133	133	133
Number of Bus Stops			358	358	358	358	337	350	350	350
Number of Buses			17	17	16	16	15	15	15	18
Number of Dial-a-Ride Vehicles			11	11	17	17	17	17	17	23

Sources: Various City departments.

City of Las Cruces
Sales Tax Revenue Payers by Industry
Fiscal Years 2010 and 2011
(Unaudited)
June 30, 2011

	Fiscal Year 2010				Fiscal Year 2011			
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	9,485	19.78%	$ 57,662,658	35.71%	10,210	19.50%	$ 61,955,156	36.46%
Construction	5,972	12.45%	21,149,490	13.10%	7,036	13.44%	20,365,580	11.99%
Other Services (except Public Admin)	11,558	24.10%	14,829,585	9.18%	12,709	24.28%	16,542,853	9.74%
Health Care and Social Assistance	5,683	11.85%	23,866,680	14.78%	5,819	11.12%	22,565,074	13.28%
Accommodation and Food Services	2,949	6.15%	15,363,382	9.52%	3,221	6.15%	17,642,384	10.38%
Professional, Scientific and Technical Svcs	6,023	12.56%	10,371,267	6.42%	6,680	12.76%	10,532,343	6.20%
Wholesale Trade	2,242	4.68%	3,178,722	1.97%	2,383	4.55%	3,415,197	2.01%
Unclassified Establishments	665	1.39%	1,112,128	0.69%	565	1.08%	451,938	0.27%
Utilities	90	0.19%	5,903,990	3.66%	101	0.19%	6,184,660	3.64%
Information and Cultural Industries	1,264	2.64%	6,247,725	3.87%	1,316	2.51%	7,880,332	4.64%
Real Estate and Rental and Leasing	2,018	4.21%	1,773,614	1.10%	2,312	4.42%	2,384,331	1.40%
	47,949	100%	$ 161,459,241	100%	52,352	100%	$ 169,919,848	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.

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

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

We have audited the basic financial statements, combining and individual fund financial statements and the budgetary comparisons presented as supplemental information of the City of Las Cruces, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 22, 2011. Our audit was performed for the purpose of forming opinions on the financial statements and supplemental information described above. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

REDW LLC

November 22, 2011

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

City of Las Cruces
Schedule of Expenditures of State and Federal Awards
For the Year Ended June 30, 2011

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					
Title IIIB, IIIC1, IIIC2, IIID, IIIE		2010-11064014	07/10 – 06/11	$ 360,180	$ 360,180
Benavidez Senior Center		2010-3023	09/09 – 06/13	76,600	73,599
Munson Center Meal Prep Kitchen		08-L-5167	07/08 – 06/11	51,900	50,269
Total New Mexico Aging & Long-Term Services				**488,680**	**484,048**
New Mexico State Department of Transportation					
Wildlife Hazard Assessment		LRU-10-001	08/11 – 12/11	2,098	1,109
Amador Avenue Reconstruction		MAP-7613(903)	08/09 – 06/11	179,126	179,126
Solano Drive ADA Improvements		SP-1-10 (911)	01/10 – 12/10	38,429	38,429
Safe Routes to School Funds		SRSI-7700 (150)	07/09 – 06/11	130,562	52,119
MPO Section 5303		PL-92A-2(042)	07/08 – 06/11	115,826	41,172
MPO Section 5303		PL-92A-2(042)	07/10 – 06/11	45,262	21,565
MPO FHWA 112 PL		PL-92-A-2(94)	07/09 – 12/10	139,715	113,862
MPO FHWA 112 PL		PL-92-A-2(94)	12/31/10 – 12/31/11	229,085	90,836
OBD-Traffic Safety Bureau		09-OP-RF-049	10/18/10 – 09/30/11	6,877	3,700
Community DWI Program		10-CD-05-049	07/01/09 – 06/30/11	27,091	26,524
Airport Improvements GRT Runway Rehab		LRU-09-001	06/09 – 06/11	88,012	9,569
Weather Station		LRU-10-002	06/10 – 03/12	5,622	4,124
Total New Mexico State Department of Transportation				**1,007,705**	**582,135**
New Mexico Economic Development Department					
La Placita Phase I		10-419-A093767-1005	02/10 – 11/10	285,844	192,246
Total New Mexico Economic Development Department				**285,844**	**192,246**
New Mexico Children, Youth and Families Department					
Juvenile Citation Program		11-690-12422	07/10 – 06/11	275,287	274,835
La Casa Renovation		11-690-11637	05/09 – 06/12	635,384	564,598
Total New Mexico Children, Youth and Families Department				**910,671**	**839,433**
New Mexico Environment Department					
NMED Pollution Remediation Project		SAP 07-3228-GF	10/09/07 – 06/30/11	143,900	65,394
NMED Pollution Remediation Project		SAP 08-3854-GF	10/09/08 – 06/30/12	75,000	68,360
NMED Recycling & Illegal Dumping (RAID) – Recycling Program and Outreach Materials		Project #10NT-16	07/08/10 – 06/30/11	8,500	8,339
NMED Recycling & Illegal Dumping (RAID) – Tire Bailing		Project #11-09	09/10/10 – 06/30/11	144,200	144,200
NMED Recycling & Illegal Dumping (RAID) – Rubberized Asphalt Research		Project #11-10	09/10/10 – 06/15/11	49,000	48,000
NMED Recycling & Illegal Dumping Grant		Project #10NT-12	07/01/10 – 06/30/11	5,000	4,701
Total New Mexico Environment Department				**425,600**	**338,994**
New Mexico Tourism Department					
New Mexico Clean and Beautiful		10-418-6001-0027	06/08/10 – 06/30/11	31,000	30,552
Convention & Visitors Bureau – Cooperative Marketing Agreement		11-418-3002-0021	07/10 – 06/11	14,300	14,300
Total New Mexico Tourism Department				**45,300**	**44,852**
New Mexico State Library					
NM State Library Aid Grant		Vendor #54342, NMSA 1978 Section 18-2-4 B, NMAC 4.5.2	11/01/10 – 06/30/11	8,648	7,120
Total New Mexico State Library				**8,648**	**7,120**
New Mexico Cultural Affairs – NM Art					
Museum of Art – Naranjo exhibit		CUGE 11-078	07/1/2010 – 06/30/11	6,740	6,740
Total New Mexico Cultural Affairs – NM Art				**6,740**	**6,740**
New Mexico Public Regulation Commission					
State Fire Marshall – Equipment		Pump Test Trailer	12/15/2010 – 05/01/11	95,656	95,656
Total New Mexico Public Regulation Commission				**95,656**	**95,656**

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2011

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					
La Casa Shelter		08-L-3224	02/10 – 06/12	$ 91,478	$ 86,805
Indoor Swimming Pool		06-L-G-1608/09-L-3877	05/06 – 06/13	344,490	245,231
LC Aquatic & Family Rec Ctr		08-L-3223	02/2010 – 06/2012	588,060	48,856
Downtown Plaza		07-L-G-3751	10/07 – 06/11	830,000	799,891
Downtown Plaza 2009		08-L-3221	03/02/10 – 06/12	292,050	292,050
Mesilla Park Community Center Renovation		2008-3008	09/07 – 06/11	10,339	666
Mesilla Park Community Center Renovation		2008-3814	09/07 – 06/11	29,413	29,407
Mesilla Park Rec Ctr		08-L-4285	06/08 – 06/12	52,019	39,899
Skeet & Trap Range		08-L-4291	07/08 – 06/12	65,000	35,465
Thomas Branigan Memorial Library GO Bond		50500-0000012142	07/09 – 03/12	240,400	57,644
Branigan Library Childrens Wing		08-L-G-4278	07/08 – 06/2012	125,000	18,309
Veterans Memorial Wall		07-L-G-5211	08/07 – 6/30/11	5,837	5,837
Veterans Memorial Wall		07-L-G-3408	08/07 – 6/30/11	858	859
Police & Fire Training Facility		07-L-G-3407	08/07 – 6/30/11	30,610	30,610
Amador Hotel Renovations		07-L-G-6461	10/09 – 06/11	25,000	25,000
Amador Museum		08-L-G-4276	07/08 – 06/2012	96,162	16,052
Branigan Library Expansion		07-L-G-5193	10/09 – 6/30/11	544,500	477,591
Museum of Natural History		07-L-G-5207	08/07 – 06/11	55,600	55,367
Museum of Natural History		09-L-3878	07/08 – 06/2012	178,200	11,496
La Pinon Center for Sexual Assault		07-L-5202	08/07 – 06/11	41,900	10,824
Total New Mexico Department of Finance and Administration				**3,646,916**	**2,287,859**
New Mexico Historical Records Advisory Board					
Document Services		11-06	07/01/2010 – 06/15/2011	5,422	5,422
Total New Mexico Historical Records Advisory Board				**5,422**	**5,422**
Total state awards				**6,927,182**	**4,884,505**
U.S. Department of Agriculture					
Pass-through State Health Environment Department					
Summer Food Program	10.559	3027	05/30/10 – 08/31/10	265,000	110,396
Pass-through U.S. Forest Service					
Green Infrastructure Planning	10.664	10-PA-11031600-077	8/23/10 – 9/30/11	7,000	5,857
Total U.S. Department of Agriculture				**272,000**	**116,253**
U. S. Department of Housing and Urban Development					
Community Development Block Grant					
Metro Entitlement Grants					
B-06-MC-35-0002	14.218	B-06-MC-35-0002	10/06 to Completion	1,019,805	62,541
B-07-MC-35-0002	14.218	B-07-MC-35-0002	10/07 to Completion	1,022,960	42,054
B-08-MC-35-0002	14.218	B-08-MC-35-0002	10/08 to Completion	992,600	256,568
B-09-MC-35-0002	14.218	B-09-MC-35-0002	07/09 to Completion	1,010,375	339,349
B-10-MC-35-0002	14.218	B-10-MC-35-0002	07/10 to Completion	1,096,221	903,297
Total Community Development Block Grant				5,141,961	1,603,809
Other HUD					
Supportive Housing Program	14.238	NM0025B6B010800	12/09 – 12/12	311,353	88,640
Shelter Plus Care	14.238	NM0023C6B010800	10/09 – 11/14	330,720	54,065
Shelter Plus Care	14.238	NM0030C6B010802	07/10 – 06/11	98,520	77,742
Brownfields Economic Development Grant	14.248	B-09-BD-35-8006	08/09 – 12/13	2,000,000	16,468
Total other HUD				2,740,593	236,915

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2011

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 Housing and Urban Development - continued					
Community Development Block Grant - continued					
Home Program Grant					
M-06-MC-35-0222	14.239	M-06-MC-35-0222	10/06 to Completion	$ 502,636	$ 29,740
M-07-MC-35-0222	14.239	M-07-MC-35-0222	10/07 to Completion	496,988	18,537
M-08-MC-35-0222	14.239	M-08-MC-35-0222	10/08 to Completion	481,937	62,635
M-09-MC-35-0222	14.239	M-09-MC-35-0222	07/09 to Completion	537,892	184,041
M-10-MC-35-0222	14.239	M-10-MC-35-0222	07/10 to Completion	535,186	549,303
Total Home Investment Partnerships Program				2,554,639	844,256
Pass-through New Mexico Department of Housing and Urban Development					
Neighborhood Stabilization Program	14.256	09-NSP-2-G-02	08 to 06/30/10	1,500,000	385,677
Total U. S. Department of Housing and Urban Development				**11,937,193**	**3,070,657**
U.S. Department of Justice					
2005 Cops Technology	16.710	2005-CKWX-0257	12/08/04 – 06/11	236,794	13,464
2007 Cops Technology	16.710	2007-CKWX-0047	09/2007 – 08/11	570,303	388,083
2005 Cops Interoperability	16.710	2005-INWX-0014	09/05 – 08/12	981,360	15,818
2010 Justice Assistance	16.804	2010-DJ-BX-1065	10/01/09 – 09/30/13	64,074	13,497
2010 Justice Assistance	16.804	2010-DJ-BX-1065	10/01/09 – 09/30/13	43,293	43,080
2009 Justice Assistance	16.804	2009-DJ-BX-0264	10/08 – 09/12	64,295	7,510
2009 Justice Assistance	16.804	2009-DJ-BX-0264	10/08 – 09/12	39,514	24,592
Justice Assistance – ARRA	16.804	2009-SB-B9-0497	03/01 – 02/13	281,558	24,171
Justice Assistance – ARRA	16.804	2009-SB-B9-0497	03/01 – 02/13	166,312	77,618
Bullet Proof Vest Program	16.607	2009-BUBX05027165	04/09 – 09/11	24,600	7,264
Bullet Proof Vest Program	16.607	2009-BUBX05027165	04/10 – 09/12	9,375	3,029
Victim Assistance Unit	16.575	2011-VA-638	07/01/10 – 06/30/11	30,450	29,069
Safe Haven-After School Program	16.726	2010-JL-FX-0420	08/01/10 – 07/31/12	250,000	37,479
Subtotal U.S. Department of Justice				2,761,928	684,674
Pass-through Neighboring Cities and Counties					
Southwest New Mexico Border Law Enforcement Alliance thru Luna County	16.753	2009-D1-BX-0266/2009-G8697-NM-DD	01/06/10 – 08/31/12	37,500	17,400
Justice Assistance-Silver City	16.804	10-JAG-Region VII Grant-SFY11	07/01/10 – 06/30/11	124,000	101,177
Total Department of Justice Pass-through Neighboring Cities and Counties				161,500	118,577
Total U.S. Department of Justice				**2,923,428**	**803,251**
Executive Office of the President					
Office of National Drug Control Policy					
HIDTA	16.xxx	G09SN0006A	01/09 – 12/10	822,764	30,875
HIDTA	16.xxx	G10SN0006A	01/10 – 12/11	854,172	784,762
Pass-through HIDTA HIDTA-DHE	16.xxx	award to LCPD-HIDTA's Grant-G09SN0012A	06/21/10 – 12/10	33,236	17,642
Total Executive Office of the President				**1,710,172**	**833,279**
U.S. Department of Transportation					
Airport Improvement					
Airport Air Traffic Control Tower	20.106	OTA City of Las Cruces	7/04 to Completion	1,100,900	575,153
Weather Station	20.106	AIP 3-35-0024-0024-2010	09/10 – 03/11	213,648	156,698
Airport Runway Reconstruction	20.106	AIP 03-35-0024-23-2009	06/09 – 06/12	2,733,661	363,614
Wildlife Hazard Assessment	20.106	AIP 03-35-0024-025-2010	09/10 – 09/13	79,714	42,157
Total Airport Improvement				4,127,923	1,137,622
Federal Transportation Administration					
Section 5309	20.500	NM 03-0052	09/05 to Completion	1,868,050	68,832
Section 5309	20.500	NM 90-0084	12/07 to Completion	13,500	986
Section 5307	20.507	NM 90-0088	09/08 to Completion	111,680	14,527
Section 5307	20.500	NM 04-0013	09/09 to Completion	58,730	6,714
Section 5307	20.507	NM 90-4096	07/10 to Completion	1,288,075	1,288,075
Total Federal Transportation Administration				3,340,035	1,379,134

City of Las Cruces
Schedule of Expenditures of State and Federal Awards — continued
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/ Grant or Contract Name	Federal CFDA Number	Contract/Grant or State Number	Grant/Program Period	Program or Award Amount	Expenditures
U.S. Department of Transportation - continued					
Federal Highway Administration					
Pass-through State Highway Department					
Del Rey Boulevard – ARRA	20.205	D12743	07/09 – 09/12	$ 2,000,000	$ 1,353,293
Rideshare NMDOT	20.205	M00980	07/10 – 06/11	31,000	5,696
S.T.E.P.	20.600	11-RF-01-049	10/01/09 – 09/30/10	12,695	12,931
DWI – Traffic Safety Bureau	20.608	10-AL-64-049	10/09 – 09/10	96,216	26,301
OBD/DWI – Traffic Safety Bureau	20.608	11-AL-64-049	10/01/10 – 09/30/11	98,503	66,011
Total Pass-through State Highway Department				2,238,414	1,464,232
U.S. Department of Transportation - continued					
Pass-through New Mexico Department of Homeland Security and Emergency Management					
Federal Transit Administration – Transit	20.507	NM-96-X004-00	07/09 thru Completion	1,713,911	292,836
2009 DOT/HMEP Grant	20.703	2009-DOT-City of Las Cruces	07/01/10 – 07/31/10	3,796	2,657
Total Pass-through New Mexico Department of Homeland Security and Emergency Management				1,717,707	295,493
Total U.S. Department of Transportation				**11,424,079**	**4,276,481**
Environmental Protection Agency					
Las Cruces Drinking Water Transmission Line Grant	66.202	XP-966347-01-4	10/01/06 – 09/30/11	955,600	96,550
Total Environmental Protection Agency				**955,600**	**96,550**
U.S. Department of Energy					
Energy Efficiency and Conservation Block Grant – ARRA	81.128	DE-SC0001888	09/09 – 09/12	888,000	8,578
Pass-through New Mexico Energy, Minerals, and Natural Resources					
Convention Center Stimulus – ARRA	81.128	10-521-R1DOE00002-0244	04/10 – 04/12	495,300	178,310
Total U.S. Department of Energy				**1,383,300**	**186,888**
U.S. Department of Health and Human Services					
Disease Prev. & Health Prom. – Title III-Part D	93.043	2010 - 11 64014	07/10 – 06/11	15,943	15,943
Supportive Services & Senior Ctrs – Title III-Part B	93.044	2010 - 11 64014	07/10 – 06/11	21,752	21,752
Meals/Transportation Grant – Title III-Part C1 & C2	93.045	2010 - 11 64014	07/10 – 06/11	115,081	115,081
National Family Caregivers Support – Title III-Part E	93.052	2010 - 11 64014	07/10 – 06/11	35,503	35,503
Nutrition Services Incentive Program – Title III	93.053	2010 - 11 64014	07/10 – 06/11	129,386	129,386
Total U.S. Department of Health and Human Services				**317,665**	**317,665**
U.S. Department of Homeland Security					
State Preparedness Equip Support	97.044	2007-6E-T7-0023-DONA ANA	03/08 – 08/10	132,381	2,095
Subtotal U.S. Department of Homeland Security				132,381	2,095
Pass-through OEM – Dona Ana County					
Operation Stone Garden	97.067		Signature – 6/30/12	251,929	1,403
Area 6 Communications Exercise	97.001	Area 6 Communications Exercise	07/1/10 – 07/31/10	971	589
Total Pass-through OEM – Dona Ana County				252,900	1,992
Total U.S. Department of Homeland Security				**385,281**	**4,087**
Total federal awards				**31,308,718**	**9,705,111**
Total state and federal awards				**$ 38,235,900**	**$ 14,589,616**

City of Las Cruces
Notes to Schedule of Expenditures of State and Federal Awards
June 30, 2011

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	$ 14,589,616
Expenditures financed by other funding sources	153,376,655
Expenditures reported in the statement of revenues, expenditures and changes in fund balance—governmental funds	$ 167,966,271

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Las Cruces, New Mexico (the "City") as of and for the year ended June 30, 2011, 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, 2011, and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items FS 10-2, FS 10-3, and FS 11-1 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, the results of our tests disclosed matters that are required to be reported under New Mexico State Auditor Rule 2 NMAC 2.2, *Requirements for Contracting and Conducting Audits of Agencies*, which are described in the accompanying schedule of state auditor rule findings as SA 10-1, SA 10-2, SA 11-1 and SA 11-2.

The City's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs and schedule of state auditor rule findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, the City Council, the City's management, and the New Mexico State Auditor, and the New Mexico Department of Finance and Administration, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 22, 2011

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

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

Compliance

We have audited the compliance of the City of Las Cruces (the "City") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FA 11-1 and FA 11-2.

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FA 11-1 and FA 11-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Mayor, City Council, others within the entity, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 22, 2011

City of Las Cruces
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	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, 2011

Section I — Summary of Auditors' Results — continued

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.256	Neighborhood Stabilization Program
16.710	Public Safety Partnership and Community Policing Grants
16.804	Edward Byrne Memorial Justice Assistance Grant (JAG) Program
20.205	Highway Planning and Construction
20.500/20.507	Federal Transit Cluster

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

FS 10-2 — Capital Assets (Significant Deficiency)

Conditions: Adequate internal controls are not in place to ensure capital assets are reconciled in a timely manner. The City did not adequately analyze, track and reconcile the total cost of construction for a building to its capital assets subsidiary ledger. Also, a capital asset was sold during the year but was not removed from the capital assets listing. As a result, balances of non-depreciable and depreciable assets had to be corrected as of June 30, 2011.

Criteria: The cost of construction of capital assets should be analyzed, tracked and reconciled to subsidiary ledgers and supporting documents on a regular basis. Capital assets should be removed from the capital asset listing when sold.

Effect: Adjusting journal entries were required to correct capital asset balances.

Cause: A complete reconciliation of capital assets was not adequately performed.

Auditors' Recommendations: The City should complete a full reconciliation between construction in progress, sale of assets, and capital asset subsidiary ledgers at least quarterly. These reconciliations should include an analysis of quarterly construction in progress and sale activities. Variances identified during the reconciliation process should be corrected to ensure that all construction-in-progress and sale transactions are accurately accounted for in the accounting records.

Management's Response: A reconciliation process was implemented, but failed to identify all CIP related to the City Hall construction during FY11. Work will continue on refining the reconciliation process. Additionally, duties in Accounting have been reassigned to ensure accurate recording and complete reconciliation of capital assets.

Section II — Financial Statement Findings — continued

FS 10-3 — Utility Accounts Receivable (Significant Deficiency)

Condition: Internal controls should be strengthened to ensure City's accounts receivable for utility billings are accurate. The City did not perform adequate reconciliation of accounts receivable for each utility billings during fiscal year 2011.

Criteria: Adequate controls should be in place to ensure accounts receivable utility billing is accurate. Accounts receivable subsidiary ledger, or equivalent reports, for each utility billing should be reconciled to general ledger balances on a regular basis.

Effect: Utility accounts receivable balances recorded in the general ledger were not accurate. Adjusting journal entries were required to correct utility accounts receivable balances at year-end.

Cause: Although the City's utility billing system has the ability to generate a detailed accounts receivable listing, adequate reconciliation to the general ledger was not performed for utility accounts receivable balances during fiscal year 2011.

Auditors' Recommendation: Accounts receivable for utilities should be analyzed and reconciled on a regular basis. Reconciliations should include sufficient detail to ensure the accuracy of recorded balances. The aged accounts receivable listing should be generated at the end of each month and reconciled to the general ledger. This will ensure utility accounts receivable balances recorded in the general ledger is accurate at year-end.

Management's Response: The UBCIS module of MUNIS continues to undergo extensive modification from its initial implementation over two years ago. Staff has attempted to perform appropriate receivable reconciliation, unfortunately the system was not completely functional and those attempted reconciliations could not be accurately completed. While there is a high level of confidence that receivable balances are accurate, reconciliation and verification was not possible. Past, current, and immediate future enhancements will allow staff to perform the recommended and appropriate reconciliations sometime during FY2012.

The Customer Service Department is transitioning to become a division within the Utilities Department effective in January 2012. The appropriate Utilities Department staff will be made aware of this reconciliation deficiency.

Section II — Financial Statement Findings — continued

FS 11-1 — Contract Monitoring (Significant Deficiency)

Condition: Monitoring procedures were not in place to ensure all documentation specified in the convention center construction contract was obtained prior to disbursement of funds to the general contractor. We tested seven cash disbursements to the general contractor, of which four were not supported by documentation of subcontractor charges, as specified by the terms of the contract.

Criteria: Procedures should be in place to ensure compliance with terms of contracts, including adequate support for subcontractor charges.

Effect: Failure to comply with contract terms could result in disputes with the general contractor, and potentially a loss to the City if the subcontractor charges were ultimately found to be inappropriate.

Cause: Procedures were not in place to identify and ensure compliance with significant terms of this construction contract.

Auditors' Recommendation: Adopt and implement appropriate contract monitoring procedures

Management's Response: Management acknowledges and understands the causes and impacts of this finding. The City has within the last month entered into a contract with a consultant to develop a procedures manual which will include definitions of responsibility of management for contracts and establish requirements of documentation needed for appropriate payment of expenses. The manual is expected to be completed by the end of the 2012 fiscal year.

City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2011

Section III — Federal Award Findings and Questioned Costs

FA 11-1 — Special Tests and Provisions – Property Acquisition (Significant Deficiency)

Federal program information:

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Neighborhood Stabilization Program
CFDA Number:	14.256
Award year and number:	4/2009 – 6/2013, 09-NSP-2-G-02

Condition: Adequate internal controls are not in place to ensure grant compliance requirements for property acquisitions. During 2011, program funds were used to purchase a property which was not below the appraised value. The home was appraised for $125,100 and the property was purchased for $126,239.

Criteria: The offer to purchase properties using program funds must be at least 1% below actual market value.

Questioned Costs: $1,139

Effect: A property purchased during 2011 was not at least 1% below the actual market value, which was not in compliance with property acquisition requirements specified by the funding agreement.

Cause: Internal controls were not enforced to ensure all properties purchased during fiscal year 2011 were within limitations specified by the funding agreement.

Auditors' Recommendation: Internal controls should be enforced to ensure purchased properties are within limits as specified by the funding agreement. Program directors should carefully review the appraised market value of desired properties before finalizing purchases. This will ensure compliance with property acquisition requirements.

Management's Response: The City acknowledges this requirement and that in the future, all property purchases by the City of Las Cruces will meet the 1% discount requirement as established by NSP Bridge Notice Section 2301(d)(1). The purchases for the three properties, including offers and purchase agreements were underway or nearing completion at the time the NSP Bridge Notice was issued and we were unable to modify options and purchase agreements without potential defaults and/or loss of program funding should the City had attempted to alter the offers or purchase agreements.

Section III — Federal Award Findings and Questioned Costs — continued

FA 11-2 — Special Tests and Provisions – Equal Employment Opportunity Plan (Significant Deficiency)

Federal program information:

Funding agency:	U.S. Department of Justice
Title:	Public Safety Partnership and Community Policing Grants
CFDA Number:	16.710
Award year and number:	9/2007 – 8/2011, 2007-CKWX-0047

Criteria: Grantees that have 50 or more employees must submit an Equal Employment Opportunity Plan (EEOP), or EEOP short form, that is approved by the Office of Justice Programs, Office of Civil Rights, within 60 days of the award start date.

Condition: An Equal Opportunity Plan (EEOP) or EEOP short form must be submitted to the Office of Justice Program, Office of Civil Right, within 60 days of the award date. However, an EEOP short form was not submitted until four years after the award date.

Questioned Costs: None.

Effect: The City is not in compliance with the special provision requirement for this major program.

Cause: Internal control procedures are not in place to ensure Equal Employment Opportunity Plans are submitted in a timely manner.

Auditors' Recommendations: Adequate internal controls should be implemented to ensure Equal Employment Opportunity Plans, or EEOP short forms, are submitted as specified in the funding agreement. Program directors should maintain calendars noting when the EEOP's are due and ensure they are submitted timely.

Management's Response: Equal Employment Opportunity Plan (EEOP) for Public Safety Partnership and Community Opportunity Plan has been submitted. The City's Grant Administration Policy and Procedure Manual will be updated to include direction on the process to develop and submit appropriate EEOP's.

City of Las Cruces
Schedule of State Auditor Rule Findings
For the Year Ended June 30, 2011

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

SA 10-1 — Actual Expenditures Exceeded Budget Expenditures (Other)

Condition: The following funds over-expended budgeted amounts as of June 30, 2011:

- Debt Service (194,616)
- Judicial Education ($4,359)
- Gas Tax Street Maintenance ($35,588)
- 2003 Sales Tax Facilities and Parks ($5,438)
- Internal Services ($377,374)
- Environmental Gross Receipts Tax (Transfers) ($343,626)

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

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

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

Auditors' Recommendations: Establish adequate procedures to monitor budget compliance and prohibit spending exceeding budgeted amounts. Unfavorable variances should be investigated to ensure that program directors are spending according to the adopted budget.

Management's Response: The City continues to refine the procedures for identifying budget overruns more timely. There is now a greater coordination between Accounting and the Budget Office regarding unfavorable budget variances.

SA 10-2 — Workers' Compensation (Other)

Condition: Adequate internal controls were not in place for part of fiscal year 2011 to ensure workers' compensation claims were processed in accordance with state law. It was determined by the City's internal audit department that actual and potential overpayments initiated in the prior year continued in fiscal year 2011. Some payments may have been in violation of workers' compensation state law, as leave was taken before receiving Temporary Total Disability (TTD) benefits and accelerated payments were made without approval from the Worker's Compensation Administration. In addition, required documentation of claims paid is not always maintained.

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

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

Cause: Although strengthened during year, adequate internal controls were not in place for part of 2011 to ensure the City's workers' compensation payments were accurate, supported and approved. Claims filed were not reviewed to verify their accuracy and compliance with state law. In addition, documentation was not always maintained to support workers' compensation claims processed and paid.

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

Management's Response: The City has contracted with a Third Party Administrator (TPA) for the administration and documentation of its workers' compensation claims. As part of this contract, a review of all current claims to ensure accuracy and legal compliance shall be undertaken, erroneous payments identified and recovery efforts will be made. Polices regarding Total Temporary Disability (TTD) and Permanent Partial Disability (PPD) shall be revised.

City of Las Cruces
Schedule of State Auditor Rule Findings — continued
For the Year Ended June 30, 2011

SA 11-1 — Clothing Allowance and Mileage Reimbursements (Other)

Conditions: Approvals from department directors for clothing allowance reimbursements was not always obtained. Also, the number of miles reimbursed for volunteer mileage reimbursements are not always accurate.

Criteria: Adequate internal controls should be in place to ensure clothing allowance and mileage reimbursements are approved and accurate at all times.

Effect: Without enforcing established internal controls for clothing allowances and mileage reimbursements, the risk of unallowable clothing purchases and inaccurate mileage reimbursements is increased. A mileage reimbursement was disbursed for inaccurate miles driven.

Cause: Department supervisors are not always approving clothing allowance reimbursements and mileage reimbursement requests are not carefully reviewed to ensure accuracy.

Auditors' Recommendations: Established internal controls should be strengthened to ensure that approval of allowable clothing allowance reimbursements is obtained and mileage reimbursements are accurate. Department supervisors should carefully review and approve all clothing allowance and mileage reimbursements.

Management's Response: The City has established internal controls regarding clothing allowance and mileage reimbursements. The policies and procedures will be reinforced to City departments. In addition, internal review of documentation will be improved.

SA 11-2 — Information Technology (Other)

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 include:

- IT personnel and cross-training for
- lack of true role-based user access controls to MUNIS and lack of annual user access reviews
- lack of timely user termination notification to IT
- lack of a formal, comprehensive City government business continuity and disaster recovery plan
- lack of standard operating procedure documents for the use of MUNIS in various departments
- lack of firewall between Mesilla Valley Regional Dispatch Authority, Sunland Park, and the City's network.

IT personnel and cross-training

The IT Department has at least two key personnel who perform important duties that no other individual in the department can perform. These individuals are "single-points-of-human-failure". If they were not available these important task would go undone or might be done by others, but not in a timely manner. The ERP Specialist position is performed by a contractor in Alaska. He is the only person who is trained to set up and remove users and user permissions in the MUNIS system. His procedures are not yet documented. There is only one Windows System Administrator who can perform all critical tasks required to manage and maintain Windows systems. Lack of IT resources prevent cross-training of other IT personnel to perform these important and critical duties.

In the past year the IT Department has lost several personnel to the private sector. There appears to be difficulties in hiring skilled personnel to fill vacant positions in the department. As a result the Department has contracted with several external consultants to fill these positions (ERP Specialist and Database Administrator are two of those key positions). The difficulties in hiring skilled personnel include:

- The ability to offer compensation commensurate with the private sector
- Geographic location
- Finding suitably skilled people (Munis experience in particular)

SA 11-2 — Information Technology (Other) — continued

Given the size and complexity of the City's network, skilled/experienced IT personnel are needed to maintain and develop it. Lack of skilled IT personnel may lead to overloading of existing personnel. This results in important tasks and projects being delayed or cancelled.

Role-based user access controls to MUNIS and lack of annual user access reviews

This allows better management and control of user access by allowing multiple users to be assigned to specific roles within the system. However, it appears that rather than assigning users to roles the ERP Specialist assigned a role to each user. Rather than reducing the number of roles and simplifying management this approach has increased the roles and management requirements. The risk is that there is more chance of error and inappropriate access with so many roles to administer. Additionally, a complete review of all user access to the network and MUNIS was supposed to be performed in 2010. This has not been done. The purpose of this review is to determine whether users have the correct access they need to perform their duties, but no access beyond that. For best-practice, user access controls, a complete review of user access should be performed annually.

Lack of timely user termination notification to IT

The IT Department is not informed of employee terminations (voluntary and involuntary) in a timely manner. When an employee leaves employment with the City, their access to the network and MUNIS should be disabled immediately for security reasons. Active accounts (access) for employees who are no longer employed by the City present a security risk. IT receives intermittent emails from Human Resources informing them of terminated employees but this is not done on a regular, scheduled basis.

Lack of a formal comprehensive City government business continuity and disaster recovery plan

IT has processes and procedures to recover critical IT systems in the case of a disaster. However, these plans have not been tested to determine if they would be successful. Although IT may be able to recover critical IT systems following a disaster, this would be of limited value without the rest of the City Departments having their own recovery plans. There is no overall written business continuity and disaster recovery plan for the City's departments.

SA 11-2 — Information Technology (Other) — continued

Lack of standard operating procedure documents for the use of MUNIS in some departments

Very few City departments have developed any process documentation (Standard Operating Procedures) to describe their procedures for using MUNIS. New hires do not know how to use the MUNIS modules in these departments and there is no documentation of procedures for them to follow. Purchasing, Budgets, and Grants have no written SOPs, Utility Billing, Disbursements, and Accounting have written parts of their SOPs. IT and HR Departments have completed their SOPs. Without written documentation, it is very difficult to standardize procedures within a department and very difficult for new employees to learn how to use the system. This results in inefficiencies and greater chance of errors.

Lack of firewall between Mesilla Valley Regional Dispatch Authority, Sunland Park, and the City's network.

There is a close relationship between the City's network and the Mesilla Valley Regional Dispatch Authority's (MVRDA) network. MVRDA is a child domain of the City domain. MVRDA is connected to the City's network and there is no firewall between the City and MVRDA. Sunland Park is connected to MVRDA and by default connected to the City network. The lack of firewall between these networks presents a high security risk to all three networks and their data.

Cause and 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), could be intentional or unintentional, and could be the result of a disaster. 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.

Auditors' Recommendations: The City should ensure that processes and procedures performed by key personnel in the IT Department are documented. In addition one or two people should be cross-trained so that they can provide backup for key personnel. This may require adding more people to the department. The City should consider filling the vacant positions in the IT Department and replace the outside contractors with City employees. In order to fill the positions with suitably qualified and experienced staff, and retain existing staff, the City may need to review its IT salary scales in order to make them more competitive with the private sector. The City should ensure that a complete review of all user access levels on the Munis System is performed and that true role-based access is implemented. User access levels should be reviewed at least on a monthly basis. This review will be easier to perform once the Munis System has "role-based" access levels. The City should ensure that a process is developed and implemented to ensure timely notice to the IT

SA 11-2 — Information Technology (Other) — continued

Department of employee terminations. The City should ensure that a comprehensive, written business continuity and disaster recovery plan is developed and implemented for all departments. This plan should be tested on a regular basis and training should be provided to all employees. The City should ensure that MUNIS Standard Operating Procedures are developed for all departments and these are available to employees. The City should ensure that, as an interim security precaution, a firewall is installed between the Metro Valley Regional Dispatch Authority (MVRDA) network and the City network. Ideally, MVRDA and Sunland Park should be entirely separate networks.

Management's Response:

Personnel and Cross-Training

The IT department has a plan in place to fully staff the department. This process has been ongoing since February and should be complete by the end of this fiscal year. The department was reorganized in FY 2010-2011 to better align itself with the changes introduced with the implementation of the Munis ERP system and current technology. As a result, there has been significant turn-over within the department. This has resulted in several new positions which needed to be filled. IT has been working closely with HR to address being competitive in the workforce marketplace on a case by case basis. The City Manager's office has been very supportive in helping the IT department acquire staff with the skills that are commensurate with the use of an ERP system.

During the course of FY 2011, ten vacant positions have been filled with staff that have the necessary skill sets to operate in the City's current technology environment. There are currently seven remaining positions to be filled which will be completed before the end of this fiscal year. The department is also investing in training for staff that may lack needed skills for the current environment.

The IT department is continuing to work closely with HR and the City Manager's office to obtain staff to fill key positions, specifically in Infrastructure Services and the Information Systems and Services sections. Recent hires are now working to perform a knowledge transfer from contracted staff including Munis administration and are beginning to perform those functions. It is anticipated that this knowledge transfer will be complete before the end of this fiscal year. The Windows System Administrator position is currently vacant due to an interim promotion and it is anticipated that the department will be able to fill that position by the end of the third quarter in this fiscal year.

SA 11-2 — Information Technology (Other) — continued

Cross training plans have been put in place so that there will be redundancy within the department. This includes networking and telephony technologies, software development and the Munis ERP system. The cross training will be accomplished by providing training, the establishment of project teams to work together and share information and through the documentation of core procedures and processes.

Lack of true role-based user access controls to Munis and lack of annual user access reviews

The lack of role based permissions is due to an earlier migration from a version of Munis that did not support roles to a version that did. In order to maintain operations, all individual permissions were recreated as individual roles by the vendor. Due to a lack of clear documentation from the vendor regarding permissions, IT staff have been working with Accounting to research the permissions structures and document them. This process had been previously hampered by a lack of staff within IT. However, with recent hires, this process is back on track and it is anticipated that the permissions structure will be documented by the end of the third quarter this year. IT is part of the Munis re-deployment project which will formally address role creation after the next version upgrade of Munis which is scheduled to complete during the third quarter this year. The project plan is to have Munis role creation complete by the end of this fiscal year.

Once these tasks are complete, the Munis steering committee will work to create an annual user access review process that IT will follow in coordination with the end user departments.

Lack of timely user termination notification to IT

IT is working with the HR department to have better communication regarding the hiring and termination process. The HR department is responsible for employee status within the ERP system and IT is responsible for user accounts within the network. A process is being developed which will allow HR to provide IT with hiring and termination information so that network user accounts can be updated more quickly. While this project is just starting, it is anticipated that it will be complete before the end of the third quarter this year. Improvements have already been made in terms of IT receiving scheduled termination information and the departments processes have been improved to take better advantage of advanced information.

SA 11-2 — Information Technology (Other) — continued

Lack of a formal comprehensive City government business continuity and disaster recovery plan

A comprehensive City government business continuity plan is beyond the scope of the IT department's responsibilities and will be addressed by the City Manager's office as a City wide initiative. However, the IT operations and disaster recovery planning are in process as part of the department's development of Standard Operating Procedures (SOP). The goal is to complete documentation of departmental SOP's by the end of the fiscal year. Progress so far has been hampered by a lack of staff within the department. The department is currently upgrading its offsite data backup and recovery system which is almost complete. There will also be a disaster recovery test this fiscal year of the outsourced function for the ERP which is provided by Tyler Technologies. A test recovery plan will be developed during the third quarter with testing to commence by the beginning of the fourth quarter. This testing will verify the readiness of Tyler Technologies to provide a disaster recovery site for the City's ERP system in case of emergency.

Lack of standard operating procedure (SOP) documents for the use of Munis in some departments

While IT is not responsible for the development of other department's SOPs, there is an SOP development project underway that is under the direction of the Munis steering committee. Departments are currently in the process of developing standardized SOP's for use during the testing phase of the next Munis upgrade which is scheduled to start in January. IT is participating in this project and is a sponsor of it.

Lack of firewall between Mesilla Valley Regional Dispatch Authority (MVRDA), Sunland Park, and the City's network

IT staff will be performing a security review and risk assessment of MVRDA's network and systems. The results of this report will be presented to the City Manager's office as well as the MVRDA board of directors. This report will provide recommendations and estimated expenses for remediation. Ultimately, due to the child domain relationship between the City network and MVRDA's network, a firewall cannot be effectively deployed until MVRDA has its own network infrastructure that is not dependent upon the City's. The security review and risk assessment is scheduled to be completed by the end of January 2012.

City of Las Cruces
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Prior Audit Findings	Current Status
Financial Statement Findings	
FS 10-1 — Payroll	Resolved
FS 10-2 — Capital Assets	Repeat finding; see FS-10-2
FS 10-3 — Utility Accounts Receivable	Repeat finding; see FS-10-3
State Auditor Findings	
SA 10-1, 09-1 — Actual Expenditures Exceeded Budget Expenditures	Repeat finding; see SA 10-1
SA 10-2 — Workers' Compensation	Repeat finding; see SA 10-2

City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2011

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
FS 10-2 Capital Assets	See management's response.	Comptroller's Office	June 30, 2012
FS 10-3 Utility Accounts Receivable	See management's response.	Treasurer's Office	June 30, 2012
FS 11-1 Contract Monitoring	See management's response.	Comptroller's Office	June 30, 2012
FA 11-1 Property Acquisition	See management's response.	Comptroller's Office	June 30, 2012
FA 11-2 Equal Employment Opportunity Plan	See management's response.	Human Resources Director	June 30, 2012
SA 10-1 Actual Expenditures Exceed Budget Expenditures (Repeat	See management's response.	Budget Office	June 30, 2012
SA 10-2 Workers' Compensation	See management's response.	Human Resources Director	June 30, 2012
SA 11-1 Clothing Allowance and Mileage Reimbursements	See management's response.	Comptroller's Office	June 30, 2012
SA 11-2 Information Technology	See management's response.	IT Director	June 30, 2012

Housing Authority of the City of Las Cruces
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract/Grant or State Number	Grant Period	Program or Award Amount	Expenditures of Federal Awards
U.S. Department of Housing and Urban Development					
Section 8 New Construction and Substantial Rehabilitation	14.182	NM02-0002-004	7/1/10-6/30/11	$ 384,442	$ 384,442
Public and Indian Housing	14.850	NM003000001	7/1/10-6/30/11	509,216	509,216
		NM003888888	7/1/10-6/30/11	11,236	11,236
					520,452
Section 8 Housing Choice Vouchers	14.871	NM003V0	7/1/10-6/30/11	4,481,097	4,481,097
Public Housing Capital Fund (CFP)	14.872	NM02S003501-09 (ARRA)	3/18/09-3/17/12	480,323	25,672
		NM02P003501-10	6/23/10-7/14/14	338,895	78,735
		NM02P003501-09	9/12/09-9/14/13	324,819	26,350
		NM02P003501-08	5/24/08-6/12/12	379,462	143,439
		NM02P003501-07	9/19/07-9/12/11	355,272	68,259
					342,455
Total expenditures of federal awards					$ 5,728,446

Housing Authority of the City of Las Cruces
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1) General

The accompanying schedule of expenditures of federal awards presents expenditures of all federal awards of the Housing Authority of the City of Las Cruces, New Mexico, (the "Housing Authority"). The Housing Authority's reporting entity is defined in Note 1 to the Housing Authority's financial statements.

2) Basis of Presentation

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

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Mr. Hector Balderas,
New Mexico State Auditor,
The Board of Commissioners of the Housing
Authority of the City of Las Cruces
and the
Honorable Mayor and City Council Members of
the City of Las Cruces

We have audited the financial statements and budgetary comparison of the Housing Authority of the City of Las Cruces (the "Housing Authority"), a component unit of the City of Las Cruces, New Mexico, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of component units of the Housing Authority, as described in our report on the Housing Authority's financial statements and budgetary comparison. This report describes our testing of internal control over financial reporting or compliance and other matters of the Housing Authority. We did not test internal controls, compliance and other matters of the component units of the Housing Authority.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

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

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.*

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 21, 2011

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

Mr. Hector Balderas,
New Mexico State Auditor,
The Board of Commissioners of the Housing Authority of the City of Las Cruces and the
Honorable Mayor and City Council Members of the City of Las Cruces

Compliance

We have audited the compliance of the Housing Authority of the City of Las Cruces (the "Housing Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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.

ALBUQUERQUE
7425 Jefferson St NE, Albuquerque, NM 87109
P: 505.998.3200 F: 505.998.3333
redw.com
PHOENIX
3333 E Camelback Rd, Suite 253, Phoenix, AZ 85018
P: 602.840.4551 F: 602.840.6065

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FA 11-1 and FA 11-2.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FA 11-1 and FA 11-2.

The Housing Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on them.

This report relates to our audit of the Housing Authority, excluding its component units, which were audited by other auditors.

This report is intended solely for the information and use of the City of Las Cruces' City Council, the Housing Authority's Board of Commissioners and management, the State of New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

November 21, 2011

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

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?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2011

Section I — Summary of Auditors' Results — continued

Identification of major programs:

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

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, 2011

Section II — Financial Statements Findings

None.

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2011

Section III — Federal Award Findings and Questioned Costs

FA 11-1 — Reporting

Federal program information:

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Section 8 Housing Choice Vouchers Program and Public and Urban Housing Program
CFDA Number:	14.871 and 14.850
Award number:	N/A
Award period:	7/1/10 – 6/30/11

Criteria or Specific Requirement: For each public and Indian housing grant that involves development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002 (24 CFR sections 135.3(a) and 135.90).

Condition: The form was not submitted within the required time frame for year-end June 30, 2011.

Questioned Costs: None.

Cause: Procedures were not in place to ensure that the Housing Authority submitted this form within the required time frame set forth by HUD.

Effect: Form HUD 60002 was not submitted timely.

Auditors' Recommendations: The Housing Authority should establish procedures ensuring that reports are completed and submitted in a timely manner and in compliance with HUD requirements.

Management's Response: Management will put procedures in place to ensure all required reports are submitted in a timely manner.

Housing Authority of the City of Las Cruces
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2011

Section III — Federal Award Findings and Questioned Costs — continued

FA 11-2 — Move-in and Annual Inspections

Federal program information:

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Section 8 New Construction and Public and Indian Housing Program
CFDA Number:	14.182 and 14.850
Award number:	N/A
Award period:	7/1/10 – 6/30/11

Criteria: The PHA or owner must provide housing that is decent, safe, and sanitary. To achieve this end, the PHA must perform housing quality inspections at the time of initial occupancy and at least annually thereafter to assure that the units are decent, safe, and sanitary.

Condition: Two out of twenty five files reviewed did not have documents noting that move in inspections had been completed. Four of the twenty five files tested did not have documentation noting that annual inspections had been completed.

Questioned Costs: None.

Cause: Procedures were not in place to ensure that the Housing Authority maintained proper documentation ensuring inspections were completed at time of move in. Procedures were not in place to ensure annual inspections were completed for all tenants.

Effect: Failure to maintain proper documentation in the client files caused the Housing Authority to be out of compliance with the inspection requirements related to move in inspections and annual inspections.

Auditors' Recommendations: Establish procedures to ensure that inspections are completed at move-in and annually, and that documentation be kept in the client file.

Management's Response: Inspections were scheduled as soon as this was brought to management's attention and all files will be checked to ensure move-in inspections are documented and kept in client files.

Housing Authority of the City of Las Cruces
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Prior Audit Findings		Current Status
FA 10-1	Rental Contracts, Lease Agreements and W-9s	Resolved.
FA 10-2	Special Test and Provisions–Reasonable Rent	Resolved
FA 10-3	Payroll Allocation	Resolved.

Housing Authority of the City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2011

Federal Award Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
FA 11-1 Reporting	See management response.	Thomas Hassell, HACLC Director	Immediately
FA 11-2 Move-in and annual inspections	See management response.	Jesse Padilla, Program Director	Immediately

City of Las Cruces

Exit Conference and Financial Statement Preparation
For the Year Ended June 30, 2011

An exit conference was conducted on November 15, 2011, in a closed meeting pursuant to *Section 12-6-5 NMSA, 1978* with the following individuals in attendance:

City of Las Cruces

Ken Miyagishima	Mayor
Sharon Thomas	Mayor Pro Tem
Olga Pedroza	Councilor
Gill M. Sorg	Councilor
Robert Garza	City Manager
Brian Denmark	Assistant City Manager
Marcy Driggers	Assistant City Attorney
Pat Degman	Comptroller
Audrey Evins	Internal Auditor
Melissa Nelson	Accounting Supervisor
Maria Villa	Accounting Supervisor

REDW LLC

Bruce Bleakman	Principal
Javier Machuca	Senior Manager
Michele Ziegler	Manager

The City`s accounting department and independent public accountants jointly prepared the accompanying financial statements. The City is responsible for the financial statement content.

City of Las Cruces®
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PO BOX 20000
Las Cruces, New Mexico, 88004
(575) 541-2200
www.las-cruces.org

This Comprehensive Annual Financial Report can be made available in alternative formats by calling the City of Las Cruces Public Information Office at (575) 541-2200 or TTY 541-2182.