



Financial Statements
and
Report of Independent Auditors

June 30, 2017

CITY OF LAS CRUCES
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

Prepared by
Finance Department
Rosie Duran,
Financial Services Director

Cover photo courtesy of City of Las Cruces
Public Information Office, and
Enhanced by Leesa Mandlman

City of Las Cruces

Table of Contents

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	1-7
List of Principal Officials	8
Organizational Chart	9
GFOA Certificate	10
 II. FINANCIAL SECTION	
 Report of Independent Auditors	12-14
 Management’s Discussion and Analysis	15-28
 Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
 Fund Financial Statements	
<i>Major Government Funds</i>	
Balance Sheet—Governmental Funds	35
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	37
Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	39
Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual General Fund	40
Sonoma Ranch	41
Telshor Facility	42
 <i>Proprietary Funds</i>	
Statement of Net Position	44
Statement of Revenues, Expenses, and Changes in Net Position	45
Statement of Cash Flows	46-47
 <i>Agency Funds</i>	
Statement of Fiduciary Assets and Liabilities	48
 Notes to Basic Financial Statements	
Note 1—Description and Reporting Entity	50-51
Note 2—Basis of Presentation, Basis of Accounting	51-60
Note 3—Cash and Investments	60-63
Note 4—Capital Assets	64-67
Note 5—Receivables and Payables	67-69
Note 6—Interfund Assets, Liabilities, and Transfers	70-71
Note 7—Long-term Liabilities	72-82
Note 8—Landfill Closure and Post-closure Care Cost	83
Note 9—Pollution Remediation Obligation	84
Note 10—Deferred Compensation Plan	85

City of Las Cruces

Table of Contents – continued

	<u>Page</u>
II. FINANCIAL SECTION – CONTINUED	
Notes to Basic Financial Statements – continued	
Note 11–New Mexico Retiree Health Care Plan	86-87
Note 12–Multiple-Employer Cost Sharing Pension Plans	87-97
Note 13–Risk Management	97-98
Note 14–Development Impact Fees	99-100
Note 15–Telshor Facility Lease Memorial Medical Center/ Province Hospital (Telshor Facility)	101-102
Note 16–Las Cruces Convention Center	102-103
Note 17–Major Construction Commitments	103
Note 18–Contingent Liabilities	104
Note 19–Downtown Tax Increment Development District (TIDD)	104
Note 20–Affiliated Organizations and Joint Powers Agreements	104-107
Note 21–Tax Abatements	107-108
Note 22–Subsequent Events	108
Required Supplementary Information	
Schedule of the City’s Proportionate Share of the Net Pension Liability	110
Schedule of the City’s Contributions	111
Notes to Required Supplementary Information	112
Combining Financial Statements	
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	114-120
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	123-130
<i>Nonmajor Enterprise Funds</i>	
Combining Statement of Net Position	133
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	134
Combining Statement of Cash Flows	135-136
<i>Internal Service Funds</i>	
Combining Statement of Net Position	138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	139
Combining Statement of Cash Flows	140-141
<i>Agency Funds</i>	
Statement of Changes in Assets and Liabilities	143-145
Supplementary Information	
<i>Schedule of Insurance in Force</i>	147
<i>Schedule of Pledged Collateral</i>	148
<i>Schedule of Special Appropriations</i>	149
<i>Schedule of Deposit Accounts and Investments</i>	150-151
<i>Joint Powers Agreements</i>	152-153

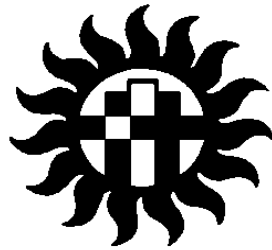
City of Las Cruces

Table of Contents – continued

	<u>Page</u>
III. STATISTICAL SECTION	
<i>Financial Trends</i>	
Net Position by Category	155
Changes in Net Position	156-157
Fund Balances – Governmental Funds	158
Changes in Fund Balances – Governmental Funds	159-160
<i>Revenue Capacity</i>	
Taxable and Assessed Value of Property	161
Property Tax Rates per \$1,000 Assessed Valuation	162
Principal Property Taxpayers	163-164
Property Tax Levies and Collections	165
<i>Debt Capacity</i>	
Ratio of Outstanding Debt by Type	166
Ratio of Net General Obligation Debt to Taxable Value and Net General Obligation Bonded Debt Per Capita	167
Computation of Direct and Overlapping Debt	168
Computation of Legal Debt Margin	169
Pledged-Revenue Bond/Note Coverage	170
<i>Demographic and Economic Information</i>	
Demographic Data	171
Principal Employers	172
<i>Operating Information</i>	
City Government Employees by Function/Program	173
Operating Indicators by Function/Program	174-175
Capital Assets and Infrastructure Statistics by Function/Program	176
Sales Tax Revenue Payers by Industry	177-179
IV. SINGLE AUDIT SECTION	
Schedule of Expenditures of State Awards	181-182
Schedule of Expenditures of Federal Awards	183-184
Notes to the Schedules of Expenditures of State and Federal Awards	185-186
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	187-188
Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance	189-190

City of Las Cruces
Table of Contents – continued

	<u>Page</u>
IV. SINGLE AUDIT SECTION – CONTINUED	
Schedule of Findings and Questioned Costs	191-194
Summary Schedule of Prior Audit Findings	195
Corrective Action Plan	196
Exit Conference and Financial Statement Presentation	197



City of Las Cruces

November 22, 2017

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, 2017, 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, a discretely presented component unit: 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.

Economic Condition and Outlook

The City of Las Cruces' local economy is growing moderately and is forecast to remain stable over the coming fiscal year. The State of New Mexico is forecasting a flat to modest revenue growth for the fiscal year 2017-18.

The public sector is anticipated to be flat in the coming year as state education funding for local schools and New Mexico State University begins to turn around. Education and health care fields have driven the city's job growth and account for 6.2% of the government sector new job production over the comparable time last year. This job growth was driven by the Medicaid expansion. The city's unemployment rate is 6.7%. This is slightly lower than the State's and higher than the National unemployment rate.

Permitted valuation is anticipated to decrease in fiscal year 2017-18. This is traced to reduction in commercial and residential construction and repairs. City staff is not anticipating permit valuation to return to pre-housing market collapse values soon. Construction has been one of the market segments greatly impacted over recent years, with recovery being slow and uneven. Knowledgeable city staff expect issuing of new residential building permits to remain below 500 units for fiscal year 2017-18. This marks the seventh year in a row that new housing permits have fallen below the 500 units.

Population growth is relatively slow and is expected to gain slightly in fiscal year 2017-18. The city is expecting the rate of growth to be under 1.0% for the fourth year in a row. The slowly expanding population base is directly linked to growing local job opportunities and new residential permit issuance.

The largest source of revenue for the City of Las Cruces is Municipal Gross Receipts Tax and State-Share Gross Receipts Tax. The amount of these taxes varies with economic conditions. Gross Receipts Tax (GRT) is divided into two components; the first is consumption, which results largely from individuals and businesses making retail transactions. The second is investment, composed principally of investing in real property both residential and commercial. The two components can vary at different rates within business cycles as economic conditions change. The current business cycle and recovery has been characterized by downward pressure on housing and commercial real estate pricing and value. The city's GRT receipts reveals that investment has declined more rapidly than consumption through fiscal year 2013-2014. However, beginning in the fiscal year 2014-15, this trend reversed as investment exceeded consumption growth, and this continued up to fiscal year 2016-17. Both consumption and investment are anticipated to rise by 2.5% and 0.3%, respectively, for fiscal year 2017-18.

Total GRT receipts for fiscal year 2017-18 are anticipated to be \$96.5 million, a modest 2.5% gain from fiscal year 2016-17. The anticipated gain is traceable to both investments and consumption. The city's position remains conservative regarding revenue forecasting.

Long-Term Plans and Major Initiatives

The East Mesa Public Safety Complex was completed and operational in May 2017. This facility houses Fire Station #8 and serves as the east area command center for the Las Cruces Police department. Ribbon cutting ceremonies were held on June 15, 2017.

The 2007 Master Plan of the municipal service center is being updated. Design of the new municipal service center is anticipated to begin in fiscal year 2019 and construction in fiscal year 2020.

The design services contract was authorized late spring 2017 for the Convention Center expansion. Construction is anticipated to start in mid fiscal year 2018.

The first inclusive playground in the City located at Young Park was completed on June 30, 2017. It allows children of all abilities to play alongside each other in a safe environment.

The City continues to promote sustainability efforts through three major areas of investment including photovoltaic systems, a citywide LED streetlight retrofit, and Energy Performance contracts. The energy savings realized will be reinvested in renewable and energy efficient projects.

The East Mesa Water Reclamation Facility construction was completed in spring 2017. This is the largest addition to the City's photovoltaic system, providing and additional savings of approximately \$60,000 annually.

Began work on the Church Street and Water Street two-way conversion construction project. Downtown Las Cruces is undergoing a realignment of the area commonly known as "The Racetrack". Church and Water Streets will be converted for two-way traffic. Redefining these two streets will revive pedestrian-friendly thoroughfares with sidewalks, on street parking, and slower moving traffic.

There were 25 goals identified by City Council, with the top ten listed below:

- 1) 2017 - The Las Cruces community will experience greater engagement with their City government.
- 2) December 31, 2017 - Working with the University and other partners, downtown patrons will have access to restaurants, taverns, music, and art.
- 3) January 1, 2018 - The City will offer internships, apprenticeships, and mentorship programs to the community.
- 4) July 1, 2018 - The community will have City-approved results-oriented plans for sidewalks, parks, median landscaping, and facilities.
- 5) July 1, 2018 - Information & referral services for families with young children will be integrated into all appropriate city services.
- 6) July 1, 2018 - Las Cruces City Government will be managing for results for customers.
- 7) End of 2018 - City-led sponsored events will be held downtown.
- 8) December 31, 2018 - Las Cruces businesses will be able to access all permitting and licensing services in an efficient, effective, customer-service focused one-stop shop.

- 9) 2019 - The relationship between the business community and the City will be strengthened.
- 10) 2019 - Working with our partners, the community will have access to engaging public transportation connecting downtown, the University, and the Convention Center.

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 and 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 2016 and the two preceding years is based on the mill levy below (per thousand):

Purpose	2017	2016	2015
Operational mill levy:			
Residential	6.702	6.699	6.806
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 8.3125% at June 30, 2017. The breakdown and sources of the gross receipts tax rate include:

	Tax Rate	Percent of Total Rate
State shared	5.125%	61.65%
Municipal GRT- general purpose	1.25%	15.04%
Municipal GRT-infrastructure	0.25%	3.01%
Municipal Environmental GRT	0.0625%	0.75%
Municipal Hold Harmless GRT	0.375%	4.51%
Dona Ana County-local option taxes	1.25%	15.04%
	8.3125%	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 twenty revenue bond issues outstanding as of June 30, 2017. Gross receipts tax revenues finance fourteen bond issues. The six Joint Utilities Revenue Bond issues are secured by the net operating revenues of the utility system. The amount of bonds outstanding at June 30, 2017 was \$107.4 million in governmental bonds and \$77.2 million in utility revenue bonds. Principal payments on bonds totaled \$12.6 million during the fiscal year. In addition, the City had sixteen loans outstanding from the New Mexico Finance Authority and other entities totaling \$17.7 million with principal payments during the fiscal year of \$2.3 million.

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, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, 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, Moss Adams, LLP, has audited the financial statements and related notes. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

GFOA 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, 2016. This was the twelfth 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 Rosie Duran, Financial Services Director, Maria Villa, Accounting Manager, and the Accounting staff including Claudia Melendez, Maria Sanchez, Cynthia Campo, Joshua Saffell, Hortencia Puentes, and Sarah Cundiff for their efforts in this accomplishment for their efforts in this accomplishment.

Honorable Mayor and City Council,
City of Las Cruces, New Mexico
11/22/2017

Acknowledgments

The annual audit cannot be completed without the efforts and dedication of the Financial Services Department staff and other City departments that provide performance measures and are responsible for responding to the federal single audit. 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 Management for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stuart C. Ed". The signature is stylized and cursive, with a large loop at the end.

Stuart C. Ed
City Manager

City of Las Cruces
June 30, 2017

LIST OF PRINCIPAL OFFICIALS

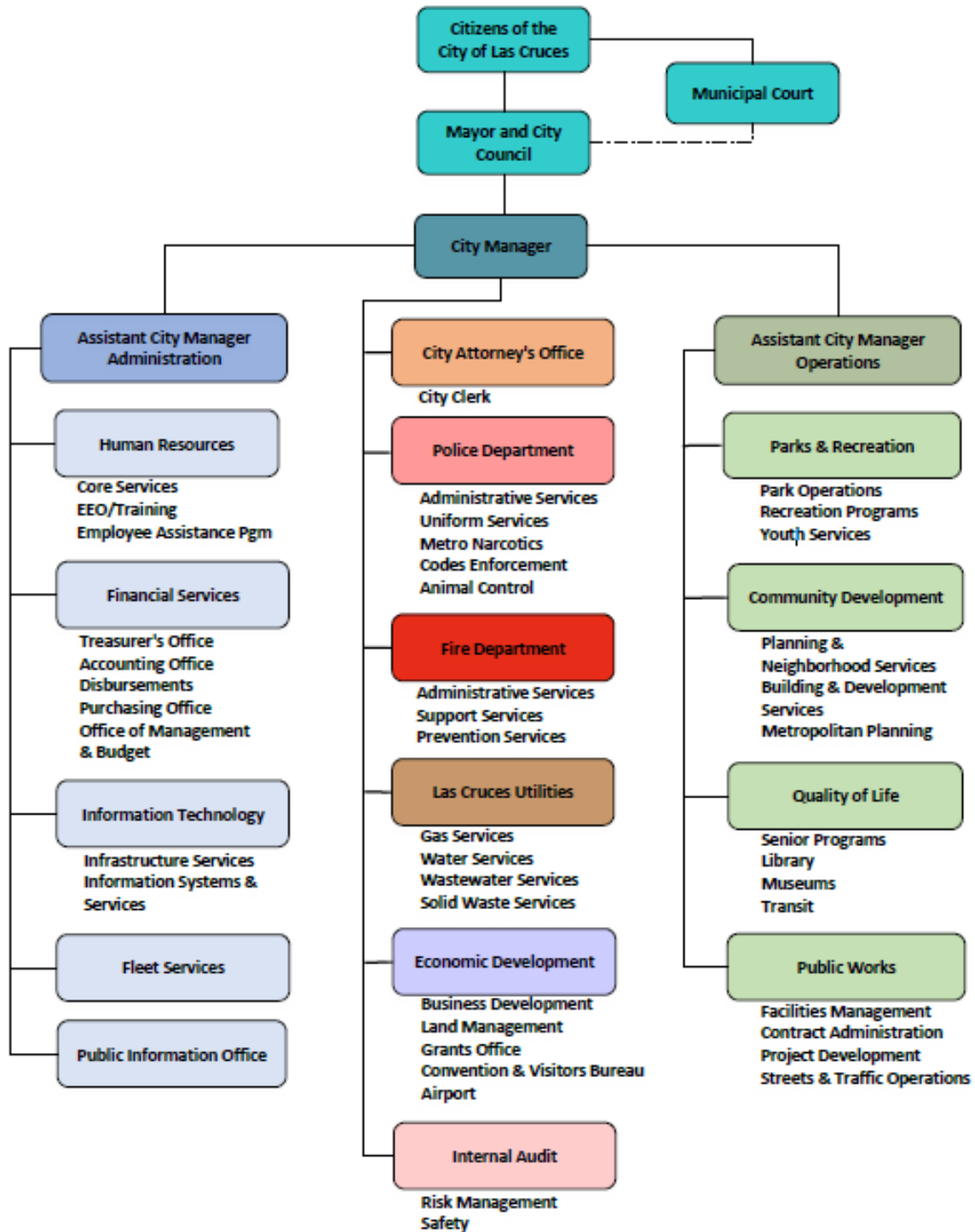
City Council

Ken Miyagishima	Mayor
Kasandra Gandara	Councilor
Gregory Z. Smith	Councilor
Olga Pedroza	Councilor
Jack Eakman	Councilor
Gill M. Sorg	Councilor
Cecelia H. Levatino	Councilor

Other officials

Stuart Ed	City Manager
David Dollahon, AICP	Assistant City Manager/COO
William Studer, Jr.	Assistant City Manager/CAO

City of Las Cruces CITY GOVERNMENT ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

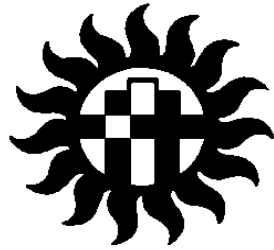
**City of Las Cruces
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Merrill

Executive Director/CEO



City of Las Cruces

Report of Independent Auditors

Mr. Timothy Keller, New Mexico State Auditor
and the Honorable Mayor and City Council Members
of the City of Las Cruces

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Las Cruces, New Mexico “the City”, as of and for the year ended June 30, 2017, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Mr. Timothy Keller, New Mexico State Auditor
and the Honorable Mayor and City Council Members
of the City of Las Cruces

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 unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Las Cruces, New Mexico as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the City's proportionate share of the net pension liability, and the schedule of the City's contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the introductory and statistical section, and the other schedules required by *2.2.2 NMAC* included as Combining Financial Statements and Supplementary Information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mr. Timothy Keller, New Mexico State Auditor
and the Honorable Mayor and City Council Members
of the City of Las Cruces

The schedule of expenditures of federal awards and other schedules required by 2.2.2 *NMAC* included as Other Supplementary Information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other schedules required by 2.2.2 *NMAC* included as Other Supplementary Information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical and unaudited sections as noted in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss Adams LLP

November 22, 2017
Albuquerque, New Mexico

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

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, 2017. It is intended to be read in conjunction with the Letter of Transmittal and the City's financial statements. Comparisons to prior-year balances and activity are presented in accordance with Governmental Accounting Standards Board.

Financial Highlights

- The assets and deferred outflows of resources of the City of Las Cruces exceeded its liabilities at the close of the most recent fiscal year by \$380,687,282 (net position). Of this amount, (\$45,090,809) represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City of Las Cruces' governmental funds reported combined fund balances of \$193,271,307 an increase of \$15,269,619 in comparison with the prior year. Approximately 20.5% of this amount (\$39,576,969) is available for spending at the government's discretion (unassigned fund balance).
- The pooled cash and investments for the governmental activities increased \$4,725,503 and business-type activities decreased \$11,142,151.
- The total bond and certificate of obligation debt for the governmental and business-type activities increased \$24,948,411 and \$11,698,537, respectively. During the fiscal year increased total debt outstanding to \$202,369,920 due to the issuance of new debt to fund public parks, recreational facilities, street improvements, as well as to acquire public buildings.

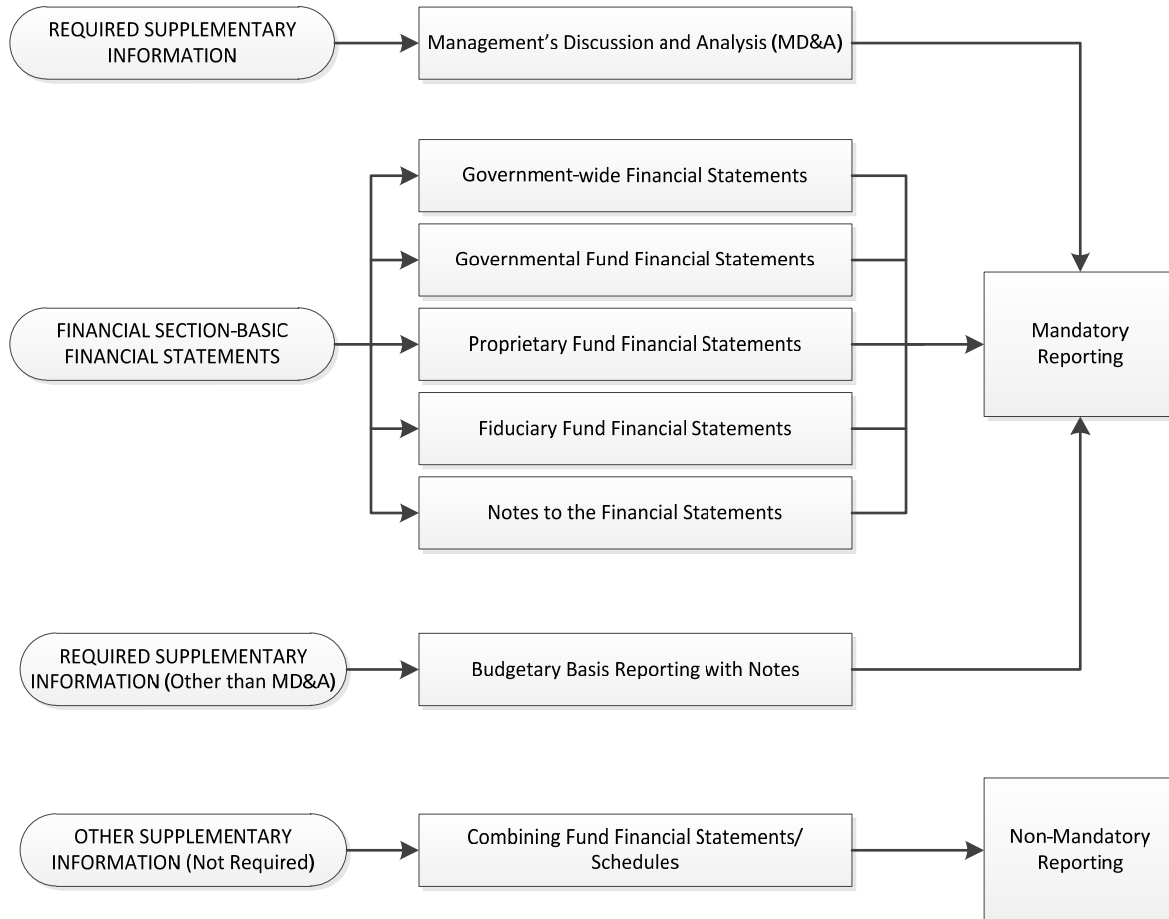
Overview of the Financial Statements

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.

The financial statements presented herein include all of the activities of the City of Las Cruces using the integrated approach as prescribed by Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and all amendments thereafter.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

The following illustration summarizes the sections and reporting requirements of this financial report.



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 private-sector business.

The *Statement of Net Position* is a presentation of the City's assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between the two as net position. Over time, increases or decreases in net position may help indicate whether the financial position of the City is improving or deteriorating.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

The *Statement of Activities* presents information showing how the government's net position changed during fiscal year 2017. All changes in net position 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 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, Economic Development, Police, Fire, Quality of Life, Public Works, and Community & Cultural Services. Several notable changes occurred during the 2017 fiscal year in respects to the governmental activities as reported. The Economic Development activity is now being recorded independently of the General Government activity where it had been reported in prior years. This means that a restatement of actual amounts from 2016 as reported on page 39 the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual, was necessary. In line with this change the amount reported for the actual balance for 2016 in the current expenditures general government line item was restated as \$17,258,724 and Economic Development was restated for 2016 as \$2,545,555. The Community and Cultural Services activity reported in prior years has been renamed to Quality of Life in order to better describe the activity's impact on the community. The Transportation activity is no longer being reported as a separate activity but rather is now combined with the Public Works activity as that is the department that oversees the transportation activity, this had no effect on previous year values as reported as the transportation line item was left to show the values reported for 2016. 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: South Central Solid Waste Authority (SCSWA), and the Las Cruces Downtown Tax Increment Development District (TIDD). SCSWA is a discretely presented component unit and the financial information for this component unit is reported separately from the primary government in the government-wide financial statements.

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.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

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. The focus of the fund financial statements is on the City's major funds, although nonmajor funds are also presented in aggregate and further detailed in the supplementary statements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements allow the City to present information regarding fiduciary funds, since they are not reported in the government-wide financial statements.

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.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Because governmental fund financial statements do not encompass the additional long-term focus of the government-wide financial statements, additional information is provided that explains the relationship (or differences) between them.

The City maintains five governmental fund types for financial reporting purposes. The governmental fund types are General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Fiduciary Funds. The City maintains one hundred and seven governmental funds, eight of which combine into the General Fund and thirty combine to make the Debt Service 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 Debt Service are also reported as major funds. The remaining sixty-seven 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.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

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 vehicle maintenance and self-insurance. These services have been allocated to *governmental activities* in the government-wide financial statements as they predominantly serve governmental functions.

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 as 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.

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 as the resources of those funds are *not* available to support the City's programs and operations. 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 are an integral part of the financial statements and provide additional information that is essential to a full understanding and fair presentation of the data provided in both the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents the required supplementary information of the City's governmental and proprietary funds: general, debt service, special revenue, capital project, enterprise, and internal service funds. Budgetary comparison schedules have been provided which demonstrates budgetary compliance.

Statistics

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

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Government-Wide Overall Financial Analysis

Net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Las Cruces, assets and deferred outflows of resources exceeded liabilities by \$380,687,282, at the close of the most recent fiscal year.

Net Position (in 000's)

Seventy-seven percent of the City's net position is investment in capital assets (i.e., land, land improvements, buildings, equipment, utility infrastructure), net of any related outstanding debt used to acquire those assets. This compares with sixty percent in fiscal year 2016. 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.

Thirty-five percent of the City's net position is resources that are subject to external restrictions on how they may be used. This amount increased by ten percent from 2016.

	Governmental Activities			Business - type Activities			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Current and Other Assets	\$ 241,822	\$ 225,830	\$ 187,668	\$ 81,614	\$ 93,302	\$ 76,785	\$ 323,436	\$ 319,132	\$ 264,453
Capital Assets	390,520	374,118	362,515	247,093	217,727	214,557	637,613	591,845	577,072
Total Assets	<u>632,342</u>	<u>599,948</u>	<u>550,183</u>	<u>328,707</u>	<u>311,029</u>	<u>291,342</u>	<u>961,049</u>	<u>910,977</u>	<u>841,525</u>
Deferred Outflows of Resources	38,156	11,215	9,143	9,321	1,705	1,978	47,477	12,920	11,121
Total Assets and Deferred Outflows of Resources	<u>\$ 670,498</u>	<u>\$ 611,163</u>	<u>\$ 559,326</u>	<u>\$ 338,028</u>	<u>\$ 312,734</u>	<u>\$ 293,320</u>	<u>\$ 1,008,526</u>	<u>\$ 923,897</u>	<u>\$ 852,646</u>
Current and Other Liabilities	\$ 14,421	\$ 23,844	\$ 22,074	\$ 6,691	\$ 11,447	\$ 11,366	\$ 21,112	\$ 35,291	\$ 33,440
Long-term Liabilities	273,358	209,315	159,298	105,532	79,110	63,722	378,890	288,425	223,020
Total Liabilities	<u>287,779</u>	<u>233,159</u>	<u>181,372</u>	<u>112,223</u>	<u>90,557</u>	<u>75,088</u>	<u>400,002</u>	<u>323,716</u>	<u>256,460</u>
Deferred Inflow of Resources	2,032	2,152	21,645	409	628	3,253	2,441	2,780	24,898
Net Position:									
Net investment in capital assets	292,055	300,431	190,996	185,978	178,330	166,565	478,033	478,761	357,561
Restricted Net Position	133,723	116,782	80,631	28,393	29,918	26,407	162,116	146,700	107,038
Unrestricted Net Position	(45,091)	(41,361)	84,682	11,025	13,301	22,007	(34,066)	(28,060)	106,689
Total Net Position	<u>380,687</u>	<u>375,852</u>	<u>356,309</u>	<u>225,396</u>	<u>221,549</u>	<u>214,979</u>	<u>606,083</u>	<u>597,401</u>	<u>571,288</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 670,498</u>	<u>\$ 611,163</u>	<u>\$ 559,326</u>	<u>\$ 338,028</u>	<u>\$ 312,734</u>	<u>\$ 293,320</u>	<u>\$ 1,008,526</u>	<u>\$ 923,897</u>	<u>\$ 852,646</u>

Note:

* Reclassifications were made to prior year utility net positions.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Changes in net position during 2017 and comparative amounts for 2016 and 2015 were:

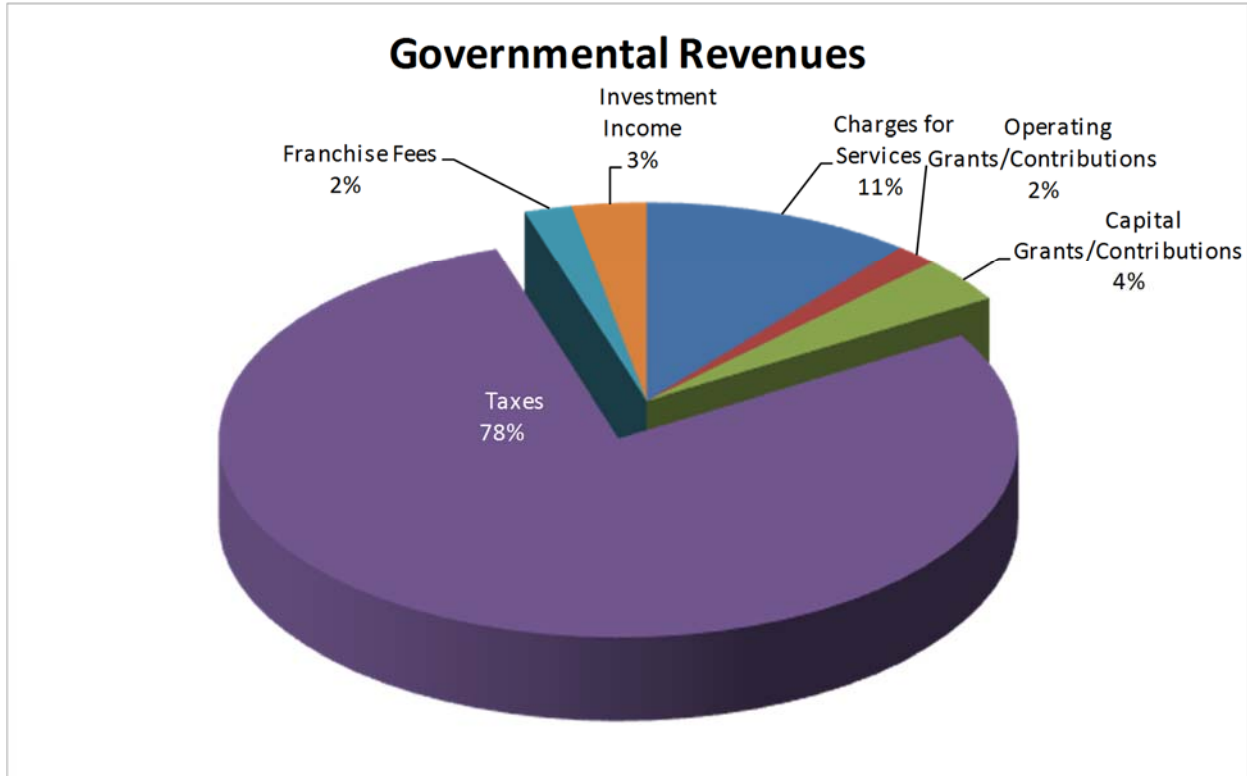
Summary of Changes in Position (in 000's)

	Governmental Activities			Business - type Activities			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Revenues:									
Program Revenues:									
Charges for services	\$ 16,015	\$ 22,604	\$ 12,347	\$ 63,009	\$ 52,639	\$ 49,952	\$ 79,024	\$ 75,243	\$ 62,299
Operating grants and contributions	2,541	2,646	4,398	3,244	5,118	2,253	5,785	7,764	6,651
Capital grants and contributions	5,420	3,939	6,044	266	328	294	5,686	4,267	6,338
General Revenue:									
Taxes-GRT and property	114,951	114,456	108,145	-	-	-	114,951	114,456	108,145
Franchise fees/lodgers tax	2,809	2,873	2,438	-	-	-	2,809	2,873	2,438
Investment income (loss)	4,416	4,805	5,515	119	2,714	2,797	4,535	7,519	8,312
Gain on sale of capital assets	-	-	-	536	441	-	536	441	-
Total Revenue	146,152	151,323	138,887	67,174	61,240	55,296	213,326	212,563	194,183
Expenses:									
General government	31,464	29,352	17,464	-	-	-	31,464	29,352	17,464
Economic development	6,239	-	-	-	-	-	6,239	-	-
Police	27,973	26,784	26,926	-	-	-	27,973	26,784	26,926
Fire	14,618	14,247	13,828	-	-	-	14,618	14,247	13,828
Community development	4,953	5,214	4,859	-	-	-	4,953	5,214	4,859
Quality of life	9,489	9,553	9,273	-	-	-	9,489	9,553	9,273
Public Works	25,792	21,483	21,885	-	-	-	25,792	21,483	21,885
Information Technology	-	-	3,416	-	-	-	-	-	3,416
Transportation	2,906	8,042	8,161	-	-	-	2,906	8,042	8,161
Parks and Recreation	10,458	10,324	9,798	-	-	-	10,458	10,324	9,798
Gas	-	-	-	14,082	11,274	10,776	14,082	11,274	10,776
Water	-	-	-	18,702	15,994	15,009	18,702	15,994	15,009
Waste water	-	-	-	17,216	14,318	13,246	17,216	14,318	13,246
Solid waste	-	-	-	11,386	11,627	10,942	11,386	11,627	10,942
Other	-	-	-	5,249	4,625	4,393	5,249	4,625	4,393
Interest on long-term debt	4,117	3,613	3,071	-	-	-	4,117	3,613	3,071
Total Expenses	138,009	128,612	118,681	66,635	57,838	54,366	204,644	186,450	173,047
Increase (decrease) in net position before transfers	8,143	22,711	20,206	539	3,402	930	8,682	26,113	21,136
Transfers	(3,308)	(3,168)	(2,943)	3,308	3,168	2,943	-	-	-
Change in net position	4,835	19,543	17,263	3,847	6,570	3,873	8,682	26,113	21,136
Net Position - beginning	375,852	356,309	422,341	221,549	214,979	221,266	597,401	571,288	643,607
Restatement	-	-	(83,295)	-	-	(10,160)	-	-	(93,455)
Net Position - ending	\$ 380,687	\$ 375,852	\$ 356,309	\$ 225,396	\$ 221,549	\$ 214,979	\$ 606,083	\$ 597,401	\$ 571,288

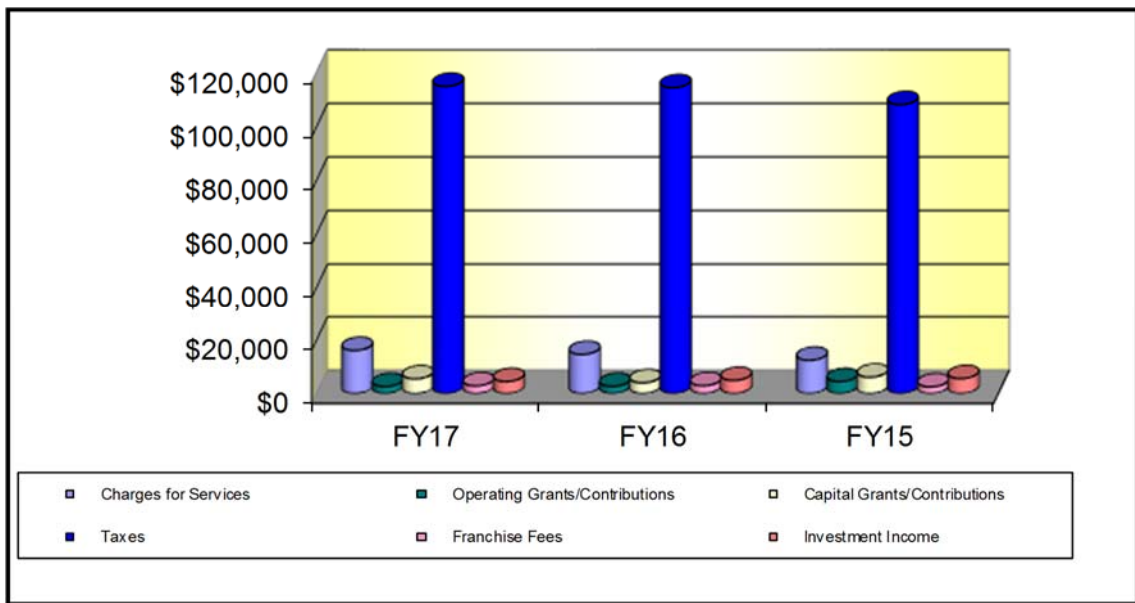
City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$4,834,968 from the prior fiscal year for an ending balance of \$380,687,282. Gross receipts tax, property tax, and franchise fees decreased from \$117.3 million in fiscal year 2016 to \$99.9 million in fiscal year 2017.



Revenue by Source – Governmental Activities



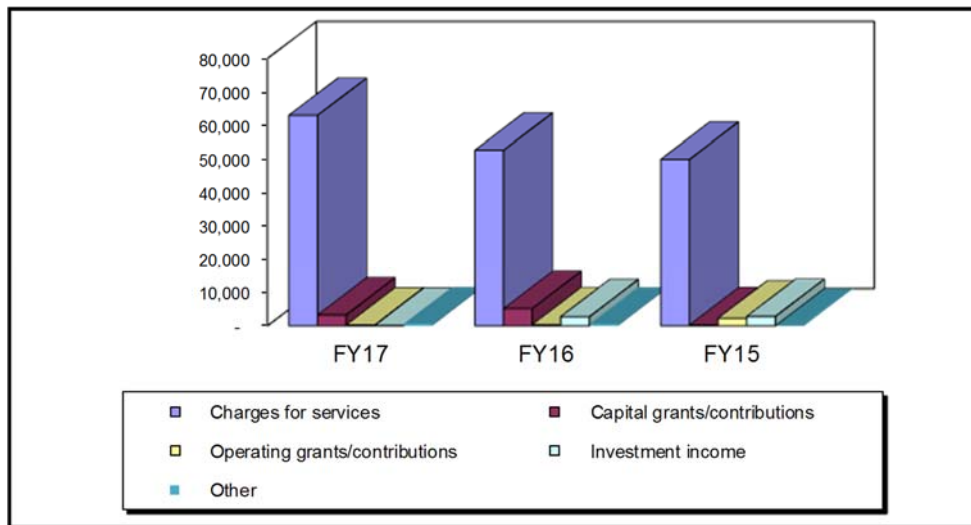
City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Expenses of the City's governmental activities increased from \$128.6 million in fiscal year 2016 to \$138.0 million in 2017 due to increased costs in general government.

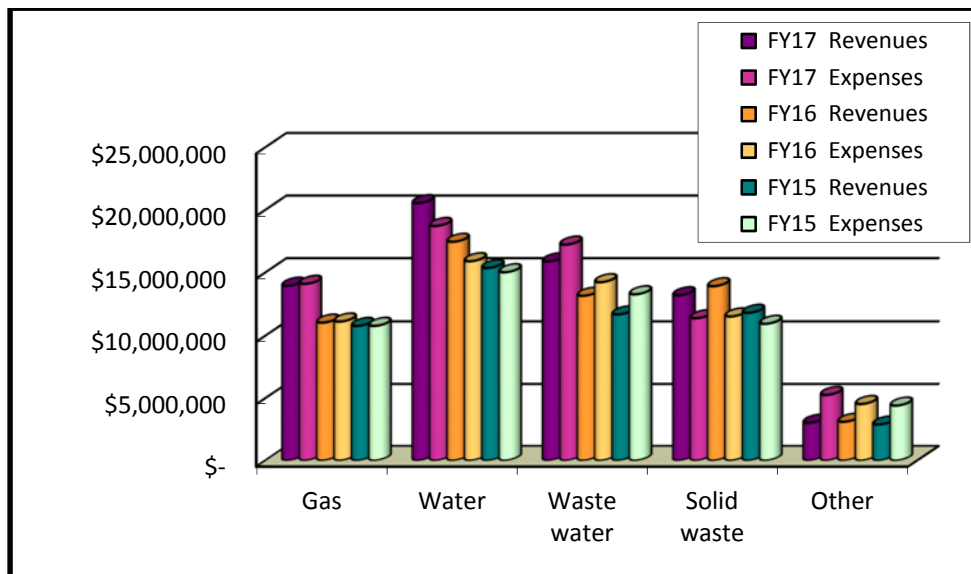
Business-type Activities

For the City's business-type activities, the net position increased by \$3,847,240 to reach an ending balance of \$225,396,342. Charges for services increased from \$52.6 million in 2016 to \$63 million in 2017. Gas increased by \$2.9 million due to the addition of Mesilla customers; Water increased by \$4.2 million due to the addition of Jornada customer's and Wastewater increased by \$3.4 million also due to additional customers. Operating grants and contributions decreased from \$5.1 million in fiscal year 2016 to \$3.2 million in fiscal year 2017.

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Business-type Activities



City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Financial Analysis of the City's Funds

Gross receipts tax, the largest revenue source in the general fund, increased by \$252 thousand from 2016 due to the increase in gross receipts tax authorized by the legislature to make up for the state funding reductions which occurred in 2016 and carried over into 2017. Operating and capital grants and contributions decreased by \$106 thousand due to a decrease in legislative funding.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in assessing the City's financing requirements. Non-financial assets such as governmental buildings, roads, drainage ways and long-term liabilities, such as payables or long-term liabilities that will not be paid with current assets, are excluded. 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, and Telshor Facility funds are reported as major governmental funds. As of the end of fiscal year 2017, the City's governmental funds reported combined ending fund balances of \$193.15 million, an increase of \$15.15 million from the prior year due to more conservative spending efforts.

The fund balance of the General Fund is reported in the five categories defined by GASB 54. The non-spendable fund balance of \$1.76 million is for inventories. The restricted fund balance of \$1.73 million is for grants for general government, public safety programs, community development, parks and recreation, public works, and quality of life. The committed fund balance of \$8.25 million is for debt service. The assigned fund balance in the General Fund is \$4.48 million and is mainly for the acquisition of new vehicles and economic development. The allocation to each function is presented in the governmental funds balance sheet. The unassigned fund balance in the General Fund is \$39.77 million. The total fund balance in the General Fund is \$55.99 million.

Fund balances of other major governmental funds are committed and restricted. The fund balance in Sonoma Ranch of \$2.56 million is committed for public works. The Telshor Facility fund has \$40.51 million restricted for health-related programs. The fund balance in Debt Service of \$4.92 million is restricted for debt service funds. All other governmental funds are combined and reported as non-major governmental funds. Non-major governmental funds have a restricted fund balance of \$86.45 million for public safety, housing and community development, debt service, public works, quality of life, parks and recreation, and transportation. The committed fund balance of \$2.92 million is for debt service, public works, public safety programs, and health related programs.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2017, unassigned fund balance of the general fund was \$39.77 million, while total fund balance was \$55.99 million. Of the \$39.77 million in unassigned fund balance, \$28.64 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 \$5.53 million during the current fiscal year, attributable to revenue over expenditures increasing slightly from the previous year and a decrease in transfers out of the general fund causing a similar net change to fund balance as the previous year with a slight increase.

Revenues - The difference between the original budget and the final amended budget for revenues is an increase of approximately \$2.79 million for the year. This reflects an increase in the budget of \$2.18 million for Gross Receipts, which was determined as part of a mid-year revenue review as well as an end-of-year revenue review, and a \$609 thousand increase from other sources of revenue due to the same mid-year and end-of-year revenue reviews.

Actual revenues for the fiscal year were approximately \$753 thousand more than the final budget. Actual revenues from Local Taxes exceeded budget by approximately \$1.53 million, which was due to gross receipts tax distributions from the State exceeding what was estimated throughout the year. Actual revenues for all other income sources were less than the final budget by approximately \$777 thousand, which was due primarily to less investment income, charges for services, and fees and fines collected than were expected.

Expenditures - Differences between the original expenditures budget and the final amended expenditures budget totaled approximately \$2.19 million and are briefly summarized as follows:

- The budget for general government decreased by \$2.74 million. \$2.67 million is attributable to budget being reclassified from expenditures to transfers out. \$70 thousand is attributable to the net effect from mid-year and end-of-year budget adjustments.
- The budget for economic development increased by \$597 thousand. \$325 thousand is attributable to the transfer for airport being covered by the general fund. \$272 thousand is attributable to the net effect from mid-year and end-of-year budget adjustments.
- The budget for police decreased by \$1.03 million which is the net effect of mid-year and end-of-year budget adjustments primarily attributable to the reclass of budget to the fleet fund for vehicle maintenance and fuel costs.
- The budget for fire decreased \$307 thousand which is the net effect of mid-year and end of year budget adjustments primarily attributable to the reclass of budget to the fleet fund for vehicle maintenance and fuel costs.
- The budget for community development increased by \$68 thousand which is attributable to the net effect of mid-year and end-of-year budget adjustments.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

- The budget for quality of life decreased by \$26 which is attributable to the net effect of mid-year and end-of-year budget adjustments.
- The budget for Parks and Recreation decreased by \$541 thousand which is the net effect of mid-year and end-of-year budget adjustments primarily attributable to necessary decreases in salary budgets.
- The budget for capital outlay increased by \$2.00 million which is the net effect of mid-year and end-of-year budget adjustments primarily attributable to several large projects being extended into the 2017 fiscal year rather than being completed in the 2016 fiscal year and an increase in costs of capital items.

Actual expenditures were approximately \$16.98 million less than the final expenditures budget. These variances can be briefly summarized as follows:

- The general government actual expenditures were approximately \$2.68 million less than the final budget. \$1.04 million is attributable to salary savings throughout the year. \$1.62 million is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for economic development were approximately \$8.02 million less than the final budget. \$7.54 million is attributable to careful utilization of planned contingency funds. \$27 thousand is attributable to salary savings throughout the year. \$21 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for police were \$1.07 million less than budget. \$703 thousand is attributable to salary savings throughout the year and \$367 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for fire were approximately \$494 thousand less than budget. \$411 thousand is attributable to salary savings throughout the year. \$83 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for community development were approximately \$664 thousand less than budget. \$210 thousand is attributable to salary savings throughout the year. \$454 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for quality of life were approximately \$442 thousand less than budget. \$252 thousand is attributable to salary savings throughout the year. \$190 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for public works were \$1.11 million less than budget. \$442 thousand is attributable to salary savings and \$668 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

- Actual expenditures for parks and recreation were approximately \$617 thousand less than budget. \$195 thousand is attributable to salary savings and \$422 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for capital outlay were approximately \$1.90 million less than budget. This variance is caused by conservative spending on capital items so that expenditure was less than budgeted costs.

Long-Term Debt

At the end of fiscal year 2017, the City had total long-term debt outstanding of \$202,369,920 in bonds, notes and leases, with a net increase of \$25,268,518 over the prior year due to the issuance of new debt.

Outstanding Bonds and Liabilities to Financial Institutions

	Governmental		
	2017	2016	Change
Revenue Bonds: Outstanding	\$ 107,405,000	\$ 99,935,000	\$ 7,470,000
Notes Payable: Outstanding	153,225,802	8,605,230	144,620,572
Total Outstanding	\$ 260,630,802	\$ 108,540,230	\$ 152,090,572
	Business-type		
	2017	2016	Change
Revenue Bonds: Outstanding	\$ 77,230,000	\$ 65,445,000	\$ 11,785,000
Notes Payable: Outstanding	2,409,118	3,116,172	(707,054)
Total Outstanding	\$ 79,639,118	\$ 68,561,172	\$ 11,077,946
	Total		
	2017	2016	Change
Revenue Bonds: Outstanding	\$ 184,635,000	\$ 165,380,000	\$ 19,255,000
Notes Payable: Outstanding	155,634,920	11,721,402	143,913,518
Total Outstanding	\$ 340,269,920	\$ 177,101,402	\$ 163,168,518

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, 2017 amounts to \$637,613,230 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 1.1 percent.

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

City of Las Cruces
Management's Discussion and Analysis
June 30, 2017

Economic Outlook

With an official end to the recent Great Recession, national economic expansion continues. The overall U.S. unemployment rate has fallen below 5%, down from the 10% experienced by the country in 2009. The U.S. job market has experienced growth with non-farm employment estimated to increase by 0.7% in 2017 and 1.4% in 2018. The average hourly earnings for all employees in the private sector have increased by 2.5% over the last 12 months.

The National GDP (Gross Domestic Product) is anticipated to rise to approximately 1.85% in the 2017-2018 fiscal year. This rise is influenced by consumer spending resulting from increases in employment and increases in the average hourly earnings for all employees.

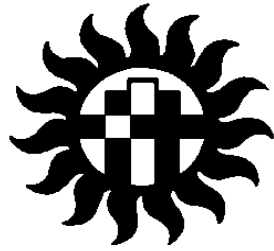
The economy of the City of Las Cruces is growing moderately and is forecasted to remain stable over the coming fiscal year. Non-farm employment is expected to grow at 0.6% for the 2017-2018 fiscal year. The majority of employment gains will be in the private sector, especially Health Care, Social Assistance, and Accommodation/Food Services industries. Employment growth in the public sector, however, is anticipated to remain flat.

Permitted valuation is anticipated to decrease in fiscal year 2017-2018. This is due to a reduction in commercial and residential construction and repairs. The construction market has been one market segment which has been greatly impacted over recent years, with slow and uneven recovery causing City staff to expect the issuance of new residential building permits to remain below 500 units for the 2017-2018 fiscal year. This will mark the seventh year in a row that new housing permits have fallen below 500 units.

Requests for Information

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

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



City of Las Cruces

Government-Wide Financial Statements

City of Las Cruces
Statement of Net Position
June 30, 2017

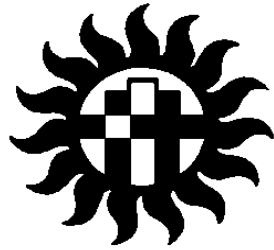
	Primary Government			South Central Solid Waste Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 112,335,497	\$ 43,600,095	\$ 155,935,592	\$ 3,719,609
Receivables, net	22,842,538	5,583,053	28,425,591	382,963
Other assets	2,130,116	2,440,751	4,570,867	-
Due from other governmental units	21,018,618	1,158,219	22,176,837	-
Due from South Central Solid Waste	1,394,170	-	1,394,170	-
Notes receivable	-	439,796	439,796	-
Restricted cash and investments	82,100,071	28,392,996	110,493,067	2,079,146
Capital assets:				
Land and construction in progress	48,929,726	16,004,442	64,934,168	1,516,151
Other capital assets, net of depreciation	<u>341,590,937</u>	<u>231,088,125</u>	<u>572,679,062</u>	<u>8,414,290</u>
Total capital assets	<u>390,520,663</u>	<u>247,092,567</u>	<u>637,613,230</u>	<u>9,930,441</u>
Total assets	<u>632,341,673</u>	<u>328,707,477</u>	<u>961,049,150</u>	<u>16,112,159</u>
Deferred Outflows of Resources				
Deferred amount from refundings	354,644	636,770	991,414	-
Deferred charges related to pensions	<u>37,801,351</u>	<u>8,684,392</u>	<u>46,485,743</u>	<u>2,269,564</u>
Total deferred outflows of resources	<u>38,155,995</u>	<u>9,321,162</u>	<u>47,477,157</u>	<u>2,269,564</u>
Liabilities				
Accounts payable and accrued liabilities	11,789,638	5,463,898	17,253,536	447,369
Unearned revenue	2,630,774	-	2,630,774	-
Customer deposits	-	1,226,901	1,226,901	-
Long-term liabilities:				
Net pension liability	128,688,336	19,458,806	148,147,142	4,466,252
Due within one year	13,485,493	6,226,893	19,712,386	218,979
Due in more than one year	<u>131,184,365</u>	<u>79,846,631</u>	<u>211,030,996</u>	<u>3,248,704</u>
Total liabilities	<u>287,778,606</u>	<u>112,223,129</u>	<u>400,001,735</u>	<u>8,381,304</u>
Deferred Inflows of Resources				
Deferred amount from investment earnings	9,258	-	9,258	-
Deferred gain of revenue for cost of gas	-	83,204	83,204	-
Deferred inflows related to pensions	<u>2,022,522</u>	<u>325,964</u>	<u>2,348,486</u>	<u>78,182</u>
Total deferred inflows of resources	<u>2,031,780</u>	<u>409,168</u>	<u>2,440,948</u>	<u>78,182</u>
Net Position				
Net investment in capital assets	292,055,210	185,978,639	478,033,849	8,446,284
Restricted for:				
General government	300,953	-	300,953	-
Public safety programs	2,185,630	-	2,185,630	-
Housing and community development	642,128	-	642,128	-
Debt service	5,701,855	22,885,649	28,587,504	-
Public works	77,802,802	4,280,446	82,083,248	-
Health-related programs	3,827,439	-	3,827,439	-
Community and cultural services	40,507,578	-	40,507,578	-
Parks and recreation	2,701,447	-	2,701,447	-
Transportation	53,049	-	53,049	-
Customer deposits	-	1,226,901	1,226,901	-
Curbside recycling program	-	-	-	-
Unrestricted	<u>(45,090,809)</u>	<u>11,024,707</u>	<u>(34,066,102)</u>	<u>1,475,953</u>
Total net position	<u>\$ 380,687,282</u>	<u>\$ 225,396,342</u>	<u>\$ 606,083,624</u>	<u>\$ 9,922,237</u>

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

City of Las Cruces
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position			South Central Solid Waste Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 31,463,373	\$ 3,837,966	\$ 238,206	\$ 5,069,800	\$ (22,317,401)	\$ -	\$ (22,317,401)	\$ -
Economic development	6,238,910	671,271	67,162	-	(5,500,477)	-	(5,500,477)	-
Police	27,973,272	4,094,675	470,233	-	(23,408,364)	-	(23,408,364)	-
Fire	14,617,823	2,287,792	130,859	-	(12,199,172)	-	(12,199,172)	-
Community development	4,953,404	574,556	305,372	350,447	(3,723,029)	-	(3,723,029)	-
Quality of life	9,489,099	934,159	581,969	-	(7,972,971)	-	(7,972,971)	-
Public works	25,792,319	2,000,164	402,493	-	(23,389,662)	-	(23,389,662)	-
Transportation	2,905,589	-	344,994	-	(2,560,595)	-	(2,560,595)	-
Parks and recreation	10,457,930	1,614,049	-	-	(8,843,881)	-	(8,843,881)	-
Interest on long-term debt	4,117,326	-	-	-	(4,117,326)	-	(4,117,326)	-
Total governmental activities	<u>138,009,045</u>	<u>16,014,632</u>	<u>2,541,288</u>	<u>5,420,247</u>	<u>(114,032,878)</u>	<u>-</u>	<u>(114,032,878)</u>	<u>-</u>
Business-type activities								
Gas	14,081,743	13,841,430	-	90,601	-	(149,712)	(149,712)	-
Water	18,702,718	19,961,149	462,575	101,609	-	1,822,615	1,822,615	-
Wastewater	17,216,150	15,173,000	627,987	73,773	-	(1,341,390)	(1,341,390)	-
Solid waste	11,386,149	13,169,287	-	-	-	1,783,138	1,783,138	-
Transit/other	5,249,143	864,306	2,153,824	-	-	(2,231,013)	(2,231,013)	-
Total business-type activities	<u>66,635,903</u>	<u>63,009,172</u>	<u>3,244,386</u>	<u>265,983</u>	<u>-</u>	<u>(116,362)</u>	<u>(116,362)</u>	<u>-</u>
Total primary government	<u>\$ 204,644,948</u>	<u>\$ 79,023,804</u>	<u>\$ 5,785,674</u>	<u>\$ 5,686,230</u>	<u>(114,032,878)</u>	<u>(116,362)</u>	<u>(114,149,240)</u>	<u>-</u>
Component units								
Solid waste	10,036,798	10,509,454	-	-	-	-	-	472,656
Total component units	<u>\$ 10,036,798</u>	<u>\$ 10,509,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,656</u>
General revenues								
Taxes:								
Gross receipts					99,865,613	-	99,865,613	-
Property					15,085,083	-	15,085,083	-
Franchise fees and lodgers taxes					2,809,073	-	2,809,073	-
Investment income					4,416,382	118,816	4,535,198	(13,531)
Gain (loss) on sale of capital assets					-	536,481	536,481	(13,932)
Other					-	-	-	(46,920)
Transfers					(3,308,305)	3,308,305	-	-
Total general revenues and transfers					<u>118,867,846</u>	<u>3,963,602</u>	<u>122,831,448</u>	<u>(74,383)</u>
Change in net position					<u>4,834,968</u>	<u>3,847,240</u>	<u>8,682,208</u>	<u>398,273</u>
Net position, beginning of year					<u>375,852,314</u>	<u>221,549,102</u>	<u>597,401,416</u>	<u>9,523,964</u>
Net position, end of year					<u>\$ 380,687,282</u>	<u>\$ 225,396,342</u>	<u>\$ 606,083,624</u>	<u>\$ 9,922,237</u>

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



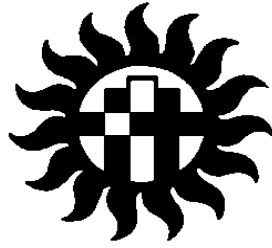
City of Las Cruces

Fund Financial Statements

City of Las Cruces
Balance Sheet—Governmental Funds
June 30, 2017

	General Fund	Debt Service	Sonoma Ranch	Telshor Facility	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 39,354,604	\$ -	\$ 2,558,389	\$ -	\$ 56,184,758	\$ 98,097,751
Restricted cash and investments	-	5,718,526	-	40,527,103	35,854,442	82,100,071
Receivables, net	1,134,822	8,585,000	7,415,724	86,669	5,609,853	22,832,068
Due from other funds	3,631,367	-	-	-	-	3,631,367
Due from other governmental units	14,868,065	-	-	-	6,150,553	21,018,618
Inventories	1,747,278	-	-	-	-	1,747,278
Total assets	<u>60,736,136</u>	<u>14,303,526</u>	<u>9,974,113</u>	<u>40,613,772</u>	<u>103,799,606</u>	<u>229,427,153</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts and contracts payable	\$ 2,437,760	\$ -	\$ -	\$ 106,194	\$ 5,038,127	\$ 7,582,081
Due to other funds	-	-	-	-	3,631,367	3,631,367
Accrued liabilities	2,042,022	-	-	-	70,843	2,112,865
Unearned revenue	153,709	350,000	-	-	4,907,844	5,411,553
Total liabilities	<u>4,633,491</u>	<u>350,000</u>	<u>-</u>	<u>106,194</u>	<u>13,648,181</u>	<u>18,737,866</u>
Deferred Inflows of Resources						
Deferred special assessment receipts	101,144	-	7,415,725	-	-	7,516,869
Deferred amount from investment earnings	9,258	-	-	-	-	9,258
Unavailable revenue	-	9,037,707	-	-	854,146	9,891,853
Total Deferred Inflows of Resources	<u>110,402</u>	<u>9,037,707</u>	<u>7,415,725</u>	<u>-</u>	<u>854,146</u>	<u>17,417,980</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,743,893</u>	<u>9,387,707</u>	<u>7,415,725</u>	<u>106,194</u>	<u>14,502,327</u>	<u>36,155,846</u>
Fund Balances						
Non-spendable:						
Inventories	\$ 1,747,278	\$ -	\$ -	\$ -	\$ -	\$ 1,747,278
Restricted for:						
General government	300,953	-	-	-	-	300,953
Public safety programs	4,562	-	-	-	2,181,068	2,185,630
Housing and community development	81,193	-	-	-	560,935	642,128
Debt service funds	-	4,915,819	-	-	786,036	5,701,855
Public works	130,569	-	-	-	77,672,233	77,802,802
Quality of life	900,220	-	-	-	2,927,219	3,827,439
Health-related programs	-	-	-	40,507,578	-	40,507,578
Parks and recreation	311,667	-	-	-	2,389,780	2,701,447
Transportation	-	-	-	-	53,049	53,049
Committed for:						
Debt service	8,252,569	-	-	-	2,627,241	10,879,810
Health-related programs	-	-	-	-	69,384	69,384
Public safety programs	-	-	-	-	219,370	219,370
Public works	-	-	2,558,388	-	1,456	2,559,844
Assigned to:						
Public works	194,818	-	-	-	-	194,818
Economic development	1,876,732	-	-	-	-	1,876,732
Transportation	101,109	-	-	-	-	101,109
Vehicle acquisition fund	2,306,504	-	-	-	-	2,306,504
Unassigned:						
Unassigned	39,784,069	-	-	-	(190,492)	39,593,577
Total fund balances	<u>55,992,243</u>	<u>4,915,819</u>	<u>2,558,388</u>	<u>40,507,578</u>	<u>89,297,279</u>	<u>193,271,307</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 60,736,136</u>	<u>\$ 14,303,526</u>	<u>\$ 9,974,113</u>	<u>\$ 40,613,772</u>	<u>\$ 103,799,606</u>	<u>\$ 229,427,153</u>

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



City of Las Cruces

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

City of Las Cruces
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds	\$ 193,271,307
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes \$133,091 that are reported in internal services funds)	390,387,572
Other assets are not available to pay for current-period expenditures and, therefore, are reported as unearned revenue in the funds	21,471,093
The contribution of certain capital assets is deferred in the statement of net position	(1,281,592)
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 (excludes long-term liabilities reported in internal services funds of \$6,607,196 and net pension liabilities of \$126,745,482)	(137,688,352)
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	1,394,170
Deferred outflows of pensions (excludes \$894,488 of deferred outflows from pensions of internal service funds reported below)	36,894,399
Net pension liabilities are not reported in governmental funds but reported on the statement of net position	(126,745,482)
Deferred inflows of pensions (excludes \$9,251 of deferred inflows from pensions of internal service funds reported below)	(2,019,309)
Assets and liabilities of internal service funds are included in net position of governmental activities	<u>5,003,476</u>
Net position of governmental activities	<u>\$ 380,687,282</u>

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

City of Las Cruces
Statement of Revenues, Expenditures, and Changes in
Fund Balance—Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Debt Service	Sonoma Ranch	Telshor Facility	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 95,061,750	\$ -	\$ -	\$ -	\$ 19,888,946	\$ 114,950,696
Charges for services	2,917,887	-	-	-	118,644	3,036,531
Fees and fines	528,827	-	-	-	2,941,238	3,470,065
Investment income (loss)	113,036	50,766	(3,554)	3,976,577	291,328	4,428,153
Franchise fees	2,809,073	-	-	-	-	2,809,073
Licenses and permits	1,655,125	-	-	-	-	1,655,125
Intergovernmental:						
Federal	-	-	-	-	1,910,936	1,910,936
State	-	-	-	-	6,346,789	6,346,789
Local	28,803	-	-	-	49,338	78,141
Other	4,299,059	183,098	-	-	2,459,681	6,941,838
Total revenues	<u>107,413,560</u>	<u>233,864</u>	<u>(3,554)</u>	<u>3,976,577</u>	<u>34,006,900</u>	<u>145,627,347</u>
Expenditures						
Current						
General government	17,803,992	-	-	-	1,340,737	19,144,729
Economic development	3,778,231	-	-	-	378,022	4,156,253
Police	23,046,768	-	-	-	2,646,695	25,693,463
Fire	12,876,783	-	-	-	736,534	13,613,317
Community development	3,233,873	-	-	-	1,718,781	4,952,654
Quality of life	5,257,888	-	-	-	3,275,597	8,533,485
Public works	11,257,868	-	-	-	2,265,424	13,523,292
Transportation	-	-	-	-	1,941,788	1,941,788
Parks and recreation	9,084,634	-	-	-	414,075	9,498,709
Capital outlay	4,076,635	-	-	-	30,040,606	34,117,241
Debt service:						
Principal	-	9,697,955	-	-	-	9,697,955
Interest and other charges	-	4,097,624	-	-	-	4,097,624
Debt issuance costs	-	-	-	-	464,919	464,919
Total expenditures	<u>90,416,672</u>	<u>13,795,579</u>	<u>-</u>	<u>-</u>	<u>45,223,178</u>	<u>149,435,429</u>
Revenues over (under) expenditures	<u>16,996,888</u>	<u>(13,561,715)</u>	<u>(3,554)</u>	<u>3,976,577</u>	<u>(11,216,278)</u>	<u>(3,808,082)</u>
Other Financing Sources (Uses)						
Issuance of debt	-	1,638	-	-	23,886,890	23,888,528
Premiums on issuance of debt	-	376,240	-	-	1,280,008	1,656,248
Proceeds from sale of capital assets	90,230	-	-	-	11,232	101,462
Transfers in	3,906,120	12,762,093	-	-	8,232,122	24,900,335
Transfers out	(15,465,189)	(62,903)	-	(395,000)	(15,545,780)	(31,468,872)
Total other financing sources (uses)	<u>(11,468,839)</u>	<u>13,077,068</u>	<u>-</u>	<u>(395,000)</u>	<u>17,864,472</u>	<u>19,077,701</u>
Net change in fund balances	5,528,049	(484,647)	(3,554)	3,581,577	6,648,194	15,269,619
Fund balances, beginning of year	<u>50,464,194</u>	<u>5,400,466</u>	<u>2,561,942</u>	<u>36,926,001</u>	<u>82,649,085</u>	<u>178,001,688</u>
Fund balances, end of year	<u>\$ 55,992,243</u>	<u>\$ 4,915,819</u>	<u>\$ 2,558,388</u>	<u>\$ 40,507,578</u>	<u>\$ 89,297,279</u>	<u>\$ 193,271,307</u>

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

City of Las Cruces
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances—governmental funds

Total revenues and other financing sources in the governmental funds differ from total revenues for governmental activities in the statement of activities. The difference results 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:

\$ 15,269,619

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of certain capital outlays is allocated over the 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 position decreased by the amount of depreciation expense charged for the year:

Capital outlay	\$ 34,117,241	
Depreciation	(17,329,262)	
Difference in proceeds and net capital assets sold	(101,462)	
Disposal of capital assets not recorded in governmental funds	(328,621)	
Total		16,357,896

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 position.

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 position.

Repayments of bonds and notes payable	9,697,955	
Premiums on issuance of debt	(1,656,248)	
Proceeds from bonds and notes payable	(23,888,528)	
Interest expense related to bond refunding	(19,702)	
Amortization of premium/discount of bond and notes payable	62,581	
Total		(15,803,942)

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, therefore, is not reported as expenditures in governmental funds.

143,953

Revenues in the statement of activities that do not meet the "availability" criteria for revenue recognition and, therefore, are not reported as revenues in the funds.

676,742

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 position.

(140,000)

Change in PERA liability affects expenses reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.

(9,242,689)

Internal service funds are used by management to charge the costs of certain activities such as insurance and telecommunications to individual funds. The change in net position of internal service funds is reported within governmental activities.

(2,426,611)

Change in net position of governmental activities

\$ 4,834,968

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	June 30, 2017			June 30, 2016	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual (Reclassified)
	Original	Final			
Revenues					
Local taxes					
Gross receipts	\$ 77,715,281	\$ 79,893,323	\$ 81,901,329	\$ 2,008,006	\$ 82,347,641
Property	11,791,662	11,791,662	11,494,458	(297,204)	11,299,666
Utility franchise	1,385,100	1,385,100	1,205,533	(179,567)	1,163,436
Total local taxes	<u>90,892,043</u>	<u>93,070,085</u>	<u>94,601,320</u>	<u>1,531,235</u>	<u>94,810,743</u>
State-shared taxes	481,889	481,889	460,430	(21,459)	502,942
Charges for services	3,158,405	3,150,666	2,917,887	(232,779)	2,842,674
Fees and fines	682,882	682,882	528,827	(154,055)	665,022
Investment income (loss)	533,704	689,854	113,036	(576,818)	1,512,627
Franchise fees	2,800,000	2,800,000	2,809,073	9,073	2,873,464
Licenses and permits	1,212,811	1,377,911	1,655,125	277,214	1,577,456
Operating grants and contributions	16,370	16,370	28,803	12,433	4,670
Other	<u>4,096,137</u>	<u>4,391,318</u>	<u>4,299,059</u>	<u>(92,259)</u>	<u>3,972,073</u>
	<u>12,982,198</u>	<u>13,590,890</u>	<u>12,812,240</u>	<u>(778,650)</u>	<u>13,950,928</u>
Total revenues	<u>103,874,241</u>	<u>106,660,975</u>	<u>107,413,560</u>	<u>752,585</u>	<u>108,761,671</u>
Expenditures					
Current					
General government	20,681,241	17,939,495	17,803,992	135,503	17,258,724
Economic development	11,196,323	11,793,404	3,778,231	8,015,173	2,545,555
Police	24,926,244	23,892,703	23,046,768	845,935	22,487,668
Fire	13,677,290	13,370,395	12,876,783	493,612	12,576,218
Community development	3,829,223	3,897,589	3,233,873	663,716	3,295,856
Quality of life	5,726,856	5,700,050	5,257,888	442,162	5,314,072
Public works	12,569,802	12,363,441	11,257,868	1,105,573	10,010,289
Parks and recreation	10,243,660	9,702,361	9,084,634	617,727	9,142,296
Capital outlay	<u>3,977,150</u>	<u>5,974,952</u>	<u>4,076,635</u>	<u>1,898,317</u>	<u>5,852,903</u>
Total expenditures	<u>106,827,789</u>	<u>104,634,390</u>	<u>90,416,672</u>	<u>14,217,718</u>	<u>88,483,581</u>
Revenues over (under) expenditures	<u>(2,953,548)</u>	<u>2,026,585</u>	<u>16,996,888</u>	<u>14,970,303</u>	<u>20,278,090</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	90,230	90,230	1,167,038
Transfers in	3,354,386	3,891,246	3,906,120	14,874	6,577,912
Transfers out	<u>(10,773,176)</u>	<u>(18,230,438)</u>	<u>(15,465,189)</u>	<u>2,765,249</u>	<u>(22,861,277)</u>
Total other financing sources (uses)	<u>(7,418,790)</u>	<u>(14,339,192)</u>	<u>(11,468,839)</u>	<u>2,870,353</u>	<u>(15,116,327)</u>
Net change in fund balance	(10,372,338)	(12,312,607)	5,528,049	17,840,656	5,161,763
Fund balance, beginning of year	<u>50,464,194</u>	<u>50,464,194</u>	<u>50,464,194</u>	<u>-</u>	<u>45,302,431</u>
Fund balance, end of year	<u>\$ 40,091,856</u>	<u>\$ 38,151,587</u>	<u>\$ 55,992,243</u>	<u>\$ 17,840,656</u>	<u>\$ 50,464,194</u>

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

City of Las Cruces
Statement of Revenues, Expenditures, and
Changes in Fund Balance—Budget and Actual
Sonoma Ranch
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

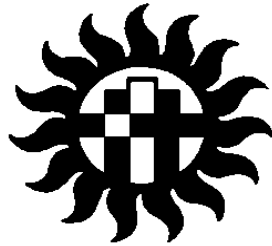
	June 30, 2017			June 30, 2016	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Revenues					
Investment income	\$ -	\$ -	\$ (3,554)	\$ (3,554)	\$ 90,563
Other	-	-	-	-	968,277
Total revenues	-	-	(3,554)	(3,554)	1,058,840
Net change in fund balance	-	-	(3,554)	(3,554)	1,058,840
Fund balance, beginning of year	2,561,942	2,561,942	2,561,942	-	1,503,102
Fund balance, end of year	\$ 2,561,942	\$ 2,561,942	\$ 2,558,388	\$ (3,554)	\$ 2,561,942

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

City of Las Cruces
Statement of Revenues, Expenditures, and
Changes in Fund Balance—Budget and Actual
Telshor Facility
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	June 30, 2017			June 30, 2016	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Revenues					
Investment income	\$ -	\$ -	\$ 3,976,577	\$ 3,976,577	\$ 922,571
Total revenues	-	-	3,976,577	3,976,577	922,571
Other Financing Sources (Uses)					
Transfers out	(300,000)	(395,000)	(395,000)	-	(300,000)
Total other financing sources (uses)	(300,000)	(395,000)	(395,000)	-	(300,000)
Net change in fund balance	(300,000)	(395,000)	3,581,577	3,976,577	622,571
Fund balance, beginning of year	36,926,001	36,926,001	36,926,001	2,011,532	36,303,430
Fund balance, end of year	\$ 36,626,001	\$ 36,531,001	\$ 40,507,578	\$ 5,988,109	\$ 36,926,001

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



City of Las Cruces

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

City of Las Cruces
Statement of Net Position—Proprietary Funds
June 30, 2017

	Enterprise Funds					Totals	Internal Service Funds
	Gas	Water	Waste Water	Solid Waste	Other Enterprise Funds		
Assets							
Current assets							
Cash and investments	\$ 15,930,073	\$ 6,207,683	\$ 12,506,863	\$ 9,608,083	\$ (652,607)	\$ 43,600,095	\$ 14,237,746
Accounts receivable, net of allowance for uncollectible accounts	1,119,433	1,943,892	1,280,662	1,049,519	189,547	5,583,053	10,470
Due from other governments	-	9,756	-	-	1,148,463	1,158,219	-
Inventories	880,195	556,001	388,033	616,522	-	2,440,751	382,838
Total current assets	<u>17,929,701</u>	<u>8,717,332</u>	<u>14,175,558</u>	<u>11,274,124</u>	<u>685,403</u>	<u>52,782,118</u>	<u>14,631,054</u>
Non-current assets							
Restricted cash and investments	3,879,478	13,777,052	9,756,709	979,757	-	28,392,996	-
Notes receivable	-	236,966	202,830	-	-	439,796	-
Advance to other funds	-	-	2,166,714	-	-	2,166,714	-
Capital assets	71,641,120	162,158,321	144,500,591	13,948,091	13,319,007	405,567,130	2,359,815
Less accumulated depreciation	(42,888,075)	(45,938,051)	(56,228,226)	(7,128,518)	(6,291,693)	(158,474,563)	(2,226,724)
Net capital assets	<u>28,753,045</u>	<u>116,220,270</u>	<u>88,272,365</u>	<u>6,819,573</u>	<u>7,027,314</u>	<u>247,092,567</u>	<u>133,091</u>
Total non-current assets	<u>32,632,523</u>	<u>130,234,288</u>	<u>100,398,618</u>	<u>7,799,330</u>	<u>7,027,314</u>	<u>278,092,073</u>	<u>133,091</u>
Total assets	<u>50,562,224</u>	<u>138,951,620</u>	<u>114,574,176</u>	<u>19,073,454</u>	<u>7,712,717</u>	<u>330,874,191</u>	<u>14,764,145</u>
Deferred outflows of resources							
Deferred amount from refundings	-	285,630	351,140	-	-	636,770	-
Deferred charges related to pensions	2,065,464	1,641,393	1,581,841	1,671,767	1,723,927	8,684,392	906,952
Total deferred outflows of resources	<u>2,065,464</u>	<u>1,927,023</u>	<u>1,932,981</u>	<u>1,671,767</u>	<u>1,723,927</u>	<u>9,321,162</u>	<u>906,952</u>
Liabilities							
Current liabilities							
Accounts and contracts payable	1,099,962	948,002	2,406,432	54,277	33,997	4,542,670	2,061,068
Accrued liabilities	185,744	331,879	219,827	118,113	65,665	921,228	33,624
Current portion of non-current liabilities	219,731	3,126,065	2,061,703	788,864	30,530	6,226,893	1,962,520
Total current liabilities	<u>1,505,437</u>	<u>4,405,946</u>	<u>4,687,962</u>	<u>961,254</u>	<u>130,192</u>	<u>11,690,791</u>	<u>4,057,212</u>
Non-current liabilities							
Customer deposits	659,069	215,942	156,519	195,371	-	1,226,901	-
Revenue bonds payable	3,867,007	46,168,843	26,394,960	-	-	76,430,810	-
Notes payable	-	-	-	1,689,765	-	1,689,765	-
Compensated absences	256,675	235,347	189,867	102,045	122,122	906,056	63,112
Claims	-	-	-	-	-	-	4,601,230
Accrued landfill closure cost	-	-	-	820,000	-	820,000	-
Advance from other funds	-	2,166,714	-	-	-	2,166,714	-
Net pension liability	5,008,997	3,712,207	3,756,157	3,234,810	3,746,635	19,458,806	1,942,854
Total non-current liabilities	<u>9,791,748</u>	<u>52,499,053</u>	<u>30,497,503</u>	<u>6,041,991</u>	<u>3,868,757</u>	<u>102,699,052</u>	<u>6,607,196</u>
Total liabilities	<u>11,297,185</u>	<u>56,904,999</u>	<u>35,185,465</u>	<u>7,003,245</u>	<u>3,998,949</u>	<u>114,389,843</u>	<u>10,664,408</u>
Deferred inflows of resources							
Deferred gain of revenue for cost of gas	83,204	-	-	-	-	83,204	-
Deferred inflows related to pensions	-	11,136	48,013	253,731	13,084	325,964	3,213
Total deferred inflows of resources	<u>83,204</u>	<u>11,136</u>	<u>48,013</u>	<u>253,731</u>	<u>13,084</u>	<u>409,168</u>	<u>3,213</u>
Net Position							
Net investment in capital assets	27,924,151	78,042,489	68,509,159	4,475,526	7,027,314	185,978,639	133,091
Restricted for customer deposits	659,069	215,942	156,519	195,371	-	1,226,901	-
Restricted for capital projects	-	2,801,959	759,172	719,315	-	4,280,446	-
Restricted for debt service	3,220,409	10,759,151	8,841,018	65,071	-	22,885,649	-
Unrestricted	9,443,670	(7,857,033)	3,007,811	8,032,962	(1,602,703)	11,024,707	4,870,385
Total net position	<u>\$ 41,247,299</u>	<u>\$ 83,962,508</u>	<u>\$ 81,273,679</u>	<u>\$ 13,488,245</u>	<u>\$ 5,424,611</u>	<u>\$ 225,396,342</u>	<u>\$ 5,003,476</u>

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

City of Las Cruces
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Enterprise Funds					Totals	Internal Service Funds
	Gas	Water	Waste Water	Solid Waste	Other Enterprise Funds		
Operating Revenues							
Sales/charges	\$ 21,330,824	\$ 17,031,481	\$ 12,200,693	\$ 13,044,383	\$ 855,883	\$ 64,463,264	\$ 14,951,252
Provision for uncollectible accounts	229,164	103,288	111,819	188,409	-	632,680	-
Net sales/charges	<u>21,559,988</u>	<u>17,134,769</u>	<u>12,312,512</u>	<u>13,232,792</u>	<u>855,883</u>	<u>65,095,944</u>	<u>14,951,252</u>
Utility extension/service fee	310,375	107,597	20,346	-	-	438,318	-
Rentals	-	769	-	-	-	769	317,257
Other	<u>2,647,090</u>	<u>2,830,423</u>	<u>2,840,142</u>	<u>(63,505)</u>	<u>8,423</u>	<u>8,262,573</u>	<u>-</u>
Total operating revenues	24,517,453	20,073,558	15,173,000	13,169,287	864,306	73,797,604	15,268,509
Cost of gas, water and services, respectively	<u>(10,676,023)</u>	<u>(112,409)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,788,432)</u>	<u>(2,368,321)</u>
Gross Margin	<u>13,841,430</u>	<u>19,961,149</u>	<u>15,173,000</u>	<u>13,169,287</u>	<u>864,306</u>	<u>63,009,172</u>	<u>12,900,188</u>
Operating Expenses							
Personnel services	5,019,205	4,655,119	4,204,345	2,352,655	2,889,214	19,120,538	1,504,793
Supplies	519,035	645,446	1,268,814	272,709	268,617	2,974,621	325,199
Utilities	44,782	1,694,140	842,567	27,780	33,390	2,642,659	27,719
Professional services	825,000	2,088,907	1,974,509	4,706,384	275,266	9,870,066	1,201,009
Motor pool charges	-	-	-	-	354,740	354,740	-
Motor fuel	-	-	-	-	588,716	588,716	-
Repairs and maintenance	1,032,315	1,790,635	983,691	963,461	12,600	4,782,702	73,143
Rent	9,405	52,662	7,768	-	-	69,835	-
Depreciation and amortization	2,263,923	2,578,612	3,617,394	1,286,461	527,076	10,273,466	26,491
Payment in lieu of taxes	579,794	634,435	516,112	302,079	-	2,032,420	-
Administrative charges from other funds	3,178,969	2,912,165	2,753,406	2,137,841	-	10,982,381	-
Customer service	-	-	-	-	-	-	-
Closure/post-closure costs	-	-	-	(999,477)	-	(999,477)	-
Claims and judgments	-	-	-	-	-	-	15,267,686
Insurance	137,130	107,324	113,700	76,596	103,783	538,533	-
Pension expenses	295,788	236,721	225,224	199,098	145,945	1,102,776	20,264
Other	<u>64,575</u>	<u>31,552</u>	<u>21,677</u>	<u>6,427</u>	<u>49,796</u>	<u>174,027</u>	<u>128,956</u>
Total operating expenses	<u>13,969,921</u>	<u>17,427,718</u>	<u>16,529,207</u>	<u>11,332,014</u>	<u>5,249,143</u>	<u>64,508,003</u>	<u>18,575,260</u>
Operating income (loss)	(128,491)	2,533,431	(1,356,207)	1,837,273	(4,384,837)	(1,498,831)	(5,675,072)
Non-operating Revenues (Expenses)							
Gain (loss) on sale of capital assets	76,531	53,666	13,047	392,610	627	536,481	-
Investment (loss) income	118,811	(39,233)	44,792	(14,942)	9,388	118,816	(11,771)
Grants	-	462,575	-	-	2,153,824	2,616,399	-
Grants - state	-	-	627,987	-	-	627,987	-
Interest expense	<u>(111,822)</u>	<u>(1,275,000)</u>	<u>(686,943)</u>	<u>(54,135)</u>	<u>-</u>	<u>(2,127,900)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>83,520</u>	<u>(797,992)</u>	<u>(1,117)</u>	<u>323,533</u>	<u>2,163,839</u>	<u>1,771,783</u>	<u>(11,771)</u>
Income (loss) before capital	<u>(44,971)</u>	<u>1,735,439</u>	<u>(1,357,324)</u>	<u>2,160,806</u>	<u>(2,220,998)</u>	<u>272,952</u>	<u>(5,686,843)</u>
Capital contributions	90,601	101,609	73,773	-	-	265,983	-
Transfers							
Transfers in	888,539	4,122,195	2,166,501	-	1,933,053	9,110,288	3,260,232
Transfers out	<u>(816,667)</u>	<u>(3,576,212)</u>	<u>(1,409,104)</u>	<u>-</u>	<u>-</u>	<u>(5,801,983)</u>	<u>-</u>
Change in net position	117,502	2,383,031	(526,154)	2,160,806	(287,945)	3,847,240	(2,426,611)
Net position, beginning of year	<u>41,129,797</u>	<u>81,579,477</u>	<u>81,799,833</u>	<u>11,327,439</u>	<u>5,712,556</u>	<u>221,549,102</u>	<u>7,430,087</u>
Net position, end of year	<u>\$ 41,247,299</u>	<u>\$ 83,962,508</u>	<u>\$ 81,273,679</u>	<u>\$ 13,488,245</u>	<u>\$ 5,424,611</u>	<u>\$ 225,396,342</u>	<u>\$ 5,003,476</u>

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

City of Las Cruces
Statement of Cash Flows—Proprietary Funds
For the Year Ended June 30, 2017

	Enterprise Funds					Totals	Internal Service Funds
	Gas	Water	Waste Water	Solid Waste	Other Enterprise Funds		
Cash flows from operating activities							
Cash received from customers	\$ 21,156,961	\$ 16,873,373	\$ 11,804,954	\$ 12,984,137	\$ 805,830	\$ 63,625,255	\$ 15,267,039
Cash paid to suppliers	(16,720,374)	(10,915,916)	(7,061,767)	(7,703,032)	(1,885,486)	(44,286,575)	(4,102,108)
Cash paid to employees	(4,829,041)	(3,596,578)	(3,904,191)	(2,181,637)	(2,619,687)	(17,131,134)	(1,504,793)
Claims paid	-	-	-	-	-	-	(15,231,435)
Other receipts	2,647,090	2,830,423	2,840,423	(63,505)	8,423	8,262,573	-
Net cash provided (used) by operating activities	2,254,636	5,191,302	3,679,138	3,035,963	(3,690,920)	10,470,119	(5,571,297)
Cash flows from non-capital financing activities							
Grants and contributions	-	462,575	-	-	2,153,824	2,616,399	-
Transfers in	888,539	4,122,195	2,166,501	-	1,933,053	9,110,288	3,260,232
Transfers out	(816,667)	-	-	-	-	(816,667)	-
Additions and (payments) from loans for development impact fees	-	28,351	(11,127)	-	-	17,224	-
Advance to/from other funds	-	(3,889,497)	(1,095,818)	-	-	(4,985,315)	-
Net cash provided (used) by non-capital financing activities	71,872	723,624	1,059,556	-	4,086,877	5,941,929	3,260,232
Cash flows from capital and related financing activities							
Purchase of capital assets	(3,930,957)	(25,497,735)	(8,150,937)	(1,197,650)	(877,571)	(39,654,850)	(71,225)
Grants and contributions	-	-	627,987	-	-	627,987	-
Proceeds from revenue bonds and notes payable	-	17,500,192	-	-	-	17,500,192	-
Principal paid: revenue bonds/lease purchase/advances	(155,562)	(2,687,020)	(2,014,237)	(707,054)	-	(5,563,873)	-
Interest paid: revenue bonds/lease purchase/advances	(111,822)	(1,275,000)	(667,436)	(54,135)	-	(2,108,393)	-
Net cash provided (used) by capital and related financing activities	(4,198,341)	(11,959,563)	(10,204,623)	(1,958,839)	(877,571)	(29,198,937)	(71,225)
Cash flows from investing activities							
Cash interest received	118,811	(39,233)	44,792	(14,942)	10,015	119,443	(11,771)
Net cash provided (used) by investing activities	118,811	(39,233)	44,792	(14,942)	10,015	119,443	(11,771)
Net increase (decrease) in pooled cash and investments	(1,753,022)	(6,083,870)	(5,421,137)	1,062,182	(471,599)	(12,667,446)	(2,394,061)
Cash and investments, beginning of year	21,562,573	26,068,605	27,684,709	9,525,658	(181,008)	84,660,537	16,631,807
Cash and investments, end of year	\$ 19,809,551	\$ 19,984,735	\$ 22,263,572	\$ 10,587,840	\$ (652,607)	\$ 71,993,091	\$ 14,237,746
Cash and investments at June 30 consisted of:							
Current assets							
Cash and investments	\$ 15,930,073	\$ 6,207,683	\$ 12,506,863	\$ 9,608,083	\$ (652,607)	\$ 43,600,095	\$ 14,237,746
Non-current assets							
Restricted cash and investments	3,879,478	13,777,052	9,756,709	979,757	-	28,392,996	-
Total cash and investments, June 30	\$ 19,809,551	\$ 19,984,735	\$ 22,263,572	\$ 10,587,840	\$ (652,607)	\$ 71,993,091	\$ 14,237,746

(Continued)

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

City of Las Cruces
Statement of Cash Flows—Proprietary Funds – continued
For the Year Ended June 30, 2017

	Enterprise Funds					Totals	Internal Service Funds
	Gas	Water	Waste Water	Solid Waste	Other Enterprise Funds		
Reconciliation of operating income to net cash provided (used) by operating activities							
Operating income (loss)	\$ (128,491)	\$ 2,533,431	\$ (1,356,207)	\$ 1,837,273	\$ (4,384,837)	\$ (1,498,831)	\$ (5,675,072)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	2,263,923	2,578,612	3,617,394	1,286,461	527,076	10,273,466	26,491
Provision for uncollectible accounts	(229,164)	(103,288)	(111,819)	(188,409)	-	(632,680)	-
Increase in liability for landfill closure costs	-	-	-	(36,000)	-	(36,000)	-
Change in assets, deferred outflows, liabilities, and deferred inflows:							
Accounts receivable	(154,288)	(269,736)	(422,664)	(66,827)	(50,053)	(963,568)	(1,471)
Inventories	(64,868)	(46,699)	18,639	14,291	-	(78,637)	17,592
Due from other governmental agencies	-	480,519	603,238	-	-	1,083,757	143
Accounts and contracts payable	355,223	(1,043,340)	1,023,823	10,050	(52,633)	293,123	(84,309)
Wages payable and accrued liabilities	17,299	792,307	74,930	(29,098)	19,800	875,238	16,371
Deferred gain of revenue	(87,183)	(1,471,224)	(1,427,847)	-	-	(2,986,254)	-
Unearned revenue	(1,875,204)	-	-	-	249,727	(1,625,477)	-
Net pension liability	2,203,205	1,763,238	1,677,599	223,601	-	5,867,643	-
Deferred inflows related to pensions	(32,213)	(25,780)	(24,528)	(21,959)	-	(104,480)	128,958
Customer deposits	(13,603)	3,262	6,580	6,580	-	2,819	-
Total adjustments	<u>2,383,127</u>	<u>2,657,871</u>	<u>5,035,345</u>	<u>1,198,690</u>	<u>693,917</u>	<u>11,968,950</u>	<u>103,775</u>
Net cash provided (used) by operating activities	<u>\$ 2,254,636</u>	<u>\$ 5,191,302</u>	<u>\$ 3,679,138</u>	<u>\$ 3,035,963</u>	<u>\$ (3,690,920)</u>	<u>\$ 10,470,119</u>	<u>\$ (5,571,297)</u>
Non-cash investing/financing activities							
Advances to (from) other funds	\$ -	\$ -	\$ (1,409,104)	\$ -	\$ -	\$ (1,409,104)	\$ -
Capital contributions of capital assets	90,601	101,609	73,773	-	-	265,983	-
Total non-cash investing/financing activities	<u>\$ 90,601</u>	<u>\$ 101,609</u>	<u>\$ (1,335,331)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,143,121)</u>	<u>\$ -</u>

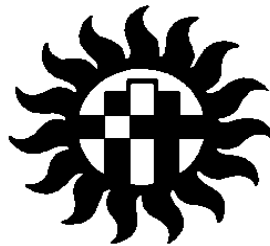
The accompanying notes are an integral part of these financial statements.

City of Las Cruces
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

Assets	
Restricted pooled cash and investments	\$ 5,378,412
Accounts receivable	106,867
Receivable from other government agencies	<u>575,969</u>
Total Assets	<u>\$ 6,061,248</u>
Liabilities	
Accounts and contracts payable	\$ 289,803
Accrued wages payable	238,221
Due to fiscal agent	-
Revenue collected in advance	84,375
Funds held for others	<u>5,448,849</u>
Total Liabilities	<u>\$ 6,061,248</u>

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

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017



City of Las Cruces

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

1) Description and Reporting Entity

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

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

Component Unit	Included in the Reporting Entity Because:	Separate Financial Statements
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. According to GASB Statement No. 61, the SCSWA qualifies as a discretely presented component unit, due to the following reasons. There is a joint powers agreement (JPA) between the City of Las Cruces and SCSWA and the City of Las Cruces is still considered one of the largest customers for SCSWA. If SCSWA ever defaults, then the City of Las Cruces will take over the organization and pledged EGRT to cover the outstanding debt/loan/leases. The criteria of equity interest also exists and the City of Las Cruces will receive any assets if the component unit ever decides to dissolve.	Separate financial statements are available for SCSWA at 700 N. Main St., Las Cruces, New Mexico 88001.
Downtown Tax Increment Development District (TIDD)	The Board members for the TIDD are also the City Councilors, which allows the City to impose its will. According to GASB Statement No. 61, the TIDD qualifies as a blended component unit. Mainly due to management having operational responsibility for the blended component unit.	Presented as a blended component unit of the City.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

1) Description and Reporting Entity (Continued)

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

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. Under GASB 33, the City defines “available to be 60 days after the fiscal year end”. 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. Non-operating 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.

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 non-major funds.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

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.

Debt Service Fund

The 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

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, 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: 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 are used to purchase books for the library); Employee Benefits Committee; Veteran's Memorial Wall; Veteran's Museum; and Gifts and Memorials.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

Measurement Focus, Basis of Accounting

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

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

Fair Value of Financial Instruments

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

Assets, Liabilities and Equity

Cash Equivalents and Investments

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

Investments are stated at fair value.

Restricted Cash and Investments

The amount of cash held representing utility deposits is classified as restricted on the *Statement of Net Assets–Propriety Funds*. Also, certain proceeds of joint utility revenue bonds, as well as resources set aside for their repayment, and resources set aside to fund capital asset replacements 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 December 10 and May 10 and become delinquent after 30 days. Property taxes receivable are deemed to be substantially collectible.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

All trade receivables are shown net of an allowance for uncollectible amounts. The allowance for doubtful accounts is based on management's assessment of the 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 weighted average cost 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.), as individual assets versus collections and, therefore, they are not capitalized. Museum collections and exhibits are considered a collection but are not capitalized as allowed by GASB 34. 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:

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

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

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 FY2011, the City reported the governmental fund balances as reserved and unreserved. Effective FY2011, the City implemented GASB 54 and reports the governmental fund balances in five categories, which include:

- 1) Non-spendable fund balance – amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or long-term receivables.
- 2) Restricted fund balance – 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 fund balance – amounts to be used for specific purposes as determined by Council resolution, 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 through resolution, taking the same formal action that imposed the original constraint.
- 4) Assigned fund balance – 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 but has been earmarked by the governing body by accounting them in these funds.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

- 5) Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Only the General Fund may report “positive” amounts of unassigned Fund Balance. General Fund types other than the general fund are permitted to report “negative” amounts of unassigned fund balance and is not appropriate to report a positive unassigned balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is essential that the City 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 amount to be held in the fund balance of the General Fund of 8.33%, or 1/12, of the annual budgeted expenditures. This policy applies only to the chief operating fund of the City - the General Fund. In addition to the GASB requirement, the State of New Mexico 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.

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.

The City of Las Cruces reports fund balances by specific function. These functions may include multiple purposes for the use of these fund balances. Further detail for certain major functions is listed below:

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Non-spendable:			
Inventories	\$ 1,747,278	\$ -	\$ 1,747,278
Restricted:			
General Government			
Economic Development	200,953	-	200,953
Office of Emergency Management	100,000	-	100,000
Public Safety			
Police	4,562	1,477,834	1,482,396
Fire	-	240,897	240,897
Municipal	-	462,337	462,337
Housing and community development			
MPO Planning	81,193	-	81,193
Affordable Housing Trust	-	527,100	527,100
Housing & Community Development	-	33,835	33,835
Debt Service	-	5,701,855	5,701,855
Public Works			
Streets Maintenance & Operations	-	42,096,850	42,096,850
Flood Control	130,569	10,585,407	10,715,976
Downtown	-	9,672,684	9,672,684
Griggs & Walnut	-	3,322,591	3,322,591
Facilities Maintenance	-	12,138,990	12,138,990
Convention Center	-	(144,289)	(144,289)
Quality of Life	900,220	2,927,219	3,827,439
Health Related Programs	-	40,507,578	40,507,578
Parks and recreation	311,667	2,389,780	2,701,447
Transportation	-	53,049	53,049
Committed:			
Debt Service	8,252,569	2,627,241	10,879,810
Health-related programs	-	69,384	69,384
Public Safety			
Police	-	219,370	219,370
Public Works	-	2,559,844	2,559,844
Subtotal	<u>11,729,011</u>	<u>137,469,556</u>	<u>149,198,567</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Assigned to:			
Public works	194,818	-	194,818
Economic development	1,876,732	-	1,876,732
Transportation	101,109	-	101,109
Vehicle Acquisition Fund			
Parks & Recreation Vehicle	372,000	-	372,000
Quality of Life Replacement	154,000	-	154,000
Economic Development Replacement	35,000	-	35,000
Replacement	97,000	-	97,000
Public Works Vehicle Replacement	383,000	-	383,000
Fire Vehicle Replacement	228,000	-	228,000
Police Vehicle Replacement	873,000	-	873,000
Vehicle Replacement Reserve	164,504	-	164,504
Unassigned	<u>39,784,069</u>	<u>(190,492)</u>	<u>39,593,577</u>
Total fund balance	<u>\$ 55,992,243</u>	<u>\$ 137,279,064</u>	<u>\$ 193,271,307</u>

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 unit (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.

Adoption of New Accounting Pronouncements

GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for years beginning after December 15, 2015. This statement requires governments that enter into tax abatement agreements to disclose (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients, (2) the gross dollar amount of taxes abated during the period, and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. The provisions of GASB Statement No. 77 have been implemented for the year ended June 30, 2017. City's financial statements and note disclosures reflect any required changes.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

2) Basis of Presentation, Basis of Accounting (continued)

New Accounting Pronouncements

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

- ◆ Statement No. 75: *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- ◆ Statement No. 83: *Certain Asset Retirement Obligations*
- ◆ Statement No. 84: *Fiduciary Activities*
- ◆ Statement No. 85: *Omnibus 2017*
- ◆ Statement No. 86: *Certain Debt Extinguishment Issues*
- ◆ Statement No. 87: *Leases*

3) Cash and Investments

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

Cash and investments

Governmental activities	\$ 112,335,497
Business-type activities	43,600,095
Total primary government	155,935,592
South Central Solid Waste Authority	3,719,609
	159,655,201

Restricted cash and investments

Governmental activities	82,100,071
Business-type activities	28,392,996
Total primary government	110,493,067
Fiduciary funds	5,378,412
South Central Solid Waste Authority	2,079,146
Total Cash and Investments	\$ 277,605,826

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

3) Cash and Investments (continued)

Total cash and investments at fair value are as follows:

	Pooled Cash & Investments	Other Cash & Investments	Total
Carrying amount of bank deposits	\$ (278,158)	\$ 71,162,535	\$ 70,884,377
Investments	142,922,868	54,289,895	197,212,763
Cash with fiscal agent	-	8,822,854	8,822,854
Cash on hand	-	14,507	14,507
Accrued interest	671,325	-	671,325
Total Cash and Investments	<u>\$ 143,316,035</u>	<u>\$ 134,289,791</u>	<u>\$ 277,605,826</u>

Bank Balance of Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The City’s investment ordinance requires collateralization of 100% of the uninsured portion of the City’s deposits with financial institutions. Securities pledged by financial institutions are accepted at market value, except obligations of the state of New Mexico and its subdivisions, which are accepted at par value. As of June 30, 2017, the City’s deposits, totaling \$73,503,732 was insured by FDIC or collateralized by securities held in trust by a third-party bank for the depository bank in the City’s name and thus was not exposed to custodial credit risk.

Investments

The City’s investment policy allows investment in: a) U.S. Treasury obligations; b) U.S. government agency and instrumentality obligations; c) repurchase agreements whose underlying securities and/or collateral consist of allowed investments described in (a) or (b) above; d) commercial paper rated not less than A-1, P-1, F-1, or equivalent by a nationally recognized rating agency; e) pooled funds maintained by the State Treasurer; and f) mutual funds whose portfolios consist solely of allowed investments.

The City may also invest money identified as long-term in the pools of the New Mexico State Investment Council (SIC) subject to annual review and approval by the City Council. The SIC is 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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

3) Cash and Investments (continued)

As of June 30, 2017, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted-Avg Maturity (Yrs)</u>
Pooled Investments:		
Overnight repurchase agreement	\$ 16,674,840	0.00
U.S. agency coupon bonds	129,245,167	12.81
U.S. agency treasury bills	<u>9,962,980</u>	0.82
	<u>155,882,987</u>	
Telshor Facility Fund:		
U.S. agency coupon bonds	14,150,360	8.86
External investment equity pools	<u>24,789,088</u>	N/A
Total Telshor Facility Fund	<u>38,939,448</u>	
Water and Wastewater Funds:		
U.S. agency coupon bonds	<u>2,390,328</u>	9.00
Total Investments	<u>\$ 197,212,763</u>	

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 \$111,943,960 issued by U.S. government agencies that are callable by the issuer under certain circumstances. For purposes of calculating weighted-average maturity, the City uses duration.

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, 2017, the City's investments in coupon bonds of U.S. agencies were rated AA+ or better by Standard & Poor's and Aaa by Moody's Investors Service. 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, 2017, 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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

3) Cash and Investments (continued)

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, 2017, 47% of the City’s investment pool was in Fannie Mae (FNMA), 36% was in Federal Home Loan Mortgage Corporation (FHLMC), 10% in Federal Home Loan Bank (FHLB), 6% was in Federal Farm Credit Bank (FFCB), and 1% in U.S. Treasury Bills. Of the Telshor Fund, 34% was in FHLB and 66% was in FFCB. Of the Water and Wastewater Funds portfolio, 100% was in FHLB.

Fair Market Value Hierarchy. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets: Level 2 inputs are significant other observable inputs: Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Level 1	Level 2
New Mexico State Investment Council Pools	\$ 5,041,738	\$ 19,507,615
U.S. Agency Securities	-	145,785,857
U.S. Treasury Securities	-	9,962,980
Stagecoach Sweep Repo	-	16,674,840
Total Pooled Investments	<u>\$ 5,041,738</u>	<u>\$ 191,931,292</u>

Investment Pools. The City’s investment in pools are reported at an amount determined by the fair value per share of the pool’s underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Act of 1940.

The City’s investment in pools at June 30, 2017 are shown below:

	Reported Amount	Fair Value	Weighted Average Maturity
Overnight Repurchase Agreement	\$ 16,674,840	\$ 16,674,840	N/A
State Investment Council Large Cap Active Equity Pool	9,447,002	9,447,002	N/A
State Investment Council Large Cap Index Equity Pool	5,041,738	5,041,738	N/A
State Investment Council Non-U.S. Developed Equity Pool	2,549,161	2,549,161	N/A
State Investment Council Mid/Small Cap Equity Pool	7,751,186	7,751,186	N/A

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

4) Capital Assets

Primary Government

Capital asset activity for the City for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities</i>					
<i>Capital assets not being depreciated</i>					
Land and land rights	\$ 22,600,493	\$ 4,440,121	\$ -	\$ -	\$27,040,614
Land improvements	19,125,120	-	-	-	19,125,120
Construction in progress	<u>8,441,979</u>	<u>7,112,673</u>	-	(12,790,660)	<u>2,763,992</u>
Total capital assets not being depreciated	<u>50,167,592</u>	<u>11,552,794</u>	-	<u>(12,790,660)</u>	<u>48,929,726</u>
<i>Other capital assets</i>					
Buildings and building improvements	135,009,904	3,141,554	-	12,790,660	150,942,118
Airport runways	28,001,225	106,205	-	-	28,107,430
Park improvements	22,378,272	1,725,723	-	-	24,103,995
Land improvement remediation	1,633,551	-	-	-	1,633,551
Machinery and equipment	48,414,633	4,543,621	(1,867,790)	-	51,090,464
Roads network	324,785,919	14,087,933	(1,094,120)	-	337,779,732
Flood control network	<u>35,149,256</u>	<u>387,681</u>	<u>(907)</u>	-	<u>35,536,030</u>
Total other capital assets at cost	<u>595,372,760</u>	<u>23,992,717</u>	<u>(2,962,817)</u>	<u>12,790,660</u>	<u>629,193,320</u>
<i>Less accumulated depreciation for</i>					
Buildings and building improvements	(36,959,706)	(4,246,415)	-	-	(41,206,121)
Airport runway	(10,273,905)	(850,215)	-	-	(11,124,120)
Park improvements	(5,496,711)	(443,516)	-	-	(5,940,227)
Land improvement remediation	(163,355)	(326,710)	-	-	(490,065)
Machinery and equipment	(37,906,428)	(3,234,563)	1,844,956	-	(39,296,035)
Roads network	(169,446,728)	(9,073,264)	1,123,751	-	(177,396,241)
Flood control network	<u>(11,175,486)</u>	<u>(974,995)</u>	<u>907</u>	-	<u>(12,149,574)</u>
Total accumulated depreciation	<u>(271,422,319)</u>	<u>(19,149,678)</u>	<u>2,969,614</u>	-	<u>(287,602,383)</u>
Total other capital assets at historic cost, net	<u>323,950,441</u>	<u>4,843,039</u>	<u>6,797</u>	<u>12,790,660</u>	<u>341,590,937</u>
Governmental activities capital assets, net	<u>\$ 374,118,033</u>	<u>\$ 16,395,833</u>	<u>\$ 6,797</u>	<u>\$ -</u>	<u>\$ 390,520,663</u>

Land and land rights was increased by approximately \$4.4 million with the purchase of land to build the Downtown Civic Plaza and the purchase of the Amador Hotel Site and land purchase.

Construction in Process decreased by approximately \$12.8 million due to completion of East Mesa Public Safety Complex. On-going projects include: Cinematic Theatre Project, Amador Hotel, and three fire trucks.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

4) Capital Assets (continued)

Airport PAPI Infra increased by approximately \$106 thousand due to the Airfield Electrical Vault Expansion. Parks Improvement increased by \$1.7 million which included Young Park playground equipment, Veterans Memorial plaques and bricks, Women Veterans Monument improvements, etc.

Roads increased by approximately \$14 million which included the ADA Improvements, Dam Trail improvements, Roadrunner Parkway expansion, paving and Streets for FY17, Sidewalks, Lighting, Traffic Safety Management control, etc.

The City spent approximately \$4.5 million for equipment purchases such as vehicles for Las Cruces Police and Fire Departments, Parks & Recreation. Decreases in machinery and equipment were due to the retirement of items sent to auction and donations made to outside agencies.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business type activities</i>					
<i>Capital assets not being depreciated</i>					
Land and land rights	\$ 7,743,482	\$ 7,700,000	\$ -	\$ -	\$ 15,443,482
Construction in progress	560,960	-	-	-	560,960
Total capital assets not being depreciated	<u>8,304,442</u>	<u>7,700,000</u>	<u>-</u>	<u>-</u>	<u>16,004,442</u>
<i>Other capital assets</i>					
Buildings and building improvements	10,875,728	275,603	-	-	11,151,331
Land improvements	335,172	-	-	-	335,172
Distribution and collection system	80,599,279	237,650	-	-	80,836,929
Utilities transmission	239,023,066	27,349,074	-	-	266,372,140
Machinery and equipment	<u>30,126,836</u>	<u>4,092,523</u>	<u>(3,631,295)</u>	<u>-</u>	<u>30,588,064</u>
Total other capital assets at historic cost	<u>360,960,081</u>	<u>31,954,850</u>	<u>(3,631,295)</u>	<u>-</u>	<u>389,283,636</u>
<i>Less accumulated depreciation for</i>					
Buildings and building improvements	(3,903,672)	(356,935)	-	-	(4,260,607)
Land improvements	(222,168)	(22,677)	-	-	(244,845)
Distribution and collection system	(39,800,694)	(1,443,198)	-	-	(41,243,892)
Utilities transmission	(88,244,176)	(5,710,722)	-	-	(93,954,898)
Machinery and equipment	<u>(19,366,725)</u>	<u>(2,739,934)</u>	<u>3,615,390</u>	<u>-</u>	<u>(18,491,269)</u>
Total accumulated depreciation	<u>(151,537,435)</u>	<u>(10,273,466)</u>	<u>3,615,390</u>	<u>-</u>	<u>(158,195,511)</u>
Total other capital assets at historic cost, net	<u>209,422,646</u>	<u>21,681,384</u>	<u>(15,905)</u>	<u>-</u>	<u>231,088,125</u>
Business type activities capital assets, net	<u>\$ 217,727,088</u>	<u>\$ 29,381,384</u>	<u>\$ (15,905)</u>	<u>\$ -</u>	<u>\$ 247,092,567</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

4) Capital Assets (continued)

Business Type Activities

Jornada Water Rights was acquired for \$7.7 million under Land Rights.

There was no change to construction in progress.

The Utilities transmission increased by \$27 million primarily due to gas infrastructure additions and donated subdivisions as well as adjustment costs for interest expense.

Machinery and equipment remained at \$4.1 million due to various purchases of machinery and equipment for Gas, Water, Wastewater, transit, and Solid Waste. Included in this was partial expense for the Munis reimplementation cost.

Depreciation expense was charged to functions as follows:

	Governmental Activities	Business- type Activities
General government	\$ 1,793,926	\$ -
Police	1,176,343	-
Fire	1,004,506	-
Community development	750	-
Public services	955,614	-
Public works	12,269,027	-
Transportation	963,800	-
Parks and recreation	959,221	-
Gas	-	2,263,923
Water	-	2,578,612
Wastewater	-	3,617,394
Solid waste	-	1,286,461
Other	-	527,076
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	26,491	-
Total depreciation expense	\$ 19,149,678	\$ 10,273,466

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

4) Capital Assets (continued)

Component Unit

Capital asset activity for SCSWA for the year ended June 30, 2017 was as follows:

	Balances				Balances	
	June 30, 2016	Additions	Dispositions	Transfer	June 30, 2017	
Capital assets not being depreciated						
Land	\$ 807,276	\$ -	\$ -	\$ -	\$ 807,276	
Landfill cell/site - construction in progress	708,875	-	-	-	708,875	
Construction in progress	196,826	995,249	-	(1,192,075)	-	
Total	<u>1,712,977</u>	<u>995,249</u>	<u>-</u>	<u>(1,192,075)</u>	<u>1,516,151</u>	
Capital assets being depreciated						
Buildings	5,142,099	32,472	-	1,192,075	6,366,646	
Equipment	10,979,318	731,743	(624,675)	-	11,086,386	
Infrastructure	1,056,988	-	-	-	1,056,988	
Landfill cell/site	7,413,352	-	-	-	7,413,352	
Total	<u>24,591,757</u>	<u>764,215</u>	<u>(624,675)</u>	<u>1,192,075</u>	<u>25,923,372</u>	
Less accumulated depreciation						
Buildings	(2,606,267)	(106,498)	-	-	(2,712,765)	
Equipment	(7,703,674)	(806,962)	539,899	-	(7,970,737)	
Infrastructure	(845,110)	(10,090)	-	-	(855,200)	
Landfill cell/site	(5,913,464)	(56,916)	-	-	(5,970,380)	
Total accumulated depreciation	<u>(17,068,515)</u>	<u>(980,466)</u>	<u>539,899</u>	<u>-</u>	<u>(17,509,082)</u>	
Total capital assets, net	<u>\$ 9,236,219</u>	<u>\$ 778,998</u>	<u>\$ (84,776)</u>	<u>\$ -</u>	<u>\$ 9,930,441</u>	

5) Receivables and Payables

Governmental activities receivables were as follows at June 30, 2017:

	General Fund	Debt Service	Sonoma Ranch	Telshor Facility	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	\$ 1,198,292	\$ -	\$ -	\$ -	\$ 3,955,847	\$ 10,470	\$ 5,164,609
Dockets	5,162,507	-	-	-	-	-	5,162,507
Interest	-	-	2,441,385	86,669	395,701	-	2,923,755
Contracts	-	-	-	-	4,062,502	-	4,062,502
Special assessments	-	8,585,000	4,974,339	-	468,391	-	14,027,730
Less: allowance for doubtful accounts	<u>(5,225,977)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,272,588)</u>	<u>-</u>	<u>(8,498,565)</u>
Total governmental receivables	<u>\$ 1,134,822</u>	<u>\$ 8,585,000</u>	<u>\$ 7,415,724</u>	<u>\$ 86,669</u>	<u>\$ 5,609,853</u>	<u>\$ 10,470</u>	<u>\$ 22,842,538</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

5) Receivables and Payables (continued)

Governmental Activities

Special assessments receivables of \$4,974,339 and related interest receivable of \$2,441,385 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 collection within the next fiscal year, amounts are expected to be fully collected. The receivables are deferred and reported in the Sonoma Ranch Fund.

Business-type activities receivables were as follows at June 30, 2017:

	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Accounts Receivable, Net</u>
Gas	\$ 2,082,446	\$ (963,013)	\$ 1,119,433
Water	2,472,568	(528,676)	1,943,892
Wastewater	1,697,272	(416,610)	1,280,662
Solid waste	1,512,620	(463,101)	1,049,519
Other enterprise funds	<u>189,547</u>	<u>-</u>	<u>189,547</u>
Total business-type activities	<u>\$ 7,954,453</u>	<u>\$ (2,371,400)</u>	<u>\$ 5,583,053</u>

Business-type Activities

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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

5) Receivables and Payables (continued)

Governmental activities accounts payable and accrued liabilities at June 30, 2017 were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable and Accrued Liabilities
<i>Governmental activities</i>			
General Fund	\$ 2,437,760	\$ 2,042,022	\$ 4,479,782
Telshor Facility	106,194	-	106,194
Other governmental	5,038,127	70,843	5,108,970
Internal service funds	<u>2,061,068</u>	<u>33,624</u>	<u>2,094,692</u>
Total governmental activities	<u>\$ 9,643,149</u>	<u>\$ 2,146,489</u>	<u>\$ 11,789,638</u>

Business-type activities accounts payable and accrued liabilities at June 30, 2017 were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Accounts Payable and Accrued Liabilities
<i>Business-type activities</i>					
Gas	\$ 1,099,962	\$ 116,218	\$ 12,074	\$ 57,452	\$ 1,285,706
Water	948,002	112,482	134,873	84,524	1,279,881
Wastewater	2,406,432	95,727	79,369	44,731	2,626,259
Solid waste	54,277	53,529	7,298	57,286	172,390
Other enterprise funds	<u>33,997</u>	<u>65,665</u>	<u>-</u>	<u>-</u>	<u>99,662</u>
Total business-type activities	<u>\$ 4,542,670</u>	<u>\$ 443,621</u>	<u>\$ 233,614</u>	<u>\$ 243,993</u>	<u>\$ 5,463,898</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

6) Interfund Assets, Liabilities and Transfers

Primary Government

Governmental interfund receivables and interfund payables as of June 30, 2017 were as follows:

	Interfund Receivables	Interfund Payables	Total
Governmental activities			
<i>General fund</i>			
Nonmajor governmental funds	\$ 3,631,367	\$ -	\$ 3,631,367
<i>Nonmajor governmental funds</i>			
General fund	-	(3,631,367)	(3,631,367)
Total governmental activities	\$ 3,631,367	\$ (3,631,367)	\$ -

The governmental fund 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 capital grants for equipment, roadways, flood control, and airport improvements.

Business-type Activities

Business-type activities receivables and payables as of June 30, 2017 were as follows:

	Interfund Receivables	Interfund Payables	Total
Business-type activities			
<i>Major enterprise funds</i>			
Water Development Fund	\$ -	\$ (2,166,714)	\$ (2,166,714)
Wastewater Development Fund	2,166,714	-	2,166,714
Total business-type activities	\$ 2,166,714	\$ (2,166,714)	\$ -

Business-type Activities

The business-type activities interfund balances reflect long-term advances of pooled cash between utilities. The water development fund borrowed cash from the wastewater development fund in fiscal year 2012, with a ten-year repayment schedule including interest. The water development fund advance will be repaid in 2023.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

6) Interfund Assets, Liabilities and Transfers (continued)

Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2017 consisted of the following:

Transfers From	Transfers To	Amount		Purpose
		2017	2016	
BETWEEN GOVERNMENTAL AND BUSINESS-TYPE COLUMNS:				
Operating or Debt Subsidy				
General fund	Transit Funds	1,252,200	1,125,000	Operating subsidy for transit fund
Gasoline Tax Fund	Transit Funds	680,853	720,674	Operating subsidy for transit fund
Nonmajor governmental funds	Transit Funds	-	200,000	Operating subsidy for transit fund
Revenue Allocation:				
Environmental gross receipts tax fund	Wastewater fund	685,525	685,525	Transfer share of tax revenue
Environmental gross receipts tax fund	Water fund	474,111	436,375	Transfer share of tax revenue
Environmental gross receipts tax fund	Solid waste fund	-	-	Transfer share of tax revenue
BETWEEN FUNDS WITHIN GOVERNMENTAL OR BUSINESS-TYPE COLUMNS				
Operating or Debt Subsidy:				
General fund	Debt service funds	8,300,949	7,690,007	Debt Service for subsidy from pledged revenues
General fund	Nonmajor governmental funds	290,000	4,163,799	Transfer to prisoner care and affordable housing
General fund	Internal service funds	625,000	140,775	Funding for City fleet and insurance funds
Debt service funds	Debt service funds	11,400	9,884	Transfer excess reserves to debt service funds
Debt service funds	General fund	-	278,597	Transfer excess debt service funds to general fund
Nonmajor governmental funds	Debt service funds	4,502,299	4,130,373	Debt service subsidy from pledged revenues
Nonmajor governmental funds	General fund	2,054,126	8,778,482	Transfers for administrative and engineering costs
Internal service funds	General fund	2,930,849	-	Move services to general fund, administrative fees
Clean Communities fund	Gas fund	-	-	Transfer operation of natural gas fuel pumps
Water fund	Wastewater fund	-	-	Water borrowed cash in 2012 with a 10 year repayment
Nonmajor governmental funds	Nonmajor governmental funds	-	-	Transfer from Court Award
Capital Contributions:				
Nonmajor governmental funds	Nonmajor governmental funds	6,748,887	6,112,885	Transfer to capital projects
General fund	Nonmajor governmental funds	363,532	330,000	Transfer to capital improvement reserves
Revenue Allocation:				
Telshor Facility fund	Nonmajor governmental funds	395,000	300,000	Recurring allocation of special revenue
Environmental gross receipts tax fund	Nonmajor governmental funds	388,733	388,733	Transfer share of tax revenue

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

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities

Primary Government

Changes in long-term liabilities are as follows:

	Primary Government				Amount Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
Governmental Activities					
Tax revenue bonds	\$ 99,935,000	\$ 15,570,000	\$ 8,100,000	\$ 107,405,000	\$ 7,560,000
Unamortized premium/discount on sales tax revenue bonds	4,884,608	1,656,248	355,259	6,185,597	451,049
Notes payable	8,605,230	8,318,527	1,597,955	15,325,802	2,768,470
Pollution remediation	5,411,307	-	-	5,411,307	-
Claims and judgements	6,548,467	-	-	6,548,467	1,947,237
Compensated absences	<u>3,649,732</u>	<u>5,317,065</u>	<u>5,173,112</u>	<u>3,793,685</u>	<u>758,737</u>
	<u>129,034,344</u>	<u>30,861,840</u>	<u>15,226,326</u>	<u>144,669,858</u>	<u>13,485,493</u>
Business-type Activities					
Utility revenue bonds	65,445,000	16,375,000	4,590,000	77,230,000	4,965,000
Unamortized discount / premium on utility revenue bonds	3,579,463	1,125,192	266,819	4,437,836	272,026
Notes payable	3,116,172	-	707,054	2,409,118	719,353
Landfill closure and post-closure costs (Note 9)	900,000	-	36,000	864,000	44,000
Compensated absences	<u>1,057,882</u>	<u>1,495,291</u>	<u>1,420,603</u>	<u>1,132,570</u>	<u>226,514</u>
	<u>74,098,517</u>	<u>18,995,483</u>	<u>7,020,476</u>	<u>86,073,524</u>	<u>6,226,893</u>
Total long-term liabilities	<u>\$ 203,132,861</u>	<u>\$ 49,857,323</u>	<u>\$ 22,246,802</u>	<u>\$ 230,743,382</u>	<u>\$ 19,712,386</u>

Claims and judgment liabilities have typically been liquidated in the general fund and the self-insurance fund (an internal service fund). Compensated absences typically have been liquidated in the fund to which the employees are assigned. For governmental activities, most compensated absences liquidate in the general fund. For business-type activities, each major fund and transit have a significant share of the liquidations. The balances for compensated absences and claims and adjustments are adjusted to include all internal service fund balances in governmental activities.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

Description of Bonds

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 \$14.1 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$695,000 and \$180,000, respectively. Interest payments were \$84,450 and \$28,650, 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 and lodger's tax revenues. Such revenues totaled \$39.2 million in 2017. For the current year, principal and interest paid was \$630,000 and \$956,856, respectively.

In 2012, Municipal Gross Receipts Revenue Bonds, Series 2011A and 2011B 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 \$35.9 million in 2017. Series 2011B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2017, such pledged revenues totaled \$7.0 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$885,000 and \$100,000, respectively. Interest payments were \$249,775 and \$15,969, respectively.

State-shared Gross Receipts Tax Revenue Bonds, Series 2014, were issued to fund roadway construction and facility construction and equipment. The bonds are secured through maturity by state-shared gross receipts tax revenues. Such revenues totaled \$35.9 million in 2017. For the current year, principal and interest paid was \$2,190,000 and \$301,950, respectively.

In 2014, Municipal Gross Receipts Revenue Bonds, Series 2014A and 2014B were issued to fund street improvements and improve flood control. Series 2014A bonds are secured by certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$7.0 million. Series 2014B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2017, such pledged revenues totaled \$7.0 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$1,085,000 and \$150,000, respectively. Interest payments were \$176,419 and \$28,200 respectively.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

The City issued \$19,195,000 bond par amount in State-shared Gross Receipts Tax Refunding Bonds, Series 2015 to defease and refund the Series 2005 State-shared Gross Receipts tax bonds and pay the costs of issuance. The proceeds for the advance refunding were deposited in an irrevocable trust and the associated debt was defeased and subsequently called on June 1, 2015. The true interest cost on the new bond series is 2.73 percent with a final maturity of June 1, 2035. The net present value savings resulting from this refunding is \$2,724,805. The difference in cash flow requirements to service the old debt of \$29,526,983 and the cash flows to service the debt of \$26,014,758 is \$3,512,225. The bonds are secured through maturity by state-shared gross receipts tax revenues. Such revenues totaled \$35.9 million in 2017. For the current year, principal and interest paid was \$615,000 and \$574,488, respectively.

In 2015, Hold Harmless Gross Receipts Revenue Bonds, Series 2015A and 2015B were issued to fund street and facility improvements and economic development projects. The Series 2015A and 2015B bonds are secured by certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$9.7 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$790,000 and \$145,000, respectively. Interest payments were \$811,925 and \$151,579, respectively.

Taxable Subordinate Lien State-shared Gross Receipts Improvement Revenue Bonds, Series 2016 were issued to fund street and infrastructure improvements in the Metro Verde development area. The Series 2016 bonds are secured by a subordinate lien on certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$35.9 million. The City expects to be reimbursed for costs of the project through the Metro Verde Voluntary Assessment District. Principal and interest payments on the bonds for the current year were \$0 and \$298,503, respectively.

The City issued \$5,000,000 bond par amount in Flood Control Municipal Gross Receipts Tax Bonds, Series 2016. The bonds were issued to fund various flood control projects within the City. The Series 2016 bonds are secured by the fifth one-quarter of one percent municipal gross receipts tax revenues. For fiscal year 2017, such pledged revenues totaled \$7.0 million. Principal and interest payments on the Series 2016 bonds in the current year were \$635,000 and \$170,586, respectively.

In 2017, State-Shared Gross Receipts Tax Revenue Bonds, Series 2017 were issued to fund street and facility construction and improvement projects. The Series 2017 bonds are secured through maturity by state-shared gross receipts tax revenues. For the current year, such pledged revenues totaled \$35.9 million. There were no principal and interest payments on the bonds in the current year.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

Debt Service Requirements

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

Type	Purpose	Original Date	Due Date	Issue	Balance Outstanding	Interest Rates %
Gross receipts tax refunding	Street projects refunding	9/28/2010	July 13, 1905	\$ 12,255,000	\$ 2,120,000	2.5-3.0
Gross receipts tax refunding	Flood control refunding	9/28/2010	July 13, 1905	4,390,000	775,000	2.5-3.0
Gross receipts tax refunding	Convention center refunding	9/28/2010	July 29, 1905	24,330,000	20,430,000	2.0-5.0
Gross receipts tax revenue	Facilities and improve streets	7/19/2011	July 15, 1905	9,640,000	5,980,000	3.0-4.0
Gross receipts tax revenue	Flood control	7/19/2011	July 13, 1905	1,530,000	395,000	2.0-3.625
Gross receipts tax revenue	Facilities and improve streets	7/29/2014	July 18, 1905	10,000,000	7,245,000	2.0-4.0
Gross receipts tax revenue	Street improvement	7/29/2014	July 20, 1905	8,000,000	4,855,000	2.0-4.0
Gross receipts tax revenue	Flood control	7/29/2014	July 16, 1905	1,500,000	990,000	2.0-3.0
Gross receipts tax refunding	City Hall refunding	3/11/2015	July 27, 1905	19,195,000	16,235,000	2.25-4.0
Gross receipts tax revenue	Facilities and improve streets	11/27/2015	July 27, 1905	23,075,000	21,070,000	3.0-5.0
Gross receipts tax revenue	Economic Development	10/27/2015	July 27, 1905	4,020,000	3,790,000	3.0-4.125
Gross receipts tax revenue	Streets in assessment district	4/5/2016	July 23, 1905	8,585,000	8,585,000	3.1-3.75
Gross receipts tax revenue	Flood control	8/24/2016	July 20, 1905	5,000,000	4,365,000	2.0-5.0
Gross receipts tax revenue	Facilities and improve streets	6/22/2017	July 21, 1905	10,570,000	10,570,000	3.0-5.0
				<u>\$ 142,090,000</u>	<u>\$ 107,405,000</u>	

Future debt service requirements for governmental activities revenue bonds are:

Years ending June 30,	Principal	Interest	Total
2018	\$ 7,560,000	\$ 4,088,841	\$ 11,648,841
2019	8,330,000	3,841,163	12,171,163
2020	8,790,000	3,497,269	12,287,269
2021	7,205,000	3,128,794	10,333,794
2022	6,580,000	2,842,643	9,422,643
2023-2027	29,925,000	10,399,021	40,324,021
2028-2032	23,290,000	5,463,165	28,753,165
2033-2037	15,725,000	1,568,464	17,293,464
	<u>\$ 107,405,000</u>	<u>\$ 34,829,360</u>	<u>\$ 142,234,360</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

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.

As of June 30, 2017, no defeased bonds are outstanding.

Non-recourse (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 obligated for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. For a description of the related tax abatement, see Note 21.

As of June 30, 2017, one Industrial Revenue bond is outstanding to F&A Dairy Products, with an aggregate principal amount payable of \$7,900,000.

F&A Dairy Products, Inc.	\$ 7,900,000
	<u>\$ 7,900,000</u>

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, 2017.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

Governmental Activities Notes Payable

Details of governmental activities notes payable are:

Type	Purpose	Original Date	Due Date	Original Issue	Outstanding	Interest Rates %
2009 NMFA Note	Parking deck	1/23/2009	2021	\$ 4,999,890	\$ 1,250,000	3.25-5.50
2010 NMFA Note	Fire apparatus	7/30/2010	2020	938,875	378,361	0.59-3.34
2010 NMFA Note	Griggs Walnut	1/18/2008	2012	1,478,799	1,190,411	2.00
2010 HUD Loan	Facilities	7/21/2010	2030	2,000,000	1,586,000	2.00
2011 NMFA Note	Gas tax refunding	10/14/2011	2016	2,045,000	115,786	0.270-1.260
2011 NMFA Note	Fire apparatus	11/18/2011	2019	964,250	263,137	0.230-1.830
2012 NMFA Note	2003 SSGRT refunding	6/1/2012	2018	2,280,000	315,000	0.210-1.380
2014 NMFA Note	SCSWA projects	6/20/2014	2023	2,780,000	1,715,000	0.250-3.310
2014 NMFA Note	Fire apparatus	12/12/2014	2022	443,325	300,145	0.210-1.860
2015 Estate Loan	Land Purchase	4/16/2015	2020	104,500	26,125	0.00
2016 NMFA Note	Various heavy equipment	2/24/2017	2023	3,203,527	3,070,837	1.050-2.050
2016 NMFA Note	Street improvements	6/9/2017	2030	5,115,000	5,115,000	0.940-2.590
				<u>\$ 26,353,166</u>	<u>\$ 15,325,802</u>	

The 2010 NMFA-Fire apparatus loan is secured through maturity by fire protection fund revenues which totaled \$742,698 in 2017. The 2010 NMFA Griggs Walnut Plume note is secured by the 1995 environmental gross receipts tax revenues which totaled \$1,811,504 in 2017. The 2010 HUD loan is secured by property. The 2011 Gas Tax Refunding loan is secured by gasoline tax revenues which totaled \$1,403,313 in 2017. The 2014 SCSWA Projects loan is secured by the SCSWA operating revenues and City and County Environmental Gross Receipts taxes. The 2016 NMFA streets improvement is secured by the first 1/4% increment of the municipal gross receipts tax revenues which totaled \$7.0 million in 2017.

The remaining notes payable in the table above are secured through maturity by the state-shared gross receipts tax which totaled \$35.9 million in 2017.

Principal and interest paid on the outstanding notes in the current year was \$1,597,955 and \$274,400, respectively.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,768,470	\$ 350,032	\$ 3,118,502
2019	2,271,323	296,448	2,567,771
2020	2,172,480	252,832	2,425,312
2021	1,383,125	206,412	1,589,537
2022	1,155,740	171,057	1,326,797
2023-2027	3,628,988	537,678	4,166,666
2028-2032	1,945,676	110,801	2,056,477
	<u>\$ 15,325,802</u>	<u>\$ 1,925,260</u>	<u>\$ 17,251,062</u>

Joint Utility Revenue Bonds

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 wastewater capital improvements. Additionally, certain proceeds were used to fund the Reserve Requirement and pay costs of issuance relating to these bonds.

On May 12, 2015, the City issued \$16,895,000 of 2015 joint utility refunding bonds to defease the Series 2006 bonds. The total interest cost on the new bond is 2.4 percent with a final maturity of June 1, 2035. The gain from this refunding is \$429,226 and the present value savings resulting from this refunding is \$1,038,837. The difference in cash flow requirements to service the old debt of \$15,746,075 and the cash flows to service the debt of \$12,914,300 is \$2,831,775.

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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

On August 26, 2014, the City issued \$7,125,000 of joint utility refunding revenue bonds (Series 2014A) to defease and refund the 2005 joint utility revenue bonds. Proceeds were deposited in an escrow fund that then paid the outstanding balance of the bonds on June 1, 2015. Certain other proceeds were used to fund a debt service reserve account and pay costs of issuance relating to these bonds. The average interest of the Series 2014A bonds is 3.42 percent. The City had a gain of \$266,052 and obtained a net present value savings from this refunding of \$529,520. The cash flows to service the refunding bonds is \$985,728 less than the cash flows required to service the debt on the 2005 bonds.

The City issued \$3.4 million in joint utility improvement revenue bonds (Series 2014B). The proceeds of these bonds were used to improve the City's Joint Utility System, fund a reserve account and pay costs of issuance relating to these bonds.

In 2015, the City issued \$16.9 million in joint utility refunding and improvement revenue bonds (Series 2015) to refund and defease \$13.1 million of outstanding 2006 Series bonds. The proceeds were also used to improve the City's Joint Utility System, fund a standalone surety reserve, and pay all costs of issuance.

In 2016, the City issued 16.3 million in joint utility improvement revenue bonds (Series 2016). The proceeds of these bonds were used to expand and improve the City's joint utility system. The requirement for reserve account was satisfied with a surety bond insurance.

Joint utility revenue bonds are summarized as follows as of June 30, 2017:

Purpose	Issue Date	Due Date	Original Issued	Outstanding	Interest Rates %
Series 2010 refunding bond	9/14/2010	2027	\$ 24,840,000	\$ 21,570,000	2.0-4.0
Series 2014A refunding bond	8/26/2014	2025	7,125,000	5,355,000	2.0-4.0
Series 2014B system improvement bond	8/26/2014	2034	3,425,000	3,055,000	3.0-5.0
Series 2015 refunding and rehabilitation bond	5/12/2015	2035	16,895,000	14,745,000	2.0-5.0
Series 2015A improvement bond	12/16/2015	2035	17,065,000	16,475,000	2.375-5.0
Series 2016 Improvement Revenue Bond	10/19/2016	2036	<u>16,375,000</u>	<u>16,030,000</u>	2.125 - 5.0
			<u>\$ 85,725,000</u>	<u>\$ 77,230,000</u>	

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

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

Year ending June 30,	Principal	Interest	Total
2018	\$ 4,965,000	\$ 2,715,788	\$ 7,680,788
2019	5,110,000	2,560,188	7,670,188
2020	5,255,000	2,396,438	7,651,438
2021	5,440,000	2,215,688	7,655,688
2022	5,665,000	1,991,188	7,656,188
2023-2027	29,025,000	6,376,601	35,401,601
2028-2032	12,740,000	2,522,143	15,262,143
2033-2036	9,030,000	629,268	9,659,268
	<u>\$ 77,230,000</u>	<u>\$ 21,407,302</u>	<u>\$ 98,637,302</u>

The 2009, 2010, 2014A, 2014B, and 2015 JU 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 collectible 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, and 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, 2017 exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate funds.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

The bond ordinances provide that any monies in any fund or account may be invested in any legal investment permitted by law, with the 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 therefrom 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, 2017:

	Water	Wastewater	Gas	Solid Waste
Residential	30,746	30,662	37,331	32,144
Commercial/other	4,353	3,386	3,060	2,700
Total	<u>35,099</u>	<u>34,048</u>	<u>40,391</u>	<u>34,844</u>

Business-type Activities Notes Payable

The notes payable for 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	Due Date	Original Issued	Outstanding	Interest Rates %
2008 NMFA Note	Vehicle Maintenance Shop	9/12/2008	2018	\$ 1,708,755	\$ 204,012	1.9-3.85
2011 NMFA Note	Solid Waste Vehicles	12/16/2011	2019	1,016,561	284,861	0.32-2.11
2015 NMFA Note	Solid Waste Equipment	1/9/2015	2022	2,775,819	1,920,245	0.21-2.01
				<u>\$ 5,501,135</u>	<u>\$ 2,409,118</u>	

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

7) Long-term Liabilities (continued)

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

<u>Year ending December 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 719,353	\$ 43,886	\$ 763,239
2019	521,704	29,669	551,373
2020	382,858	21,761	404,619
2021	388,945	15,673	404,618
2022	396,258	8,361	404,619
	<u>\$ 2,409,118</u>	<u>\$ 119,350</u>	<u>\$ 2,528,468</u>

Changes in long-term liabilities of SCSWA for the year ended June 30, 2017 are as follows:

	<u>Balances</u>			<u>Balances</u>	<u>Amount</u>
	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>	<u>Due Within</u>
					<u>One Year</u>
Long-term debt					
Due to City of Las Cruces	\$ 1,534,170	\$ -	\$ 140,000	\$ 1,394,170	\$ 140,000
Capital lease	\$139,605	-	49,618	89,987	50,629
Other non-current liabilities					
Estimated landfill closure/ post-closure liability	1,717,341	124,434	-	1,841,775	-
Compensated absences	141,893	221,994	222,138	141,749	28,350
	<u>\$ 3,533,009</u>	<u>\$ 346,428</u>	<u>\$ 411,756</u>	<u>\$ 3,467,681</u>	<u>\$ 218,979</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

8) 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 \$864,000 as of the year ended June 30, 2017. 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 \$36,000 during the fiscal year ended June 30, 2017. The Foothills landfill is at 100% capacity and closed.

SCSWA's landfill closure and post-closure care liability is reported as \$1,841,775 as of the fiscal year ended June 30, 2017. Actual closure and post-closure care costs may be higher due to inflation, changes in technology, or changes in regulations. The liability reported reflects an increase in the estimate of total closure and post-closure costs of \$124,434 during the fiscal year ended June 30, 2017.

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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

9) 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 position (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. As of June 30, 2017, the City's outstanding pollution remediation obligation was \$5,411,307.

The City and County each received a \$3.5 million construction drawdown loan from the New Mexico Finance Authority (NMFA) to cover some of the costs of the pollution remediation project. City project costs of \$1,478,799 were funded using loan proceeds. The City has begun repayment of the loan using Environmental Gross Receipt Tax funds.

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, 2017, all \$243,000 was applied to design and engineering costs. Construction on the project was completed and remediation operations began August 2012.

The liability could be reduced in subsequent years by the sale of potable water, a by-product of the remediation process, to cover operating and administrative costs. The sale of potable water was \$110,680 less than operating costs. EGRT funds were used to cover the City's share of the operating loss of \$55,340.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

10) 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 719 active participants in the plan as of June 30, 2017.

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 non-vested accumulated plan benefits, the plan's net position 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 through 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. Additional contact information is located at www.pera.state.nm.us.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

11) New Mexico Retiree Health Care Plan

The New Mexico Retiree Health Care Act (the “Act” or “NMRHCA”) (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 Retiree: Employees are eligible to participate per the Act if:

- Employees receive a disability or normal retirement benefit from public service in New Mexico with a NMRHCA-participating employer, and
- Employees did one of the following:
 - Retired with a pension before their employer’s effective date with the NMRHCA program, *or*
 - Employees and/or their employer (on your behalf) made contributions to the NMRHCA fund from their employer’s NMRHCA effective date until their date of retirement, *or*
 - Employees and/or their employer (on your behalf) made contributions to the NMRHCA fund for at least five years before their date of retirement. (*If employees are awarded a duty-related disability retirement, they are not required to meet the NMRHCA’s five-year contribution rule.*)

Each participating employer makes contributions to the fund in the amount of 2 percent of each participating employee’s annual salary. Each participating employee contributes to the fund an employee contribution equal to 1 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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

11) New Mexico Retiree Health Care Plan (continued)

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

2017	\$ 928,780
2016	907,011
2015	847,444
2014	831,594
2013	854,248

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.

12) Multiple-Employer Cost Sharing Pension Plans

General Information about the Pension Plan

Plan description. According to the Department of Finance and Administration (DFA), compliant with the requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015. The City, as part of the primary government of the State of New Mexico, is a contributing employer to the cost-sharing multiple employer defined benefit pension plan administered by the PERA. Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the CAFR of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of Santa Fe Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

Public Employees Retirement Fund. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tire I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivor's annuities are also available.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at <http://www.nmpera.org/financial-overview>.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

Contributions. The contribution requirements of defined benefit plan members and the City of Las Cruces are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY16 annual audit report at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf.

The PERA coverage options that apply to City of Las Cruces are: General Municipal, Police and Fire. Statutorily required contributions to the pension plan from the City of Las Cruces were \$7,698,013 and employer paid member benefits that were “picked up” by the employer were \$2,938,156 for the year ended June 30, 2017. These contributions by the City include its discretely presented component unit and fiduciary funds.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City of Las Cruces proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer.

Regular and any adjustment contributions that applied to fiscal year ended June 30, 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

For PERA Fund Division: General Municipal, at June 30, 2017, the City of Las Cruces reported a liability of \$73,329,081, which excludes the City's fiduciary funds and discretely presented component units, for its proportionate share of the net pension liability. At June 30, 2017, the Municipal's proportion was 5.0145 percent, which was unchanged from its proportion measured as of June 30, 2016, due to the insignificance of the difference.

For the year ended June 30, 2017, the City of Las Cruces recognized PERA Fund Division Municipal's pension expense of \$8,380,443, which excludes the City's fiduciary funds and discretely presented component units. At June 30, 2017, the City of Las Cruces reported PERA Fund Division Municipal deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 4,149,924	\$ 11,768
Differences between expected and actual experience	3,536,039	690,689
Net difference between projected and actual earnings on pension plan investments	13,021,837	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	250,310	88,641
SCSWA's contributions subsequent to the measurement date	<u>3,748,220</u>	<u>-</u>
Total	<u>\$ 24,706,330</u>	<u>\$ 791,098</u>

The City made contributions subsequent to the measurement date, June 30, 2016, in the amount of \$3,748,220. The subsequent contributions are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	5,041,753
2019		5,041,753
2020		5,041,753
2021		5,041,753

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

For PERA Fund Division: Police, at June 30, 2017, the City of Las Cruces reported a liability of \$36,200,879 for its proportionate share of the net pension liability. At June 30, 2017, the Police proportion was 4.9064 percent, which was unchanged from its proportion measured as of June 30, 2016, due to the insignificance of the difference.

For the year ended June 30, 2017, the City of Las Cruces recognized PERA Fund Division Police's pension expense of \$4,923,566. At June 30, 2017, the City of Las Cruces reported PERA Fund Division Municipal deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,397,744	\$ 652,874
Differences between expected and actual experience	2,655,972	-
Net difference between projected and actual earnings on pension plan investments	5,725,377	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	599,689
City of Las Cruces contributions subsequent to the measurement date	<u>2,022,491</u>	<u>-</u>
Total	<u>\$ 12,801,584</u>	<u>\$ 1,252,563</u>

The City made contributions subsequent to the measurement date, June 30, 2016, in the amount of \$2,022,491. The subsequent contributions are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 2,381,633
2019	2,381,633
2020	2,381,633
2021	2,381,633

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

For PERA Fund Division: Fire, at June 30, 2017, the City of Las Cruces reported a liability of \$38,617,182 for its proportionate share of the net pension liability. At June 30, 2017, the Fire proportion was 5.7888 percent, which was unchanged from its proportion measured as of June 30, 2016, due to the insignificance of the difference.

For the year ended June 30, 2017, the City of Las Cruces recognized PERA Fund Division Fire's pension expense of \$5,088,563. At June 30, 2017, the City of Las Cruces reported PERA Fund Division Municipal deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,042,698	\$ -
Differences between expected and actual experience	1,748,774	-
Net difference between projected and actual earnings on pension plan investments	3,216,610	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	363,843	304,825
City of Las Cruces contributions subsequent to the measurement date	<u>1,605,904</u>	<u>-</u>
Total	<u>\$ 8,977,829</u>	<u>\$ 304,825</u>

The City made contributions subsequent to the measurement date, June 30, 2016, in the amount of \$1,605,904. The subsequent contributions are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 1,766,775
2019	1,766,775
2020	1,766,775
2021	1,766,775

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

For the SCSWA at June 30, 2017, a liability of \$4,466,252 was recorded for its proportionate share of the net pension liability. At June 30, 2017, the SCSWA's proportion was 8.73 percent, which was unchanged from its proportion measured of June 30, 2016, due to the insignificance of the difference.

For the year ended June 30, 2017, SCSWA recognized pension expense of \$463,100. At June 30, 2017, SCSWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 410,125	\$ 1,163
Differences between expected and actual experience	349,456	68,259
Net difference between projected and actual earnings on pension plan investments	1,286,909	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,737	8,760
SCSWA's contributions subsequent to the measurement date	<u>198,337</u>	<u>-</u>
Total	<u>\$ 2,269,564</u>	<u>\$ 78,182</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

SCSWA made contributions subsequent to the measurement date, June 30, 2016, in the amount of \$198,336. The subsequent contributions are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	498,261
2019		498,261
2020		498,261
2021		498,261

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2016. These assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
· Investment rate of return	7.48% annual rate, net of investment expense
· Projected benefit payment	100 years
· Payroll growth	2.75% for first 10 years, then 3.25% annual rate
· Projected salary increases	2.75% to 14.00% annual rate
· Includes inflation at	2.25% annual rate first years, 2.75% all other years
· Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA
· Experience Study Dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

Long-Term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.5%	7.39%
Risk Reduction & Mitigation	21.5%	1.79%
Credit Oriented Fixed Income	15.0%	5.77%
Real Assets	20.0%	7.35%
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The equivalent blended rate is 7.48% and will be used as the discount rate to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Las Cruces proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City of Las Cruces’ net pension liability in each PERA Fund Division that City of Las Cruces participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

PERA Fund Division - Municipal	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
City of Las Cruces' proportionate share of the net pension liability	<u>\$ 109,327,137</u>	<u>\$ 73,329,081</u>	<u>\$ 43,470,483</u>
PERA Fund Division - Police	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
City of Las Cruces' proportionate share of the net pension liability	<u>\$ 53,260,479</u>	<u>\$ 36,200,879</u>	<u>\$ 22,248,122</u>
PERA Fund Division - Fire	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
City of Las Cruces' proportionate share of the net pension liability	<u>\$ 50,511,075</u>	<u>\$ 38,617,182</u>	<u>\$ 28,847,591</u>

Sensitivity of the SCSWA's proportionate share of the net pension liability to changes in the discount rate - The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present SCSWA's net pension liability in each PERA Fund Division that SCSWA participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

PERA Fund Division - SCSWA	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
SCSWA's proportionate share of the net pension liability	<u>\$ 6,653,036</u>	<u>\$ 4,466,252</u>	<u>\$ 2,645,370</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

12) Multiple-Employer Cost Sharing Pension Plans (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY16 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

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. As of fiscal year 2016, Employee healthcare benefits and premiums were moved from the General Fund to the Internal services funds which is the direct cause for increase in the amount reported for Health Programs.

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 worker's compensation insurance agreements to reduce its exposure to large losses from employee on-the-job injuries. Excess insurance permits recovery of a portion of losses from the excess insurer, although it does not discharge the primary liability of the fund as direct insurer of the risks.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

13) Risk Management (continued)

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

	<u>2017</u>		<u>2016</u>	
	<u>Program Costs (Benefits)</u>	<u>Premiums</u>	<u>Program Costs (Benefits)</u>	<u>Premiums</u>
Health program	\$ 11,755,224	\$ (12,403,638)	\$ 14,064,167	\$ (11,667,196)
Workers compensation	815,053	(232,909)	666,361	(149,148)
Liability insurance	2,639,987	(190,579)	4,215,215	(176,046)
Unemployment insurance	<u>57,422</u>	<u>(35,001)</u>	<u>91,253</u>	<u>(33,981)</u>
Total	<u>\$ 15,267,686</u>	<u>\$ (12,862,127)</u>	<u>\$ 19,036,996</u>	<u>\$ (12,026,371)</u>

In prior years, a reserve was established in the self-insurance fund's claims liability account for four wrongful death claims filed against the City. In 2013 two of these cases were dismissed and resulted in a significant reduction in the fund's claim liability. As of June 30, 2017, litigation is still pending on two claims. Both of which are alleged wrongful death. The City believes that the reserve funds will more than cover any potential liability from these cases.

Changes in the insurance fund's claims liability were:

	<u>2017</u>	<u>2016</u>
Claims liabilities, beginning of year	\$ 6,548,467	\$ 5,800,147
Current year claims and changes in estimates	15,267,686	19,511,543
Payment of claims liabilities	<u>(15,267,686)</u>	<u>(18,763,223)</u>
Claims liabilities, end of year	<u>\$ 6,548,467</u>	<u>\$ 6,548,467</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

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 wastewater collection and treatment facilities;
- 2) Parks, recreational areas, open space, trails, and related areas and facilities; and
- 3) Major roads, stormwater drainage, and public safety (police and fire) 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 10 to 20 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 wastewater 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.

In August 2011, the City Council adopted Resolution No. 12-024, *Impact Fee Capital Improvements Plan for Major Roads, Stormwater Drainage, and Public Safety (fire and police) Facilities*. The public safety fees apply to all new development in the City, while the major roads and drainage fees apply only to new development located in the “growth area” (i.e. outside the City’s designated infill area).

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

14) Development Impact Fees (continued)

Development impact fee activity for the year ended June 30, 2017 is shown below. Unspent fees collected in previous years can be netted with overspent fees and are available for expenditure in the current fiscal year.

Parks Impact Fees

Impact fees collected	\$ 1,126,001
Investment gain	31,264
Expenditures	<u>1,183,316</u>
Net Parks Impact Fees	<u>\$ 2,340,581</u>

Public Safety Impact Fees

Impact fees collected	\$ 556,682
Investment gain	15,245
Expenditures	<u>601,818</u>
Net Public Safety Impact Fees	<u>\$ 1,173,745</u>

Water Impact Fees

Impact fees collected	\$ 1,293,002
Investment gain	16,490
Expenditures	<u>(992,478)</u>
Net Water Impact Fees	<u>\$ 317,014</u>

Wastewater Impact Fees

Impact fees collected	\$ 1,848,185
Investment gain	161,388
Expenditures	<u>(620,442)</u>
Net Wastewater Impact Fees	<u>\$ 1,389,131</u>

Total Impact Fees

Collections	\$ 4,823,870
Investment gain	224,387
Expenditures	<u>172,215</u>
Net Impact Fees	<u>\$ 5,220,472</u>

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

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:

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

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

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

The proceeds of the PHC lease are reported in a special revenue fund (Telshor Facility fund) because the City Council adopted a resolution restricting the use of the lease proceeds to fund health-related programs and health-related capital projects.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

15) Telshor Facility Lease Memorial Medical Center / Province Hospital (Telshor Facility) (continued)

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

MMCI began distributing its cash and investments equally between the City and the County in July 2004. MMCI retained cash to pay certain liabilities. Any cash remaining at the end of the liquidation process will be distributed equally between the City and the County. In April 2005, PHC merged with LifePoint Hospitals. The lease continues with LifePoint Hospitals.

The City and County did not receive distributions from the escrow accounts in FY17.

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.

During FY17 the City entered into an amended contract through June 30, 2017 with four remaining optional one year extensions with Global Spectrum, henceforth referred to as Spectra, to manage the facility and grounds on behalf of the City. Spectra 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 Spectra and are employees or independent contractors of Spectra. Compensation to Spectra during FY17 for management services was a fixed management fee.

The City applied to the state for the governmental liquor license pursuant to 60-6A-101, NMSA 1978. In accordance with the management agreement, the liquor license will be leased to Spectra and 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 Spectra 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 provide a one-time facility operating fee of \$50,000 and restore any deficit in this balance to the operating account on a monthly basis. During FY17, the City provided funding of \$30,941.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

16) Las Cruces Convention Center (continued)

In order to utilize energy incentives relating to the installation of solar panels, the City must and does pay the electric bills directly. This funding totaled \$68,076 in FY17.

Spectra 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, Spectra must provide monthly financial statements to the City, and must provide the City with a copy of their audited annual financial statements.

17) Major Construction Commitments

The City has the following construction commitments as of June 30, 2017. These projects are evidenced by contractual arrangements with construction contractors:

Commitments of Business-type Activities

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Joint Utilities					
Gas Infrastructure Rehabilitation	Gas Capital Improvements	\$ 449,057	\$ 205,523	\$ 243,534	Gas Utility Rates
Gas Street Improvements	Gas Capital Improvements	247,647	21,358	226,289	Gas Utility Rates
Gas Infrastructure Rehabilitation Phase I AMR	Gas Capital Improvements	830,109	468,822	361,287	Gas Utility Rates
Water Pavement Replacement	Water NMFA Loan Project	1,665,923	182,445	1,483,478	2015 Joint Utility Bond
Water Infrastructure Rehabilitation	Water Capital Improvements	79,821	9,319	70,502	Water Utility Rates
Water Line Rehabilitation	Water Capital Improvements	154,577	103,904	50,674	Water Utility Rates
Water 07 Project Infrastructure Rehabilitation	Water Capital Improvements	225,440	-	225,440	Water Utility Rates
Water Street Improvement Project	Water NMFA Loan Project	109,601	57,236	52,365	2014 Joint Utility Bond
Wastewater Infrastructure Development	Wastewater Capital Project	372,053	-	372,053	Wastewater Utility Rates
Wastewater WWTP Clarifiers	Wastewater NMFA Loan Project	1,396,976	582,867	814,109	2015 Joint Utility Bond
Wastewater EMWR Photovoltaic	Wastewater NMFA Loan Project	1,697,191	1,517,621	179,570	2015 Joint Utility Bond
Wastewater 15A Project Infrastructure	Wastewater NMFA Loan Project	2,854,055	358,580	2,495,475	2016 Joint Utility Bond
Wastewater Septic System Replacement	Wastewater NMFA Loan Project	540,000	127,474	412,526	2017 Joint Utility Bond
Total		\$ 10,622,450	\$ 3,635,149	\$ 6,987,302	

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

18) Contingent Liabilities

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

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

19) 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, Doña Ana County, and the City contribute 75% of the incremental gross receipts tax 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 a downtown plaza, pedestrian safety improvements, roadways, street lighting, and landscaping.

20) Affiliated Organizations and Joint Powers Agreements

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

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 thirteen individuals. The City and County each appoint four members; the Town of Mesilla, the City of Sunland Park, the City of Anthony and the Village of Hatch each appoint one member; and the final member is appointed at large by the other members.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

20) Affiliated Organizations and Joint Powers Agreements (continued)

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, 2017. Requests for copies of financial statements can be made to the City of Las Cruces' Assistant City Manager – Administration.

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, 2017. Request for copies of financial statements can be made to the City of Las Cruces' Assistant City Manager – Administration.

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, Doña 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.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

20) Affiliated Organizations and Joint Powers Agreements (continued)

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.

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.

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 \$85,000 per year base rate. 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 2017, the City of Las Cruces and Doña Ana County paid approximately \$2.7 million and \$599,378, respectively, to SCSWA for solid waste services provided.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

20) Affiliated Organizations and Joint Powers Agreements (continued)

Animal Service Center of the Mesilla Valley

Animal Service Center of the Mesilla Valley was formed through a joint powers agreement (JPA) between the City of Las Cruces and Doña 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 2017, ASCMV received \$901,787 from the City of Las Cruces and \$901,787 from Doña 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, 2017. Request for copies of financial statements can be made to the City of Las Cruces' Assistant City Manager – Administration.

21) Tax Abatement

The City enters into property tax abatement agreements with new local businesses under the Community Development Incentive Act NMSA 1978 3-64-1 through 3-64-5, the Industrial Revenue Bond Act NMSA 1978 3-32-1 through 3-32-16 and the Tax Increment for Development Act NMSA 1978 5-15-1 through 5-15-28. Under these Acts, municipalities may grant tax abatements for the purpose of attracting or retaining businesses and economic development within their jurisdictions.

For the fiscal year ended June 30, 2017, the City abated property taxes totaling \$78,582 under the Community Development Incentive Act. A property tax abatement of 100% of the Commercial / Personal property tax for ten years was given to an energy company for constructing and operating a new photovoltaic generating facility in the City.

City of Las Cruces
Notes to Basic Financial Statements
June 30, 2017

21) Tax Abatement (continued)

Under the Industrial Revenue Bond Act, municipalities may grant property tax abatements for the purpose of inducing manufacturing, industrial and commercial enterprises to locate or expand in the state. A property tax abatement of 100% of the Commercial / Personal property tax was granted to F&A Dairy Products manufacturing company by means of issuing an industrial revenue bond.

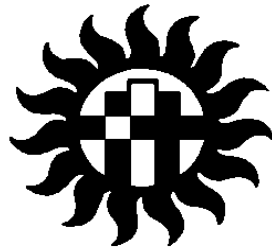
The industrial revenue bond provided the company funds to purchase equipment enabling them to meet environmental regulations and remain operating in the City. The abatement in fiscal year 2017 amounted to \$22,224.

The City entered into a gross receipts tax abatement agreement and property tax abatement agreement with the Las Cruces Tax Increment Development District (TIDD) under the Tax Increment for Development Act. This agreement specifies that the City will contribute 75% of the increment since 2006 of the City's share of the gross receipts taxes and property taxes inside the TIDD for downtown revitalization and economic development purposes. For the fiscal year ended June 30, 2017, the City abated gross receipts taxes totaling \$516,196 and property taxes totaling \$20,502

22) Subsequent Events

The City is in the process of issuing \$5,135,000 of Joint Utility System Improvement Revenue Bonds Series 2017 in a private placement with the New Mexico Finance Authority. The bonds will have a net effective interest rate of 2.96 percent and a final maturity date of June 1, 2028. These bonds are designated to acquire, extend, enlarge, better, repair or otherwise improve the City's Joint utility system. The targeted closing date is December 1, 2017.

City of Las Cruces
Required Supplementary Information
June 30, 2017



City of Las Cruces

City of Las Cruces
Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees Retirement Association (PERA)
Last 10 Fiscal Years*

	2017	2016	2015
City of Las Cruces proportion of the net pension liability (asset)			
Municipal	5.01%	5.03%	4.64%
Police	4.91%	5.01%	5.10%
Fire	5.79%	5.87%	5.72%
City of Las Cruces proportionate share of the net pension liability (asset)			
Municipal	\$ 73,329,081	\$ 49,796,563	\$ 36,171,147
Police	36,200,879	23,390,154	16,640,441
Fire	38,617,182	29,442,649	23,884,004
City of Las Cruces covered-employee payroll			
Municipal	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Police	11,333,930	10,991,888	11,050,695
Fire	7,417,574	6,733,578	6,694,291
City of Las Cruces proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll			
Municipal	170.80%	128.91%	96.65%
Police	319.40%	212.79%	150.58%
Fire	520.62%	437.25%	356.78%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	76.99%	81.29%

The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City of Las Cruces will present information for those years for which information is available. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30 of the previous year.

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

City of Las Cruces
Schedule of the City's Contributions
Public Employees Retirement Association (PERA)
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Municipal			
Contractually required contribution	\$ 4,008,076	\$ 3,983,174	\$ 6,016,189
Contributions in relation to the contractually required contribution	<u>4,008,076</u>	<u>3,983,174</u>	<u>6,016,189</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City of Las Cruces covered-employee payroll	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Contributions as a percentage of covered-employee payroll	9.34%	10.31%	16.07%
Police			
Contractually required contribution	\$ 1,340,980	\$ 2,180,472	\$ 1,740,991
Contributions in relation to the contractually required contribution	<u>1,340,980</u>	<u>2,180,472</u>	<u>1,740,991</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City of Las Cruces covered-employee payroll	\$ 11,333,930	\$ 10,991,888	\$ 11,050,695
Contributions as a percentage of covered-employee payroll	11.83%	19.84%	15.75%
Fire			
Contractually required contribution	\$ 1,094,091	\$ 1,659,724	\$ 1,323,824
Contributions in relation to the contractually required contribution	<u>1,094,091</u>	<u>1,659,724</u>	<u>1,323,824</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City of Las Cruces covered-employee payroll	\$ 7,417,574	\$ 6,733,578	\$ 6,694,291
Contributions as a percentage of covered-employee payroll	14.75%	24.65%	19.77%

The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City of Las Cruces will present information for those years for which information is available.

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

City of Las Cruces
Notes to Required Supplementary Information
June 30, 2017

- 1) *Changes of benefit terms* The Public employee Retirement Association (PERA) Fund, COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY16 audit available at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf.

For details about the changes of benefit terms, see pages 44 through 50.

- 2) *Changes of assumptions* The PERA of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf.

For details about Summary of Assumptions and Methods, see pages 131 through 132.

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

Combining Balance Sheet—Nonmajor Governmental Funds

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
June 30, 2017

Special Revenue Fund

	Community Development	Court Awarded Funds	Fire	Police Protection	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program
Assets							
Pooled cash and investments	\$ -	\$ 120,243	\$ -	\$ -	\$ -	\$ -	\$ 51,998
Restricted cash and investments	153,810	124,574	573,548	274,478	1,645	70,741	-
Receivables, net	4,062,502	-	-	-	-	-	-
Due from other governmental units	36,565	-	-	64,699	-	-	-
Total assets	\$ 4,252,877	\$ 244,817	\$ 573,548	\$ 339,177	\$ 1,645	\$ 70,741	\$ 51,998
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts and contracts payable	\$ 34,450	\$ 112,681	\$ 65,730	\$ 10,233	\$ -	\$ 300	\$ -
Due to other funds	116,551	-	-	45,660	-	-	-
Accrued liabilities	5,670	-	-	981	-	-	-
Unearned revenue	4,062,371	-	268,033	27,699	533	-	-
Total liabilities	4,219,042	112,681	333,763	84,573	533	300	-
Deferred inflows of resources:							
Deferred special assessment receipts	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	4,219,042	112,681	333,763	84,573	533	300	-
Fund balances							
Restricted for:							
Public safety programs	-	132,136	239,785	254,604	1,112	70,441	51,998
Housing and community development	33,835	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Committed for:							
Debt service	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Health-related programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Assigned to:							
Software fund	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	33,835	132,136	239,785	254,604	1,112	70,441	51,998
Total liabilities, deferred inflows and fund balances	\$ 4,252,877	\$ 244,817	\$ 573,548	\$ 339,177	\$ 1,645	\$ 70,741	\$ 51,998

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

Special Revenue Fund

	Court Automation	Prisoner Care	Juvenile Recreation	Convention & Visitors Bureau	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	447,516	458,125	61,181	2,713,444	10,319	9,970	260,815
Receivables, net	-	-	-	348,231	-	-	-
Due from other governmental units	-	-	-	-	-	-	320,338
Total assets	\$ 447,516	\$ 458,125	\$ 61,181	\$ 3,061,675	\$ 10,319	\$ 9,970	\$ 581,153
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts and contracts payable	\$ 5,023	\$ 238,755	\$ -	\$ 118,610	\$ 72	\$ 2,019	\$ -
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	16,319	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	5,023	238,755	-	134,929	72	2,019	-
Deferred inflows of resources:							
Deferred special assessment receipts	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	5,023	238,755	-	134,929	72	2,019	-
Fund balances							
Restricted for:							
Public safety programs	442,493	-	61,181	-	10,247	7,951	-
Housing and community development	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	581,153
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Quality of life	-	-	-	2,926,746	-	-	-
Committed for:							
Debt service	-	-	-	-	-	-	-
Public safety programs	-	219,370	-	-	-	-	-
Health-related programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Assigned to:							
Software fund	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	442,493	219,370	61,181	2,926,746	10,247	7,951	581,153
Total liabilities, deferred inflows and fund balances	\$ 447,516	\$ 458,125	\$ 61,181	\$ 3,061,675	\$ 10,319	\$ 9,970	\$ 581,153

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

Special Revenue Fund

	Health Care Services From MMCI Lease	Special Revenue Grants	Gasoline Tax Street Maintenance Fund	Keep Las Cruces Beautiful	Older Americans Act Programs	Affordable Housing Trust	Alarm Fines and Fees
Assets							
Pooled cash and investments	\$ 83,688	\$ -	\$ -	\$ -	\$ 8,195	\$ -	\$ -
Restricted cash and investments	-	-	453,228	-	-	527,100	1,673
Receivables, net	-	60,533	-	-	97,045	-	-
Due from other governmental units	13,500	579,930	244,438	7,916	39,871	-	-
Total assets	<u>\$ 97,188</u>	<u>\$ 640,463</u>	<u>\$ 697,666</u>	<u>\$ 7,916</u>	<u>\$ 145,111</u>	<u>\$ 527,100</u>	<u>\$ 1,673</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts and contracts payable	\$ 27,804	\$ 213,804	\$ 6,992	\$ 2,983	\$ 129,184	\$ -	\$ 1,200
Due to other funds	-	\$345,552	-	4,443	-	-	-
Accrued liabilities	-	5,620	8,982	-	15,927	-	-
Unearned revenue	-	74,031	-	286	-	-	-
Total liabilities	<u>27,804</u>	<u>639,007</u>	<u>15,974</u>	<u>7,712</u>	<u>145,111</u>	<u>-</u>	<u>1,200</u>
Deferred inflows of resources:							
Deferred special assessment receipts	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>27,804</u>	<u>639,007</u>	<u>15,974</u>	<u>7,712</u>	<u>145,111</u>	<u>-</u>	<u>1,200</u>
Fund balances							
Restricted for:							
Public safety programs	-	-	-	204	-	-	-
Housing and community development	-	-	-	-	-	527,100	-
Debt service	-	-	-	-	-	-	-
Public works	-	-	681,692	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	473
Committed for:							
Debt service	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Health-related programs	69,384	-	-	-	-	-	-
Public works	-	1,456	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Assigned to:							
Software fund	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>69,384</u>	<u>1,456</u>	<u>681,692</u>	<u>204</u>	<u>-</u>	<u>527,100</u>	<u>473</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 97,188</u>	<u>\$ 640,463</u>	<u>\$ 697,666</u>	<u>\$ 7,916</u>	<u>\$ 145,111</u>	<u>\$ 527,100</u>	<u>\$ 1,673</u>

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

	Special Revenue Fund						
	Street Maintenance Operations	Street Maintenance Transportation	Flood Control Operations	Flood Control Transportation	Special Assessments/ Northrise Morningstar	Downtown Revitalization	Valley View Heske Garden
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 2,627,241	\$ -	\$ -
Restricted cash and investments	1,065,833	86	1,733,109	10	-	62,828	173,446
Receivables, net	-	-	-	-	854,146	300	-
Due from other governmental units	<u>1,278,238</u>	<u>-</u>	<u>35,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,344,071</u>	<u>\$ 86</u>	<u>\$ 1,768,339</u>	<u>\$ 10</u>	<u>\$ 3,481,387</u>	<u>\$ 63,128</u>	<u>\$ 173,446</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts and contracts payable	\$ 434,192	\$ -	\$ 99,593	\$ -	\$ -	\$ 11,667	\$ -
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities	6,253	-	11,091	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>440,445</u>	<u>-</u>	<u>110,684</u>	<u>-</u>	<u>-</u>	<u>11,667</u>	<u>-</u>
Deferred inflows of resources:							
Deferred special assessment receipts	-	-	-	-	854,146	-	-
Total liabilities and deferred inflows of resources	<u>440,445</u>	<u>-</u>	<u>110,684</u>	<u>-</u>	<u>854,146</u>	<u>11,667</u>	<u>-</u>
Fund balances							
Restricted for:							
Public safety programs	-	-	-	-	-	-	-
Housing and community development	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Public works	1,903,626	86	1,657,655	10	-	51,461	-
Parks and recreation	-	-	-	-	-	-	173,446
Transportation	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Committed for:							
Debt service	-	-	-	-	2,627,241	-	-
Public safety programs	-	-	-	-	-	-	-
Health-related programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Assigned to:							
Software fund	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,903,626</u>	<u>86</u>	<u>1,657,655</u>	<u>10</u>	<u>2,627,241</u>	<u>51,461</u>	<u>173,446</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,344,071</u>	<u>\$ 86</u>	<u>\$ 1,768,339</u>	<u>\$ 10</u>	<u>\$ 3,481,387</u>	<u>\$ 63,128</u>	<u>\$ 173,446</u>

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

	Special Revenue Fund				Capital Projects Fund		
	Griggs Walnut Plume	TIDD Dedicated Revenues	Las Cruces Convention Center	Public Safety Impact Fee	HUD Facilities	Public Parks	Street Improvement
Assets							
Pooled cash and investments	\$ -	\$ -	\$ 91,492	\$ -	\$ -	\$ 2,259,422	\$ 1,055,290
Restricted cash and investments	3,333,009	1,223,735	-	976,432	-	-	-
Receivables, net	-	-	113,391	7,536	-	-	-
Due from other governmental units	-	670,819	-	-	-	-	-
Total assets	<u>\$ 3,333,009</u>	<u>\$ 1,894,554</u>	<u>\$ 204,883</u>	<u>\$ 983,968</u>	<u>\$ -</u>	<u>\$ 2,259,422</u>	<u>\$ 1,055,290</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts and contracts payable	\$ 10,418	\$ 1,045	\$ -	\$ 75,052	\$ -	\$ 43,088	\$ -
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>10,418</u>	<u>1,045</u>	<u>-</u>	<u>75,052</u>	<u>-</u>	<u>43,088</u>	<u>-</u>
Deferred inflows of resources:							
Deferred special assessment receipts	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>10,418</u>	<u>1,045</u>	<u>-</u>	<u>75,052</u>	<u>-</u>	<u>43,088</u>	<u>-</u>
Fund balances							
Restricted for:							
Public safety programs	-	-	-	908,916	-	-	-
Housing and community development	-	-	-	-	-	-	-
Debt service	-	-	204,883	-	-	-	-
Public works	3,322,591	1,893,509	-	-	-	-	1,055,290
Parks and recreation	-	-	-	-	2,216,334	-	-
Transportation	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Committed for:							
Debt service	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Health-related programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Assigned to:							
Software fund	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>3,322,591</u>	<u>1,893,509</u>	<u>204,883</u>	<u>908,916</u>	<u>-</u>	<u>2,216,334</u>	<u>1,055,290</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,333,009</u>	<u>\$ 1,894,554</u>	<u>\$ 204,883</u>	<u>\$ 983,968</u>	<u>\$ -</u>	<u>\$ 2,259,422</u>	<u>\$ 1,055,290</u>

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

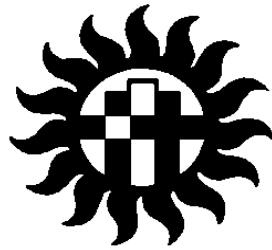
Capital Projects Fund								
	Capital Grant Projects	Sales Tax- Street Maintenance	VAD Street Project	Flood Control	Completed Debt Projects	2016 Flood	2003 Sales Tax Facilities and Parks	State Equipment Acquisition
Assets								
Pooled cash and investments	\$ -	\$ 7,353,233	\$ 7,340,941	\$ 3,931,687	\$ -	\$ 5,009,434	\$ 590,909	\$ -
Restricted cash and investments	-	-	-	-	-	-	-	3,163,647
Receivables, net	-	50,000	-	6,223	-	-	-	-
Due from other governmental units	2,859,009	-	-	-	-	-	-	-
Total assets	\$ 2,859,009	\$ 7,403,233	\$ 7,340,941	\$ 3,937,910	\$ -	\$ 5,009,434	\$ 590,909	\$ 3,163,647
Liabilities, Deferred Inflows and Fund Balances								
Liabilities								
Accounts and contracts payable	\$ 104,514	\$ 1,243,744	\$ -	\$ 15,228	\$ -	\$ -	\$ (1)	\$ 1,738,909
Due to other funds	2,295,816	-	-	4,374	184,563	-	-	456,714
Accrued liabilities	-	-	-	-	-	-	-	-
Unearned revenue	405,630	69,261	-	-	-	-	-	-
Total liabilities	2,805,960	1,313,005	-	19,602	184,563	-	(1)	2,195,623
Deferred inflows of resources:								
Deferred special assessment receipts	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	2,805,960	1,313,005	-	19,602	184,563	-	(1)	2,195,623
Fund balances								
Restricted for:								
Public safety programs	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Public works	-	6,090,228	7,340,941	3,918,308	-	5,009,434	590,910	968,024
Parks and recreation	-	-	-	-	-	-	-	-
Transportation	53,049	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-	-
Committed for:								
Debt service	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-
Health-related programs	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Assigned to:								
Software fund	-	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(184,563)	-	-	-
Total fund balances	53,049	6,090,228	7,340,941	3,918,308	(184,563)	5,009,434	590,910	968,024
Total liabilities, deferred inflows and fund balances	\$ 2,859,009	\$ 7,403,233	\$ 7,340,941	\$ 3,937,910	\$ -	\$ 5,009,434	\$ 590,909	\$ 3,163,647

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

City of Las Cruces
Combining Balance Sheet—Nonmajor Governmental Funds
(Continued)
June 30, 2017

Capital Projects Fund									
	2003 Sales Tax Street Lights	2005 GRT Public Improvements	2017 FAC	Convention Center	2015B HHS	2015A HHS	2017 NMFA	TIDD Street Projects	Total
Assets									
Pooled cash and investments	\$ -	\$ -	\$ 655,483	\$ -	\$ 4,007,609	\$ 15,197,598	\$ -	\$ 5,800,295	\$ 56,184,758
Restricted cash and investments	-	-	10,960,680	-	-	-	5,020,020	1,999,440	35,854,442
Receivables, net	-	-	9,946	-	-	-	-	-	5,609,853
Due from other governmental units	-	-	-	-	-	-	-	-	6,150,553
Total assets	\$ -	\$ -	\$ 11,626,109	\$ -	\$ 4,007,609	\$ 15,197,598	\$ 5,020,020	\$ 7,799,735	\$ 103,799,606
Liabilities, Deferred Inflows and Fund Balances									
Liabilities									
Accounts and contracts payable	\$ -	\$ -	\$ 78,026	\$ -	\$ 7,780	\$ 154,859	\$ -	\$ 50,173	\$ 5,038,127
Due to other funds	5,929	5,627	-	144,289	-	-	-	21,849	3,631,367
Accrued liabilities	-	-	-	-	-	-	-	-	70,843
Unearned revenue	-	-	-	-	-	-	-	-	4,907,844
Total liabilities	5,929	5,627	78,026	144,289	7,780	154,859	-	72,022	13,648,181
Deferred inflows of resources:									
Deferred special assessment receipts	-	-	-	-	-	-	-	-	854,146
Total liabilities and deferred inflows of resources	5,929	5,627	78,026	144,289	7,780	154,859	-	72,022	14,502,327
Fund balances									
Restricted for:									
Public safety programs	-	-	-	-	-	-	-	-	2,181,068
Housing and community development	-	-	-	-	-	-	-	-	560,935
Debt service	-	-	-	-	-	-	-	-	786,036
Public works	-	(5,627)	11,548,083	(144,289)	3,999,829	15,042,739	5,020,020	7,727,713	77,672,233
Parks and recreation	-	-	-	-	-	-	-	-	2,389,780
Transportation	-	-	-	-	-	-	-	-	53,049
Quality of life	-	-	-	-	-	-	-	-	2,927,219
Committed for:									
Debt service	-	-	-	-	-	-	-	-	2,627,241
Public safety programs	-	-	-	-	-	-	-	-	219,370
Health-related programs	-	-	-	-	-	-	-	-	69,384
Public works	-	-	-	-	-	-	-	-	1,456
Parks and recreation	-	-	-	-	-	-	-	-	-
Assigned to:									
Software fund	-	-	-	-	-	-	-	-	-
Office of Emergency Management Reserve	-	-	-	-	-	-	-	-	-
Vehicle acquisition fund	-	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Unassigned	(5,929)	-	-	-	-	-	-	-	(190,492)
Total fund balances	(5,929)	(5,627)	11,548,083	(144,289)	3,999,829	15,042,739	5,020,020	7,727,713	89,297,279
Total liabilities, deferred inflows and fund balances	\$ -	\$ -	\$ 11,626,109	\$ -	\$ 4,007,609	\$ 15,197,598	\$ 5,020,020	\$ 7,799,735	\$ 103,799,606

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



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, 2017

	Special Revenue Fund						
	Community Development Block Grant	Court Awarded Funds	Emergency Medical Services	Fire	Traffic Safety	Gas Tax Street Maintenance	Police Protection
Revenues							
Taxes							
Gross receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
State-shared	-	-	-	-	-	1,403,313	-
Charges for services	6,235	-	-	-	-	-	-
Fees and fines	-	-	-	-	22,014	-	73,715
Investment income (loss)	19,612	(119)	(152)	(4,175)	(58)	741	(1,056)
Intergovernmental							
Federal	1,289,966	-	-	-	-	-	79,395
State	-	-	20,000	742,698	-	-	141,367
Local	-	-	-	-	-	-	-
Other	123,555	-	-	1,896	-	-	30,464
Total revenues	<u>1,439,368</u>	<u>(119)</u>	<u>19,848</u>	<u>740,419</u>	<u>21,956</u>	<u>1,404,054</u>	<u>323,885</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Police	-	157,677	-	-	12,229	-	320,776
Fire	-	-	20,000	520,837	-	-	-
Community development	1,322,935	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	465,902	-
Parks and recreation	-	-	-	-	-	-	-
Capital outlay	169,353	-	-	223,757	-	-	-
Debt service							
Debt issuance cost	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	<u>1,492,288</u>	<u>157,677</u>	<u>20,000</u>	<u>744,594</u>	<u>12,229</u>	<u>465,902</u>	<u>320,776</u>
Revenues over (under) expenditures	<u>(52,920)</u>	<u>(157,796)</u>	<u>(152)</u>	<u>(4,175)</u>	<u>9,727</u>	<u>938,152</u>	<u>3,109</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	4,175	-
Transfers out	-	-	-	-	-	(602,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(597,825)</u>	<u>-</u>
Net change in fund balances	(52,920)	(157,796)	(152)	(4,175)	9,727	340,327	3,109
Fund balances, beginning of year	<u>86,755</u>	<u>289,932</u>	<u>1,264</u>	<u>243,960</u>	<u>60,714</u>	<u>341,365</u>	<u>251,495</u>
Fund balances, end of year	<u>\$ 33,835</u>	<u>\$ 132,136</u>	<u>\$ 1,112</u>	<u>\$ 239,785</u>	<u>\$ 70,441</u>	<u>\$ 681,692</u>	<u>\$ 254,604</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Special Revenue Fund						
	Convention and Visitors Bureau	Safe Traffic Operations Program	Court Automation	Keep Las Cruces Beautiful	Older Americans Act Program	Prisoner Care	Juvenile Recreation
Revenues							
Taxes							
Gross receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-	-
Lodgers	2,042,693	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	8,359
Charges for services	-	-	-	-	-	-	-
Fees and fines	-	-	93,424	-	-	187,643	-
Investment income (loss)	(6,144)	(1,372)	(1,284)	-	-	(11,067)	(31)
Intergovernmental							
Federal	-	-	-	-	284,929	-	-
State	-	-	-	17,985	585,231	-	-
Local	-	-	-	-	-	-	-
Other	2,920	-	25,154	-	206,138	-	-
Total revenues	<u>2,039,469</u>	<u>(1,372)</u>	<u>117,294</u>	<u>17,985</u>	<u>1,076,298</u>	<u>176,576</u>	<u>8,328</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Police	-	-	118,583	-	-	1,656,078	-
Fire	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Quality of life	2,025,861	-	-	-	1,076,298	-	-
Economic development	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Parks and recreation	-	-	-	17,985	-	-	-
Capital outlay	-	6,449	40,000	-	-	-	-
Debt service							
Debt issuance cost	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	<u>2,025,861</u>	<u>6,449</u>	<u>158,583</u>	<u>17,985</u>	<u>1,076,298</u>	<u>1,656,078</u>	<u>-</u>
Revenues over (under) expenditures	<u>13,608</u>	<u>(7,821)</u>	<u>(41,289)</u>	<u>-</u>	<u>-</u>	<u>(1,479,502)</u>	<u>8,328</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	290,000	-
Transfers out	(51,126)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(51,126)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
Net change in fund balances	(37,518)	(7,821)	(41,289)	-	-	(1,189,502)	8,328
Fund balances, beginning of year	<u>2,964,264</u>	<u>59,819</u>	<u>483,782</u>	<u>204</u>	<u>-</u>	<u>1,408,872</u>	<u>52,853</u>
Fund balances, end of year	<u>\$ 2,926,746</u>	<u>\$ 51,998</u>	<u>\$ 442,493</u>	<u>\$ 204</u>	<u>\$ -</u>	<u>\$ 219,370</u>	<u>\$ 61,181</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Special Revenue Fund						
	DWI Prevention	Judicial Education	Environmental Gross Receipts Tax	Valley View Heske Garden	Griggs Walnut Plume	Health Care Services From MMCI Lease	Special Revenue Grants
Revenues							
Taxes							
Gross receipts	\$ -	\$ -	\$ 1,811,504	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	-
Charges for services	-	-	-	-	112,409	-	-
Fees and fines	2,614	27,437	-	-	-	-	-
Investment income (loss)	172	-	-	(246)	(9,679)	130	-
Intergovernmental							
Federal	-	-	-	-	-	-	204,871
State	-	-	-	-	-	-	1,623,719
Local	-	-	-	-	-	-	49,338
Other	-	-	-	-	1,104,125	13,499	-
Total revenues	<u>2,786</u>	<u>27,437</u>	<u>1,811,504</u>	<u>(246)</u>	<u>1,206,855</u>	<u>13,629</u>	<u>1,877,928</u>
Expenditures							
Current							
General government	-	-	54,821	-	772,475	366,801	-
Police	1,480	20,309	-	-	-	-	359,563
Fire	-	-	-	-	-	-	195,697
Community development	-	-	-	-	-	-	271,317
Quality of life	-	-	-	-	-	-	173,118
Economic development	-	-	-	-	-	-	300,000
Public works	-	-	-	-	-	-	15,000
Transportation	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	388,930
Capital outlay	-	-	-	-	-	-	174,302
Debt service							
Debt issuance cost	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	<u>1,480</u>	<u>20,309</u>	<u>54,821</u>	<u>-</u>	<u>772,475</u>	<u>366,801</u>	<u>1,877,927</u>
Revenues over (under) expenditures	<u>1,306</u>	<u>7,128</u>	<u>1,756,683</u>	<u>(246)</u>	<u>434,380</u>	<u>(353,172)</u>	<u>1</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	388,733	395,000	-
Transfers out	-	-	(1,641,014)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,641,014)</u>	<u>-</u>	<u>388,733</u>	<u>395,000</u>	<u>-</u>
Net change in fund balances	1,306	7,128	115,669	(246)	823,113	41,828	1
Fund balances, beginning of year	<u>8,941</u>	<u>823</u>	<u>465,484</u>	<u>173,692</u>	<u>2,499,478</u>	<u>27,556</u>	<u>1,455</u>
Fund balances, end of year	<u>\$ 10,247</u>	<u>\$ 7,951</u>	<u>\$ 581,153</u>	<u>\$ 173,446</u>	<u>\$ 3,322,591</u>	<u>\$ 69,384</u>	<u>\$ 1,456</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Special Revenue Fund						
	Affordable Housing Trust	Alarm Fines and Fees	Street Maintenance Operations	Street Maintenance Transportation	Flood Control Operations	Flood Control Transportation	Special Assessments/ Northrise Morningstar
Revenues							
Taxes							
Gross receipts	\$ -	\$ -	\$ 7,262,897	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	4,343,184	-	-
Lodgers	-	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fees and fines	-	146,640	-	-	-	-	-
Investment income (loss)	-	465	(15,119)	86	10,669	10	(2,784)
Intergovernmental							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Other	16,476	-	-	-	-	-	73,307
Total revenues	<u>16,476</u>	<u>147,105</u>	<u>7,247,778</u>	<u>86</u>	<u>4,353,853</u>	<u>10</u>	<u>70,523</u>
Expenditures							
Current							
General government	-	146,640	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Quality of life	320	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public works	-	-	1,985,159	-	-	-	-
Transportation	-	-	-	-	1,475,886	-	-
Parks and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	22,692	-	-
Debt service							
Debt issuance cost	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	<u>320</u>	<u>146,640</u>	<u>1,985,159</u>	<u>-</u>	<u>1,498,578</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>16,156</u>	<u>465</u>	<u>5,262,619</u>	<u>86</u>	<u>2,855,275</u>	<u>10</u>	<u>70,523</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(6,388,857)	-	(3,520,611)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,388,857)</u>	<u>-</u>	<u>(3,520,611)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,156	465	(1,126,238)	86	(665,336)	10	70,523
Fund balances, beginning of year	<u>510,944</u>	<u>8</u>	<u>3,029,864</u>	<u>-</u>	<u>2,322,991</u>	<u>-</u>	<u>2,556,718</u>
Fund balances, end of year	<u>\$ 527,100</u>	<u>\$ 473</u>	<u>\$ 1,903,626</u>	<u>\$ 86</u>	<u>\$ 1,657,655</u>	<u>\$ 10</u>	<u>\$ 2,627,241</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Special Revenue Fund				Capital Project Fund		
	Downtown Revitalization	TIDD Dedicated Revenues	Las Cruces Convention Center	Public Safety Impact Fee	HUD Facilities	Public Parks	Street Improvement
Revenues							
Taxes							
Gross receipts	\$ -	\$ 792,190	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	65,211	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
State-shared	-	2,159,595	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fees and fines	-	-	1,261,750	-	-	1,126,001	-
Investment income (loss)	(73)	18,701	(70)	(1,054)	-	2,223	18,270
Intergovernmental							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Other	-	-	-	556,683	-	-	-
Total revenues	(73)	3,035,697	1,261,680	555,629	-	1,128,224	18,270
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Community development	70,000	54,529	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	43,787
Transportation	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	7,160	-
Capital outlay	-	4,200,000	-	676,870	-	1,176,156	-
Debt service							
Debt issuance cost	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	70,000	4,254,529	-	676,870	-	1,183,316	43,787
Revenues over (under) expenditures	(70,073)	(1,218,832)	1,261,680	(121,241)	-	(55,092)	(25,517)
Other Financing Sources (Uses)							
Issuance of debt	-	(2,500,000)	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	70,000	-	-	-	-	170,000	-
Transfers out	-	(1,600,000)	(1,236,015)	-	(430)	-	-
Total other financing sources (uses)	70,000	(4,100,000)	(1,236,015)	-	(430)	170,000	-
Net change in fund balances	(73)	(5,318,832)	25,665	(121,241)	(430)	114,908	(25,517)
Fund balances, beginning of year	51,534	7,212,341	179,218	1,030,157	430	2,101,426	1,080,807
Fund balances, end of year	\$ 51,461	\$ 1,893,509	\$ 204,883	\$ 908,916	\$ -	\$ 2,216,334	\$ 1,055,290

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Capital Project Fund						
	Capital Grant Projects	Sales Tax- Street Maintenance	Flood Control	VAD Street Project	State Equipment Acquisition	2015A HHS	2015B HHS
Revenues							
Taxes							
Gross receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Investment income (loss)	-	75,808	52,022	36,980	9,944	33,626	6,008
Intergovernmental							
Federal	51,775	-	-	-	-	-	-
State	3,215,789	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Other	-	305,464	-	-	-	-	-
Total revenues	<u>3,267,564</u>	<u>381,272</u>	<u>52,022</u>	<u>36,980</u>	<u>9,944</u>	<u>33,626</u>	<u>6,008</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-	-
Economic development	76,747	-	-	-	-	-	-
Public works	4,138	51,772	41,387	30,472	-	-	20
Transportation	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Capital outlay	3,213,284	5,096,716	422,992	-	2,162,640	6,432,254	12,780
Debt service							
Debt issuance cost	-	-	-	-	74,026	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	<u>3,294,169</u>	<u>5,148,488</u>	<u>464,379</u>	<u>30,472</u>	<u>2,236,666</u>	<u>6,432,254</u>	<u>12,800</u>
Revenues over (under) expenditures	<u>(26,605)</u>	<u>(4,767,216)</u>	<u>(412,357)</u>	<u>6,508</u>	<u>(2,226,722)</u>	<u>(6,398,628)</u>	<u>(6,792)</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	3,203,527	-	-
Premium on issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	11,232	-	-	-	-	-
Transfers in	-	3,440,443	1,708,444	-	1,052	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,451,675</u>	<u>1,708,444</u>	<u>-</u>	<u>3,204,579</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26,605)	(1,315,541)	1,296,087	6,508	977,857	(6,398,628)	(6,792)
Fund balances, beginning of year	<u>79,654</u>	<u>7,405,769</u>	<u>2,622,221</u>	<u>7,334,433</u>	<u>(9,833)</u>	<u>21,441,367</u>	<u>4,006,621</u>
Fund balances, end of year	<u>\$ 53,049</u>	<u>\$ 6,090,228</u>	<u>\$ 3,918,308</u>	<u>\$ 7,340,941</u>	<u>\$ 968,024</u>	<u>\$ 15,042,739</u>	<u>\$ 3,999,829</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

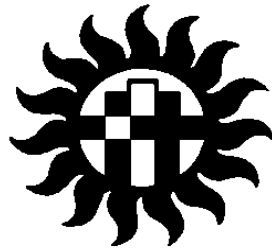
	Capital Project Fund					
	2017 NMFA	2016 Flood	Completed Debt Projects	2003 Sales Tax Facilities and Parks	2003 Sales Tax Street Lights	2005 GRT Public Improvements
Revenues						
Taxes						
Gross receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-
State-shared	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-
Investment income (loss)	2,831	6,497	-	1,797	-	-
Intergovernmental						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>2,831</u>	<u>6,497</u>	<u>-</u>	<u>1,797</u>	<u>-</u>	<u>-</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Quality of life	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Public works	-	-	-	30,991	-	-
Transportation	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	4,821,577	-	-
Debt service						
Debt issuance cost	96,174	127,582	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	<u>96,174</u>	<u>127,582</u>	<u>-</u>	<u>4,852,568</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(93,343)</u>	<u>(121,085)</u>	<u>-</u>	<u>(4,850,771)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Issuance of debt	5,113,363	5,000,000	-	-	-	-
Premium on issuance of debt	-	130,519	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>5,113,363</u>	<u>5,130,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,020,020	5,009,434	-	(4,850,771)	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>(184,563)</u>	<u>5,441,681</u>	<u>(5,929)</u>	<u>(5,627)</u>
Fund balances, end of year	<u>\$ 5,020,020</u>	<u>\$ 5,009,434</u>	<u>\$ (184,563)</u>	<u>\$ 590,910</u>	<u>\$ (5,929)</u>	<u>\$ (5,627)</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—Nonmajor Governmental Funds
(Continued)
For the Year Ended June 30, 2017

	Capital Project Fund			
	Convention Center	TIDD Street Projects	2017 FAC	Total
Revenues				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ 9,866,591
Property	-	-	-	4,408,395
Lodgers	-	-	-	2,042,693
State-shared	-	-	-	3,571,267
Charges for services	-	-	-	118,644
Fees and fines	-	-	-	2,941,238
Investment income (loss)	-	53,488	(4,269)	291,328
Intergovernmental				
Federal	-	-	-	1,910,936
State	-	-	-	6,346,789
Local	-	-	-	49,338
Other	-	-	-	2,459,681
Total revenues	-	53,488	(4,269)	34,006,900
Expenditures				
Current				
General government	-	-	-	1,340,737
Police	-	-	-	2,646,695
Fire	-	-	-	736,534
Community development	-	-	-	1,718,781
Quality of life	-	-	-	3,275,597
Economic development	-	1,275	-	378,022
Public works	-	62,698	-	2,265,424
Transportation	-	-	-	1,941,788
Parks and recreation	-	-	-	414,075
Capital outlay	-	1,188,784	-	30,040,606
Debt service				
Debt issuance cost	-	-	167,137	464,919
Interest and other charges	-	-	-	-
Total expenditures	-	1,252,757	167,137	45,223,178
Revenues over (under) expenditures	-	(1,199,269)	(171,406)	(11,216,278)
Other Financing Sources (Uses)				
Issuance of debt	-	2,500,000	10,570,000	23,886,890
Premium on issuance of debt	-	-	1,149,489	1,280,008
Sale of capital assets	-	-	-	11,232
Transfers in	-	1,764,275	-	8,232,122
Transfers out	(341,452)	(164,275)	-	(15,545,780)
Total other financing sources (uses)	(341,452)	4,100,000	11,719,489	17,864,472
Net change in fund balances	(341,452)	2,900,731	11,548,083	6,648,194
Fund balances, beginning of year	197,163	4,826,982	-	82,649,085
Fund balances, end of year	\$ (144,289)	\$ 7,727,713	\$ 11,548,083	\$ 89,297,279

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



City of Las Cruces

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

Nonmajor Enterprise Funds

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

City of Las Cruces
Combining Statement of Net Position—Nonmajor Enterprise Funds
June 30, 2017

	Transit	Alternative Fuel Station	Totals
Assets			
Current assets			
Pooled cash and investments	\$ (652,607)	\$ -	\$ (652,607)
Accounts receivable, net of allowance for uncollectible accounts	189,547	-	189,547
Due from other governments	<u>1,148,463</u>	<u>-</u>	<u>1,148,463</u>
Total current assets	<u>685,403</u>	<u>-</u>	<u>685,403</u>
Capital assets	12,921,900	397,107	13,319,007
Less: accumulated depreciation	<u>(5,963,019)</u>	<u>(328,674)</u>	<u>(6,291,693)</u>
Net capital assets	<u>6,958,881</u>	<u>68,433</u>	<u>7,027,314</u>
Total noncurrent assets	<u>6,958,881</u>	<u>68,433</u>	<u>7,027,314</u>
Total assets	<u>7,644,284</u>	<u>68,433</u>	<u>7,712,717</u>
Deferred outflows of resources			
Deferred charges related to pensions	<u>1,723,927</u>	<u>-</u>	<u>1,723,927</u>
Total deferred outflows of resources	<u>1,723,927</u>	<u>-</u>	<u>1,723,927</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	33,997	-	33,997
Accrued liabilities	65,665	-	65,665
Current portion of non-current liabilities	<u>30,530</u>	<u>-</u>	<u>30,530</u>
Total current liabilities	<u>130,192</u>	<u>-</u>	<u>130,192</u>
Non-current liabilities			
Net pension liability	3,746,635	-	3,746,635
Compensated absences	<u>122,122</u>	<u>-</u>	<u>122,122</u>
Total non-current liabilities	<u>3,868,757</u>	<u>-</u>	<u>3,868,757</u>
Total liabilities	<u>3,998,949</u>	<u>-</u>	<u>3,998,949</u>
Deferred inflows of resources			
Deferred inflows related to pensions	<u>13,084</u>	<u>-</u>	<u>13,084</u>
Total deferred inflows of resources	<u>13,084</u>	<u>-</u>	<u>13,084</u>
Net Position			
Net investment in capital assets	6,958,881	68,433	7,027,314
Unrestricted	<u>(1,602,703)</u>	<u>-</u>	<u>(1,602,703)</u>
Total net position	<u>\$ 5,356,178</u>	<u>\$ 68,433</u>	<u>\$ 5,424,611</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenses, and Changes in
Net Position—Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	Transit	Alternative Fuel Station	Totals
Operating Revenues			
Sales/charges	\$ 855,883	\$ -	\$ 855,883
Other	8,423	-	8,423
Total operating revenues	<u>864,306</u>	<u>-</u>	<u>864,306</u>
Operating Expenses			
Personnel services	2,889,214	-	2,889,214
Supplies	268,617	-	268,617
Utilities	33,390	-	33,390
Professional services	275,266	-	275,266
Motor pool charges	354,740	-	354,740
Motor fuel	588,716	-	588,716
Repairs and maintenance	12,600	-	12,600
Depreciation and amortization	522,383	4,693	527,076
Insurance	103,783	-	103,783
Pension expenses	145,945	-	145,945
Other	49,796	-	49,796
Total operating expenses	<u>5,244,450</u>	<u>4,693</u>	<u>5,249,143</u>
Operating income (loss)	<u>(4,380,144)</u>	<u>(4,693)</u>	<u>(4,384,837)</u>
Non-operating Revenues (Expenses)			
Investment income	9,388	-	9,388
Loss on disposition of assets	627	-	627
Grants	2,153,824	-	2,153,824
Total non-operating revenues (expenses)	<u>2,163,839</u>	<u>-</u>	<u>2,163,839</u>
Income (loss) before transfers	(2,216,305)	(4,693)	(2,220,998)
Transfers in	<u>1,933,053</u>	<u>-</u>	<u>1,933,053</u>
Increase (decrease) in fund net position	<u>(283,252)</u>	<u>(4,693)</u>	<u>(287,945)</u>
Net position, beginning of year	<u>5,639,430</u>	<u>73,126</u>	<u>5,712,556</u>
Total net position, end of year	<u><u>\$ 5,356,178</u></u>	<u><u>\$ 68,433</u></u>	<u><u>\$ 5,424,611</u></u>

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

City of Las Cruces
Combining Statement of Cash Flows—Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	Transit	Alternative Fuel Station	Totals
Cash flows from operating activities			
Cash received from customers	\$ 805,830	\$ -	\$ 805,830
Cash paid to suppliers	(1,885,486)	-	(1,885,486)
Cash paid to employees	(2,619,687)	-	(2,619,687)
Other receipts	<u>8,423</u>	-	<u>8,423</u>
Net cash (used by) operating activities	<u>(3,690,920)</u>	-	<u>(3,690,920)</u>
Cash flows from non-capital financing activities			
Operating grants	2,153,824	-	2,153,824
Transfers in	<u>1,933,053</u>	-	<u>1,933,053</u>
Net cash provided by non-capital financing activities	<u>4,086,877</u>	-	<u>4,086,877</u>
Cash flows from capital financing activities			
Sale (purchase) of capital assets	<u>(877,571)</u>	-	<u>(877,571)</u>
Net cash (used by) capital financing activities	<u>(877,571)</u>	-	<u>(877,571)</u>
Cash flows from investing activities			
Interest received (paid)	<u>10,015</u>	-	<u>10,015</u>
Net cash provided (used) by investing activities	<u>10,015</u>	-	<u>10,015</u>
Net increase (decrease) in pooled cash and investments	(471,599)	-	(471,599)
Pooled cash and investments, beginning of year	<u>(181,008)</u>	-	<u>(181,008)</u>
Pooled cash and investments, end of year	<u>\$ (652,607)</u>	<u>\$ -</u>	<u>\$ (652,607)</u>

(Continued)

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

City of Las Cruces
Combining Statement of Cash Flows—Nonmajor Enterprise Funds – continued
For the Year Ended June 30, 2017

	Transit	Alternative Fuel Station	Totals
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (4,380,144)	\$ (4,693)	\$ (4,384,837)
Adjustments to reconcile operating income to net cash (used) by operating activities:			
Depreciation and amortization	522,383	4,693	527,076
Change in assets and liabilities			
Accounts receivable	(50,053)	-	(50,053)
Due from/(to) other funds	-	-	-
Unearned revenue	249,727	-	249,727
Accounts and contracts payable	(52,633)	-	(52,633)
Wages payable and accrued liabilities	<u>19,800</u>	-	<u>19,800</u>
Total adjustments	<u>689,224</u>	<u>4,693</u>	<u>693,917</u>
Net cash (used) by operating activities	<u><u>(3,690,920)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,690,920)</u></u>
Cash and investments at June 30 consisted of:			
Current assets:			
Cash and investments	\$ (652,607)	\$ -	\$ (652,607)
Non-current assets:			
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investments, June 30	<u><u>\$ (652,607)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (652,607)</u></u>

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

Internal Service Funds

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

City of Las Cruces
Combining Statement of Net Position—Internal Service Funds
June 30, 2017

	Internal Services	Self Insurance	Totals
Assets			
Current assets			
Pooled cash and investments	\$ 76,259	\$ 14,161,487	\$ 14,237,746
Accounts receivable, net of allowance for uncollectible accounts	2,400	8,070	10,470
Due from other governments	-	-	-
Inventories	382,838	-	382,838
Total current assets	<u>461,497</u>	<u>14,169,557</u>	<u>14,631,054</u>
Capital assets	2,319,705	40,110	2,359,815
Less accumulated depreciation	<u>(2,186,614)</u>	<u>(40,110)</u>	<u>(2,226,724)</u>
Capital assets, net	<u>133,091</u>	<u>-</u>	<u>133,091</u>
Total assets	<u>594,588</u>	<u>14,169,557</u>	<u>14,764,145</u>
Deferred outflows of resources			
Deferred charges related to pensions	<u>802,926</u>	<u>104,026</u>	<u>906,952</u>
Total deferred outflows of resources	<u>802,926</u>	<u>104,026</u>	<u>906,952</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	225,471	1,835,597	2,061,068
Accrued liabilities	32,005	1,619	33,624
Current portion of non-current liabilities	<u>15,283</u>	<u>1,947,237</u>	<u>1,962,520</u>
Total current liabilities	<u>272,759</u>	<u>3,784,453</u>	<u>4,057,212</u>
Non-current liabilities			
Compensated absences	61,133	1,979	63,112
Estimated liability for insurance claims	-	4,601,230	4,601,230
Net pension liability	<u>1,691,997</u>	<u>250,857</u>	<u>1,942,854</u>
Total non-current liabilities	<u>1,753,130</u>	<u>4,854,066</u>	<u>6,607,196</u>
Total liabilities	<u>2,025,889</u>	<u>8,638,519</u>	<u>10,664,408</u>
Deferred inflows of resources			
Deferred inflows related to pensions	<u>-</u>	<u>3,213</u>	<u>3,213</u>
Total deferred inflows of resources	<u>-</u>	<u>3,213</u>	<u>3,213</u>
Net Position			
Invested in capital assets	133,091	-	133,091
Unrestricted	<u>(761,466)</u>	<u>5,631,851</u>	<u>4,870,385</u>
Total net position	<u>\$ (628,375)</u>	<u>\$ 5,631,851</u>	<u>\$ 5,003,476</u>

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

City of Las Cruces
Combining Statement of Revenues, Expenses, and Changes in
Fund Net Position—Internal Service Funds
For the Year Ended June 30, 2017

	Internal Services	Self Insurance	Totals
Operating Revenues			
Motor pool charges	\$ 2,279,704	\$ -	\$ 2,279,704
Rental charges and other	126,678	190,579	317,257
Charges for insurance	-	12,671,548	12,671,548
Total operating revenues	<u>2,406,382</u>	<u>12,862,127</u>	<u>15,268,509</u>
Cost of services	<u>(2,368,321)</u>	<u>-</u>	<u>(2,368,321)</u>
Gross margin	<u>38,061</u>	<u>12,862,127</u>	<u>12,900,188</u>
Operating Expenses			
Personnel services	1,364,209	140,584	1,504,793
Supplies	114,500	210,699	325,199
Utilities	27,719	-	27,719
Professional services	878,512	322,497	1,201,009
Repairs and maintenance	73,143	-	73,143
Depreciation	26,491	-	26,491
Claims and judgments (benefits)	-	15,267,686	15,267,686
Pension expense	114,445	14,511	128,956
Other	18,784	1,480	20,264
Total operating expenses	<u>2,617,803</u>	<u>15,957,457</u>	<u>18,575,260</u>
Operating income (loss)	<u>(2,579,742)</u>	<u>(3,095,330)</u>	<u>(5,675,072)</u>
Non-operating Revenues (Expenses)			
Investment income (loss)	<u>(1,202)</u>	<u>(10,569)</u>	<u>(11,771)</u>
Total non-operating revenues (expenses)	<u>(1,202)</u>	<u>(10,569)</u>	<u>(11,771)</u>
Income (loss) before transfers	(2,580,944)	(3,105,899)	(5,686,843)
Transfers in	<u>2,715,232</u>	<u>545,000</u>	<u>3,260,232</u>
Increase (decrease) in fund net position	134,288	(2,560,899)	(2,426,611)
Net position, beginning of year	<u>(762,663)</u>	<u>8,192,750</u>	<u>7,430,087</u>
Net position, end of year	<u>\$ (628,375)</u>	<u>\$ 5,631,851</u>	<u>\$ 5,003,476</u>

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

City of Las Cruces
Combining Statement of Cash Flows—*Internal Service Funds*
For the Year Ended June 30, 2017

	Internal Services	Self Insurance	Totals
Cash flows from operating activities			
Cash received from customers	\$ 2,406,382	\$ 12,860,657	\$ 15,267,039
Cash paid to suppliers	(3,565,068)	(537,040)	(4,102,108)
Cash paid to employees	(1,364,209)	(140,584)	(1,504,793)
Claims paid	<u>-</u>	<u>(15,231,435)</u>	<u>(15,231,435)</u>
Net cash provided (used) by operating activities	<u>(2,522,895)</u>	<u>(3,048,402)</u>	<u>(5,571,297)</u>
Cash flows from non-capital financing activities			
Transfers in	<u>2,715,232</u>	<u>545,000</u>	<u>3,260,232</u>
Net cash provided by non-capital financing activities	<u>2,715,232</u>	<u>545,000</u>	<u>3,260,232</u>
Cash flows from capital and related financing activities			
Transfer of capital assets	<u>(71,225)</u>	<u>-</u>	<u>(71,225)</u>
Net cash (used) by capital and related financing activities	<u>(71,225)</u>	<u>-</u>	<u>(71,225)</u>
Cash flows from investing activities			
Interest received (paid)	<u>(1,202)</u>	<u>(10,569)</u>	<u>(11,771)</u>
Net cash provided (used) by investing activities	<u>(1,202)</u>	<u>(10,569)</u>	<u>(11,771)</u>
Net increase (decrease) in cash and cash equivalents	119,910	(2,513,971)	(2,394,061)
Cash and cash equivalents, beginning of year	<u>(43,651)</u>	<u>16,675,458</u>	<u>16,631,807</u>
Cash and cash equivalents, end of year	<u>\$ 76,259</u>	<u>\$ 14,161,487</u>	<u>\$ 14,237,746</u>

(Continued)

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

City of Las Cruces
Combining Statement of Cash Flows—Internal Service Funds – continued
For the Year Ended June 30, 2017

	Internal Services	Self Insurance	Totals
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (2,579,742)	\$ (3,095,330)	\$ (5,675,072)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	26,491	-	26,491
Change in assets and liabilities:			
Accounts receivables	-	(1,471)	(1,471)
Inventories	17,592	-	17,592
Due from other governments	143	-	143
Accounts and contracts payable	(120,561)	36,252	(84,309)
Deferred charges related to pensions	114,445	14,513	128,958
Wages payable and accrued liabilities	18,737	(2,366)	16,371
Total adjustments	56,847	46,928	103,775
Net cash provided (used) by operating activities	(2,522,895)	(3,048,402)	(5,571,297)
Cash and investments at June 30 consisted of:			
Current assets			
Cash and investments	76,259	14,161,487	14,237,746
Noncurrent assets			
Restricted cash and investments	-	-	-
Total cash and investments, June 30	\$ 76,259	\$ 14,161,487	\$ 14,237,746

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

Agency Funds

City of Las Cruces
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
Mesilla Valley Regional Dispatch Authority				
Assets				
Pooled cash and investments	\$ 1,202,670	\$ 3,634,708	\$ 3,801,969	\$ 1,035,409
Accounts receivable	-	28,996	7,004	21,992
Receivable from other government agencies	16,682	1,812,603	1,664,447	164,838
Total Assets	<u>\$ 1,219,352</u>	<u>\$ 5,476,307</u>	<u>\$ 5,473,420</u>	<u>\$ 1,222,239</u>
Liabilities				
Accounts and contracts payable	\$ 32,452	\$ 807,788	\$ 834,547	\$ 5,693
Accrued wages payable	143,658	985,265	994,284	134,639
Revenue collected in advance	-	5,221	5,221	-
Funds held for others	1,043,242	1,038,332	999,667	1,081,907
Total Liabilities	<u>\$ 1,219,352</u>	<u>\$ 2,836,606</u>	<u>\$ 2,833,719</u>	<u>\$ 1,222,239</u>
Metro Narcotics Fund				
Assets				
Pooled cash and investments	\$ 643,611	\$ 1,122,756	\$ 1,137,312	\$ 629,055
Accounts receivable	10,000	68,000	73,000	5,000
Receivable from other government agencies	35,590	780,920	775,352	41,158
Total Assets	<u>\$ 689,201</u>	<u>\$ 1,971,676</u>	<u>\$ 1,985,664</u>	<u>\$ 675,213</u>
Liabilities				
Accounts and contracts payable	\$ 10,854	\$ 843,806	\$ 696,766	\$ 157,894
Accrued wages payable	6,518	47,038	51,431	2,125
Funds held for others	671,829	730,550	887,185	515,194
Total Liabilities	<u>\$ 689,201</u>	<u>\$ 1,621,394</u>	<u>\$ 1,635,382</u>	<u>\$ 675,213</u>
Branigan Estate Fund				
Assets				
Pooled cash and investments	\$ 2,267,690	\$ 92,731	\$ 285,491	\$ 2,074,930
Accounts receivable	78,375	-	-	78,375
Total Assets	<u>\$ 2,346,065</u>	<u>\$ 92,731</u>	<u>\$ 285,491</u>	<u>\$ 2,153,305</u>
Liabilities				
Accounts and contracts payable	\$ 79,490	\$ 239,117	\$ 317,550	\$ 1,057
Revenue collected in advance	-	78,375	-	78,375
Funds held for others	2,266,575	626,191	818,893	2,073,873
Total Liabilities	<u>\$ 2,346,065</u>	<u>\$ 943,683</u>	<u>\$ 1,136,443</u>	<u>\$ 2,153,305</u>

(Continued)

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

City of Las Cruces
Statement of Changes in Assets and Liabilities – continued
Agency Funds
For the Year Ended June 30, 2017

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
Gifts and Memorials Fund				
Assets				
Pooled cash and investments	\$ 800,393	\$ 55,916	\$ 32,578	\$ 823,731
Accounts receivable	1,500	-	-	1,500
Total Assets	<u>\$ 801,893</u>	<u>\$ 55,916</u>	<u>\$ 32,578</u>	<u>\$ 825,231</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ 4,354	\$ 3,050	\$ 1,304
Revenue collected in advance	-	6,000	-	6,000
Funds held for others	801,893	73,253	57,219	817,927
Total Liabilities	<u>\$ 801,893</u>	<u>\$ 83,607</u>	<u>\$ 60,269</u>	<u>\$ 825,231</u>
Employee Benefits Committee				
Assets				
Pooled cash and investments	\$ 307	\$ -	\$ 307	\$ -
Total Assets	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ -</u>
Liabilities				
Funds held for others	\$ 307	\$ -	\$ 307	\$ -
Total Liabilities	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ -</u>
Veteran's Memorial Wall				
Assets				
Pooled cash and investments	\$ 22,250	\$ 1,378	\$ 1,783	\$ 21,845
Total Assets	<u>\$ 22,250</u>	<u>\$ 1,378</u>	<u>\$ 1,783</u>	<u>\$ 21,845</u>
Liabilities				
Accounts and contracts payable	\$ 468	\$ 1,285	\$ 1,753	\$ -
Funds held for others	21,782	2,050	1,987	21,845
Total Liabilities	<u>\$ 22,250</u>	<u>\$ 3,335</u>	<u>\$ 3,740</u>	<u>\$ 21,845</u>

(Continued)

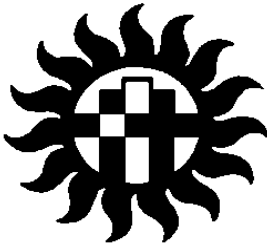
The accompanying notes are an integral part of these financial statements.

City of Las Cruces
Statement of Changes in Assets and Liabilities – continued
Agency Funds
For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Animal Services of Mesilla Valley				
Assets				
Pooled cash and investments	\$ 1,004,040	\$ 1,976,264	\$ 2,035,157	\$ 945,147
Accounts receivable	4,290	21,835	26,125	-
Receivable from other government agencies	16,509	901,787	746,684	171,612
Total Assets	<u>\$ 1,024,839</u>	<u>\$ 2,899,886</u>	<u>\$ 2,807,966</u>	<u>\$ 1,116,759</u>
Liabilities				
Accounts and contracts payable	\$ 14,637	\$ 499,163	\$ 424,378	\$ 89,422
Accrued wages payable	88,592	469,612	469,414	88,790
Funds held for others	921,610	757,455	740,518	938,547
Total Liabilities	<u>\$ 1,024,839</u>	<u>\$ 1,726,230</u>	<u>\$ 1,634,310</u>	<u>\$ 1,116,759</u>
High Intensive Drug Trafficking Area				
Assets				
Pooled cash and investments	\$ -	\$ 951,819	\$ 1,103,524	\$ (151,705)
Accounts receivable	-	-	-	-
Receivable from other government agencies	236,295	892,290	930,224	198,361
Total Assets	<u>\$ 236,295</u>	<u>\$ 1,844,109</u>	<u>\$ 2,033,748</u>	<u>\$ 46,656</u>
Liabilities				
Accounts and contracts payable	\$ 8,669	\$ 338,390	\$ 312,626	\$ 34,433
Accrued wages payable	13,579	219,576	220,488	12,667
Due to fiscal agent	214,491	-	214,491	-
Funds held for others	(444)	616,745	616,745	(444)
Total Liabilities	<u>\$ 236,295</u>	<u>\$ 1,174,711</u>	<u>\$ 1,364,350</u>	<u>\$ 46,656</u>
Total - All Fiduciary Funds				
Assets				
Pooled cash and investments	\$ 5,940,961	\$ 7,835,572	\$ 8,398,121	\$ 5,378,412
Accounts receivable	94,165	118,831	106,129	106,867
Receivable from other government agencies	305,076	4,387,600	4,116,707	575,969
Total Assets	<u>\$ 6,340,202</u>	<u>\$ 12,342,003</u>	<u>\$ 12,620,957</u>	<u>\$ 6,061,248</u>
Liabilities				
Accounts and contracts payable	\$ 146,570	\$ 2,733,903	\$ 2,590,670	\$ 289,803
Accrued wages payable	252,347	1,721,491	1,735,617	238,221
Due to fiscal agent	214,491	-	214,491	-
Revenue collected in advance	-	89,596	5,221	84,375
Funds held for others	5,726,794	3,844,576	4,122,521	5,448,849
Total Liabilities	<u>\$ 6,340,202</u>	<u>\$ 8,389,566</u>	<u>\$ 8,668,520</u>	<u>\$ 6,061,248</u>

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

City of Las Cruces
Supplementary Information
June 30, 2017



City of Las Cruces

City of Las Cruces
Schedule of Insurance in Force
June 30, 2017

Named Insured	Coverage	Policy Term	Insurance Company & Policy Number	Limits	Deductible/Self-Insured Retention
City of Las Cruces	Airport Liability	7/1/17-7/1/18	Old Republic Insurance Company, PR00265202	Products-Completed Operations Aggregate Limit 10M Personal Injury and Advertising Injury Aggregate Limit 10M Malpractice Aggregate Limit 10M Each Occurrence Limit 10M Fire Damage Limit Any One Fire 100,000 Fire Medical Expense Limit Any One Person 10,000 Hangarkeepers Limit Any One Aircraft 10M Hangarkeepers Limit Any One Occurrence 10M	N/A
City of Las Cruces	Crime	7/1/17-7/1/18	National Union Fire Insurance Company of Pittsburgh, PA (AIG), 01-601-74-03	Employee Theft-Per Loss Coverage Forgery or Alteration Inside Premises Theft of Money and Securities Inside Premises Robbery and Safe Burglary Other Property Outside the Premises Computer Fraud Funds Transfer Fraud Money Orders and Counterfeit Paper Currency 10M All Lines of Coverage	\$50,000 All Lines Coverage
City of Las Cruces	Excess Workers Comp and Employers Liability	10/1/16 -7/1/18	Midwest Employers Casualty Company, EWC009334	Specific Limit Each Accident: (a) Policy Part One, Workers' Compensation: STATUTORY (b) Policy Part Two, Employers Liability: \$1,000,000 Specific Limit Each Employee for Disease: (a) Policy Part One, Workers' Compensation: STATUTORY (b) Policy Part Two, Employers Liability: \$1,000,000	\$750,000 Each Accident \$750,000 Each Employee for Disease
City of Las Cruces	Museum Collection and Temporary Loans Policy	7/1/17-7/1/18	Ironshore Indemnity Inc. HTB-002924-001	\$1,800,000 at the Insured's premises; as per the attached schedule of locations \$450,000 at any other location, worldwide \$450,000 in transit on any one conveyance, worldwide \$1,800,000 in any one loss or disaster, either in case of partial or total loss, or salvage charges, or expenses, or all combined. \$1,800,000 Terrorism Coverage Included Earthquake Coverage	\$1,000 each claim for loss or damage separately occurring
City of Las Cruces	Excess Public Entity Liability	7/1/17-7/1/18	Hallmark Specialty Insurance Company, 77PEF170030	\$2,000,000 Each Occurrence \$2,000,000 Aggregate	N/A
City of Las Cruces	Police Professional Liability	7/1/17-7/1/18	Indian Harbor Insurance Company, PPL0950493	\$3,000,000 Each Law Enforcement Occurrence Limit \$3,000,000 Policy Aggregate	\$1,500,000 Each Law Enforcement Occurrence
City of Las Cruces	Public Officials Liability	7/1/17-7/1/18	Ironshore Specialty Insurance Company 003213500	\$3,000,000 Aggregate \$25,000 Crisis Management Coverage Sublimit	\$1,000,000 Each Wrongful Act other than an Employment Practices Violation \$1,000,000 Each Employment Practices Violation
City of Las Cruces	Pollution	7/1/17-7/1/20	Indian Harbor Insurance Company, PEC003510502	\$5,000,000 each Pollution Condition \$5,000,000 Aggregate Liability Limit	\$250,000 Each Pollution Condition
City of Las Cruces	Property	7/1/17-7/1/18	Various 017471589/04 (Dec 04)	\$400,000,000 Occurrence Limit	\$10,000 Each Occurrence Limit
City of Las Cruces	General Liability, defense of civil rights litigation, foreign jurisdiction coverage	Perpetual	Self insured	Actual expense up to maximum allowable under State Tort Claims Act	N/A
City of Las Cruces	Workers' Compensation	Perpetual	CCMSI-TPA manages Workers' comp claims	Actual expense per NM Fee Schedule	N/A

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, 2017

DEPOSITS

<u>Institution/Security</u>	<u>CUSIP #</u>	<u>Maturity Date</u>	<u>Safe Keeping Location</u>	<u>Market Value</u>
Wells Fargo Bank, NA			BNY Mellon	
FNMA FGPC 2.500% 07/01/30	3128MMTS2	7/01/2030		\$ 4,354,351
FNMA FNMS 3.500% 09/01/42	3138M0CQ1	9/01/2042		23,518,868
FNMA FNMS 2.500% 7/01/31	3138WHJY9	7/01/2031		4,615,376
FNMA FNMS 3.000% 08/01/2042	31417CVE2	08/01/2042		28,079,922
FNMA FNMS 3.500% 03/01/2034	31418BA71	03/01/2034		18,694,187
				<u>\$ 79,262,704</u>

Summary of Collateralization

Wells Fargo Bank	
Ending bank balance	\$ 73,503,732
Less: FDIC insurance	(250,000)
Total uninsured public funds	<u>\$ 73,253,732</u>
Pledged collateral held by the pledging bank's trust department in the City's name	\$ 79,262,704
100% collateral requirement	<u>73,253,732</u>
Pledged collateral in excess of requirement	<u>\$ 6,008,972</u>
Uninsured and uncollateralized	<u>\$ -</u>

City of Las Cruces
Schedule of Special Appropriations
June 30, 2017

Appropriation Number	Appropriation Description	Original Appropriation	Amended Appropriation	Appropriation Expiration	Expended as of June 30, 2017	Outstanding Encumbrances	Unencumbered Amount
13-1449	LC Sewer System Construct	\$ 321,000	\$ 321,000	6/30/2017	\$ 321,000	\$ -	\$ -
13-1844	Transit System Improvements	80,000	80,000	6/30/2017	80,000	-	-
14-1137	Munson Senior Ctr Renovate	141,000	1,410	6/30/2018	32,198	1,703	(32,490)
14-1624	Septic System Remediation	2,250,000	2,250,000	6/30/2018	1,128,642	477,577	643,781
14-1737	Water System & Wells	2,000,000	2,000,000	6/30/2018	1,569,967	-	430,033
14-1910	Klein Park Improve	141,000	141,000	6/30/2018	125,720	15,280	-
14-1912	St. Lukes Health Facility -- Comm of Hope	295,850	2,959	6/30/2018	20,211	264,415	(281,667)
14-1913	Traffic Signal Mgmt Control Ctr	725,000	7,250	6/30/2018	571,087	144,187	(708,024)
14-1914	Women's Veterans Monument	406,500	406,500	6/30/2018	277,399	3,271	125,830
14-2062	Alameda Depot Neighborhood Lighting	100,000	100,000	6/30/2018	-	-	100,000
14-2063	Mesquite Historic Dist Lighting	150,000	150,000	6/30/2018	87,874	26,227	35,899
14-2064	Streets Improvements	1,036,000	1,036,000	6/30/2018	1,036,000	-	-
14-2065	Transit System Improvements	50,000	50,000	6/30/2018	50,000	-	-
14-2271	St. Lukes Health Facility -- Comm of Hope	138,600	138,600	6/30/2017	138,600	-	-
15-0501	Septic System Remediation	170,000	170,000	6/30/2019	-	170,000	-
15-0754	La Clinica Cervantes Complex Equip	643,000	643,000	6/30/2018	459,983	158,071	24,947
15-0761	Amador Hotel Improvements	195,000	195,000	6/30/2019	98,767	93,132	3,101
15-0762	Cinematic Infrastructure	402,000	402,000	6/30/2019	4,441	379,450	18,109
15-0763	Cnty Competition Pool	220,000	220,000	6/30/2019	-	202,053	17,947
15-0764	St. Lukes Health Facility -- Comm of Hope	505,000	505,000	6/30/2019	14,554	479,750	10,696
15-0765	Downtown Electrical Infrastructure	25,000	25,000	6/30/2019	2,590	21,276	1,134
15-0767	Jardin Homeless Daycare Ctr Improve	50,000	50,000	6/30/2019	16,999	2,472	30,529
15-0768	MV Animal Service Ctr Phase I	40,000	40,000	6/30/2019	-	-	40,000
15-0769	Museums Improvement	25,000	25,000	6/30/2019	-	1	24,999
15-0772	Veterans Park Plaques	40,000	40,000	6/30/2018	39,751	1,459	(1,210)
15-0773	Young Park Playground Equip	75,000	75,000	6/30/2019	66,667	-	8,333
15-1122	Cinematic Infrastructure	555,000	555,000	6/30/2018	15,305	503,785	35,909
15-1123	St. Luke's Health Facility Renov & Equip	50,000	50,000	6/30/2018	-	40,522	9,478
16-A2001	LC Senior Centers Improvements	80,000	80,000	6/30/2020	5,994	74,006	-
16-A2258	LC Septic Systems Replacement	540,000	540,000	6/30/2020	-	-	540,000
16-A2421	LC Amador Hotel Hazardous Abatement	100,000	100,000	6/30/2020	-	79,529	20,471
16-A2422	LC Behavioral Health Record Program	280,735	280,735	6/30/2020	-	280,735	-
16-A2423	East Mesa Public Safety Complex Equip	50,000	50,000	6/30/2018	48,886	1,114	-
16-A2424	LC Fire Dept. Equipment	250,000	250,000	6/30/2018	250,000	-	-
16-A2425	LC Fire Station Kitchen Improve	20,000	20,000	6/30/2020	20,000	-	-
16-A2426	Klein Park Improve	100,000	100,000	6/30/2020	-	40,137	59,863
16-A2427	Branigan Library	40,000	40,000	6/30/2018	11,574	28,426	-
16-A2562	Harrelson St ROW & Rd Improvements	300,000	300,000	6/30/2020	37,985	210,423	51,591
16-A2563	Las Cruces Ave. Improvements	75,000	75,000	6/30/2020	-	30,101	44,899
16-A2564	LC ROW/Roads/Flood Control	766,000	766,000	6/30/2020	254,085	388,098	123,817
16-A2565	LC Traffic System Network Improvement	100,000	100,000	6/30/2020	5,385	-	94,615
16-A2566	University Ave. Pedestrian Crosswalk	260,000	260,000	6/30/2020	11,685	219,199	29,117

City of Las Cruces
Schedule of Deposit Accounts and Investments
June 30, 2017

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash and Investments	Total Reconciled Balance	On Deposit 6/30/2017
DEPOSIT ACCOUNTS						
<i>Wells Fargo Bank</i>						
Community Development	Checking		\$ -	\$ 128,011	\$ 128,011	\$ 129,111
Community Development Home Rehab	Checking		-	25,309	25,309	25,309
Community Development Home Program	Checking		-	490	490	490
Metro Narcotics Agency	Savings		-	90,646	90,646	90,646
2006 Water Projects	Savings		-	22,005,217	22,005,217	22,005,217
Revenue Bonds Proceeds	Savings		-	48,912,862	48,912,862	48,912,862
Treasury Fund - Operating	Checking		2,325,358	-	2,325,358	2,325,084
Payroll Direct Deposit Account	Checking		(885,218)	-	(885,218)	-
Accounts Payable	Checking		(1,848,612)	-	(1,848,612)	-
On Demand	Checking		5,044	-	5,044	15,013
Depository	Checking		50,202	-	50,202	-
Credit Card	Checking		32,720	-	32,720	-
Electronic	Checking		42,348	-	42,348	-
TOTAL DEPOSIT ACCOUNTS			<u>(278,158)</u>	<u>71,162,535</u>	<u>70,884,377</u>	<u>73,503,732</u>
INVESTMENTS						
<i>Wells Fargo Bank</i>						
Stagecoach Sweep Repo	Sweep	2	16,674,840	-	16,674,840	-
<i>First Tennessee</i>						
FFCB 2.09 9/8/2026	Investment	2	-	9,391,900	9,391,900	-
FHLB 2.05 9/29/2026-18	Investment	2	-	3,789,560	3,789,560	-
FHLB 2.35 12/27/2024-16	Investment	2	-	968,900	968,900	-
FHLB 2.35 12/27/2024-16	Investment	2	792,736	-	792,736	-
FHLB 0 8/8/2017	Investment	2	-	1,997,960	1,997,960	-
FHLB 0 9/22/2017	Investment	2	-	997,680	997,680	-
T-Note 0.75 4/30/2018	Investment	2	-	7,965,040	7,965,040	-
FHLB 0 7/13/2017	Investment	2	-	1,999,440	1,999,440	-
FHLB 2.2 10/13/2026-17	Investment	2	-	1,447,209	1,447,209	-
FHLB 2.2 10/13/2026-17	Investment	2	-	943,119	943,119	-
FHLB 2.2 10/13/2026-17	Investment	2	962	-	962	-
FFCB 2.24 11/10/2027-16	Investment	2	4,707,100	-	4,707,100	-
FFCB 2.24 7/6/2027-17	Investment	2	2,814,390	-	2,814,390	-
FHLB 0 11/24/2017	Investment	2	1,991,440	-	1,991,440	-
FHLB 0 7/12/2017	Investment	2	1,999,500	-	1,999,500	-
FHLB Step 5/9/2031-16	Investment	2	7,370,850	-	7,370,850	-
FHLMC Step 2/23/2031-16	Investment	2	10,650,090	-	10,650,090	-
FHLMC Step 4/20/2032-17	Investment	2	4,970,200	-	4,970,200	-
FHLMC Step 5/23/2031-16	Investment	2	17,724,850	-	17,724,850	-
FHLMC Step 5/23/2031-16	Investment	2	11,841,480	-	11,841,480	-
FNMA Step 2/10/2031-17	Investment	2	13,722,100	-	13,722,100	-
FNMA Step 2/20/2031-17	Investment	2	7,847,120	-	7,847,120	-
FNMA Step 2/24/2031-17	Investment	2	7,914,880	-	7,914,880	-
FNMA Step 3/10/2031-17	Investment	2	14,303,670	-	14,303,670	-
FNMA Step 4/7/2031-17	Investment	2	15,598,720	-	15,598,720	-
T-Bill 0 7/27/2017	Investment	2	999,450	-	999,450	-
T-Bill 0 8/31/2017	Investment	2	998,490	-	998,490	-
<i>NM State Investment Council</i>						
Large Cap Active Equity Pool	Investment	1	-	9,447,002	9,447,002	-
Large Cap Index Equity Pool	Investment	2	-	5,041,738	5,041,738	-
Non-U.S. Developed Equity Pool	Investment	1	-	2,549,161	2,549,161	-
Mid/Small Cap Equity Pool	Investment	1	-	7,751,186	7,751,186	-
TOTAL INVESTMENTS			<u>142,922,868</u>	<u>54,289,895</u>	<u>197,212,763</u>	<u>-</u>
TOTAL DEPOSITS AND INVESTMENTS			<u>142,644,710</u>	<u>125,452,430</u>	<u>268,097,140</u>	<u>73,503,732</u>

City of Las Cruces
Schedule of Deposit Accounts and Investments (continued)
June 30, 2017

Account	Type of Account	Pooled Cash & Investments	Other Cash and Investments	Total Reconciled Balance	On Deposit 6/30/2017
<i>Other Cash:</i>					
Petty Cash & Change Funds	Cash	\$ -	\$ 14,507	\$ 14,507	\$ -
<i>New Mexico Finance Authority</i>					
JB DW-1974	Debt Service	-	11	11	-
2008 JB PP-2186	Debt Service	-	172,897	172,897	-
JB PP-2248	Debt Service	-	77	77	-
RPL-2472	Debt Service	-	24	24	-
ZD PP-2618	Debt Service	-	19	19	-
ZD PP-2634	Debt Service	-	102,741	102,741	-
ZD PP-2711	Debt Service	-	44	44	-
ZS PP-3116	Debt Service	-	281,277	281,277	-
D. MST PP-3228	Debt Service	-	9	9	-
D. MST PP-3252	Program Funds	-	80,429	80,429	-
PP-3661 VAF Loan	Debt Service	-	3,163,668	3,163,668	-
PP-3712	Debt Service	-	5,021,658	5,021,658	-
Accrued Interest - Pooled Investments	Accrued Int	671,325	-	671,325	-
TOTAL CASH AND INVESTMENTS		<u>\$ 143,316,035</u>	<u>\$ 134,289,791</u>	<u>\$ 277,605,826</u>	<u>\$ 73,503,732</u>

City of Las Cruces

Schedule of Joins Powers Agreements

June 30, 2017

Participants	Responsible Party for Operations	Description	Beginning Date	Ending Date	Project Amount	Current Year Contributions	Audit Responsibility
City of Las Cruces	ASCMV	Provide financing, operation, and maintenance of the Center	1/29/2008	Perpetual	50%	\$901,787.00	City of Las Cruces
Dona Ana County	ASCMV	Provide financing, operation, and maintenance of the Center	1/29/2008	Perpetual	50%	\$901,787.00	City of Las Cruces
City of Anthony	ASCMV	Provide assistance with off-site animal shelter services	3/13/2014	March 13, 2018	\$35 per animal	\$1,750	City of Las Cruces
City of Sunland Park	ASCMV	Provide assistance with off-site animal shelter services	11/1/2015	October 31, 2017	\$50 per animal	\$2,250	City of Las Cruces
White Sands Missile Range	ASCMV	Provide assistance with off-site animal shelter services	10/20/2014	60 day notice	\$35 per animal	\$0.00	City of Las Cruces
Village of Hatch	ASCMV	Provide assistance with off-site animal shelter services	10/20/2014	60 day notice	\$35 per animal	\$140.00	City of Las Cruces
Dona Ana County	Both Parties	Griggs Walnut Groundwater Joint Superfund Site Supplemental Agreement Concerning the Delivery and Sale of Water by NMSU to the City of Las Cruces	11/22/2004	not specified	not specified	\$103,169.00	Both Parties
New Mexico State University	Both Parties	Agreement for Sale and Purchase of Natural Gas Energy-Positive Urban Wastewater Treatment and Nutrient Recovery	3/12/2007	December 31, 2018	not specified	\$0.00	Both Parties
F&A Dairy Products/Shell Energy North America	Both Parties	Metropolitan Planning Organization - transportation planning	9/1/2008	August 30, 2016	\$2.92 per dth	\$10,687,719.00	City of Las Cruces
New Mexico State University	CLC	Metropolitan Planning Organization - transportation planning	2/1/2015	30/16 with option to rer	not specified	\$0.00	City of Las Cruces
Dona Ana County/ Town of Mesilla/ City of Las Cruces	CLC	Metropolitan Planning Organization - transportation planning	7/1/2013	90 days notice	Proportionally to the required local match for Section 112 Planning Funds	\$15,843.00	City of Las Cruces
Federal Bureau of Investigation (FBI)	LCPD	The Safe Streets Violent Gang Task Force will enhance the effectiveness of federal/state/local law enforcement resources through a well coordinated initiative seeking the most effective investigative / prosecutive avenues by which to convict and incarcerate dangerous offenders	6/13/2013	Perpetual	not specified	\$15,000.00	Both Parties
United States Marshals Service	LCPD	To investigate and arrest persons who have active state and federal warrants for their arrest, thereby improving public safety and reducing violent crime	9/7/2010	9/30/2016	not specified	\$15,000	United States Marshals Service

City of Las Cruces
Schedule of Joins Powers Agreements (continued)
June 30, 2017

Participants	Responsible Party for Operations	Description	Beginning Date	Ending Date	Project Amount	Current Year Contributions	Audit Responsibility
Immigration and Customs Enforcement	LCPD	The reimbursement of certain overtime expenses and other law enforcement expenses pursuant to 31 USC 9703	6/11/2010	Perpetual	not specified	not specified	Immigration and Customs Enforcement
Federal Bureau of Investigation (FBI)	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders	6/12/2013	30 days notice	\$20,000.00	\$2,682.00	City of Las Cruces
Dona Ana County	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders	10/1/2001	Perpetual	\$225,543.00	\$225,543.00	City of Las Cruces
City of Las Cruces	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders	10/1/2001	Perpetual	\$225,543.00	\$225,543.00	City of Las Cruces
City of Las Cruces	MVRDA	Operate a combined communications center	9/5/2006	Perpetual	\$1,654,053.00	\$1,654,053.00	City of Las Cruces
Dona Ana County	MVRDA	Operate a combined communications center	9/5/2006	Perpetual	\$1,466,802.00	\$1,466,802.00	City of Las Cruces
Town of Mesilla	MVRDA	Operate a combined communications center	9/5/2006	Perpetual	\$52,704.00	\$52,704.00	City of Las Cruces
Village of Hatch	MVRDA	Operate a combined communications center	9/5/2006	Perpetual	\$39,541.00	\$39,541.00	City of Las Cruces
City of Sunland Park	MVRDA	Operate a combined communications center	9/5/2006	Perpetual	\$163,887.00	\$163,887.00	City of Las Cruces
City of Anthony	MVRDA	Operate a combined communications center	11/1/2011	Perpetual	\$72,857.00	\$72,857.00	City of Las Cruces
City of Las Cruces	SCSWA	Designing, constructing, financing, operating, and maintaining regional solid waste landfills and related facilities	12/13/1994	Perpetual		1/16% Municipal Environmental Services Gross Receipts Tax (tax revenue) \$2,722,783.00	City of Las Cruces
Dona Ana County	SCSWA	Designing, constructing, financing, operating, and maintaining regional solid waste landfills and related facilities	12/13/1994	Perpetual		1/8% County Environmental Services Gross Receipts Tax (tax revenue) \$599,378.00	City of Las Cruces
United States Geological Survey	USGS	Monitoring Network of the Groundwater-flow System and Stream-aquifer Relations in the Mesilla Basin, Dona Ana County, NM and El Paso County, TX	7/1/2016	June 30, 2017	\$22,000.00	\$16,500.00	USGS

City of Las Cruces
Statistical Section Table of Contents
June 30, 2017

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.

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 Position by Category (in 000's)
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net invest in capital assets	\$ 146,327	\$ 199,706	\$ 258,566	\$ 276,355	\$ 251,703	\$ 277,394	\$ 275,761	\$ 190,995	\$ 300,431	\$ 292,055
Restricted	32,766	32,625	33,168	34,983	58,634	58,994	62,860	80,631	116,782	133,723
Unrestricted	<u>126,919</u>	<u>82,891</u>	<u>57,690</u>	<u>64,435</u>	<u>76,973</u>	<u>70,628</u>	<u>83,720</u>	<u>84,682</u>	<u>(41,361)</u>	<u>(45,091)</u>
Subtotal governmental activities net position	279,187	306,012	315,222	349,424	375,773	387,310	422,341	356,308	375,852	380,687
Business-type activities										
Net invest in capital assets	103,498	126,330	140,672	152,923	153,707	155,584	158,115	166,565	178,330	185,978
Restricted	49,377	30,498	22,870	21,757	18,590	15,846	13,718	26,407	29,918	28,393
Unrestricted	<u>41,540</u>	<u>43,807</u>	<u>39,193</u>	<u>38,198</u>	<u>42,696</u>	<u>46,459</u>	<u>49,433</u>	<u>22,007</u>	<u>13,301</u>	<u>11,025</u>
Subtotal business-type activities net position	184,128	194,415	200,635	212,878	214,993	217,889	221,266	214,979	221,549	225,396
Primary government										
Net invest in capital assets	249,825	326,036	399,238	429,278	405,410	432,979	433,876	357,560	504,567	478,033
Restricted	82,143	63,123	56,038	56,740	77,224	74,841	76,578	107,038	146,700	162,116
Unrestricted	<u>168,459</u>	<u>126,698</u>	<u>96,883</u>	<u>102,633</u>	<u>119,669</u>	<u>117,087</u>	<u>133,153</u>	<u>106,689</u>	<u>(53,866)</u>	<u>(34,066)</u>
Total primary government net position	<u>\$ 463,315</u>	<u>\$ 500,427</u>	<u>\$ 515,857</u>	<u>\$ 588,651</u>	<u>\$ 602,303</u>	<u>\$ 624,907</u>	<u>\$ 643,607</u>	<u>\$ 571,287</u>	<u>\$ 597,401</u>	<u>\$ 606,083</u>

Note:

* Reclassifications were made to prior year utility net positions.

City of Las Cruces

Changes in Net Position (in 000's)

Last Ten Fiscal Years

(Unaudited)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 16,560	\$ 30,359	\$ 16,101	\$ 16,667	\$ 18,105	\$ 13,125	\$ 16,476	\$ 17,465	\$ 29,352	\$ 31,464
Facilities	9,857	9,518	13,629	13,242	-	-	-	-	-	-
Police	23,814	26,944	26,886	26,628	26,719	27,744	28,115	26,926	26,783	27,973
Fire	11,290	10,611	11,155	11,339	11,984	12,408	12,733	13,828	14,247	14,618
Community development	5,047	4,574	7,586	5,830	4,743	4,394	4,593	4,859	5,214	4,953
Quality of life	-	-	-	-	9,033	9,011	9,315	9,273	9,553	9,489
Public services	12,525	11,524	10,506	9,833	-	-	-	-	-	-
Public works	19,728	11,083	19,728	20,285	26,085	20,184	21,168	21,885	21,483	25,792
Information technology	-	-	-	3,245	2,948	3,638	3,341	3,416	-	-
Transportation	-	-	-	-	4,045	10,448	8,159	8,161	8,042	2,906
Economic development	-	-	-	-	-	-	-	-	-	6,239
Parks and recreation	-	-	-	-	9,214	8,482	9,120	9,798	10,325	10,458
Interest on long-term debt	4,003	4,307	4,564	3,862	3,844	3,469	3,158	3,071	3,613	4,117
Subtotal governmental activities expenses	102,824	108,920	110,155	110,931	116,720	112,903	116,178	118,682	128,612	138,009
Business-type activities										
Gas	30,478	25,095	25,834	25,500	24,045	24,105	10,957	10,776	11,273	14,082
Water	11,679	14,787	14,474	13,997	14,194	14,607	14,306	15,009	15,994	18,703
Wastewater	8,767	10,878	11,217	11,212	11,832	12,383	12,536	13,246	14,318	17,216
Solid waste	10,905	10,534	10,431	10,151	11,145	11,399	11,438	10,942	11,627	11,386
Transit	-	4,167	4,310	4,363	4,370	4,450	4,632	4,393	4,625	5,249
Other	4,185	107	-	-	-	-	-	-	-	-
Interest on long-term debt	3,422	-	-	-	-	-	-	-	-	-
Subtotal business-type activities expenses	69,436	65,568	66,266	65,223	65,586	66,944	53,869	54,366	57,837	66,636
Total primary government expenses	\$ 172,260	\$ 174,488	\$ 176,421	\$ 176,154	\$ 182,306	\$ 179,847	\$ 170,047	\$ 173,048	\$ 186,449	\$ 204,645
Program Revenues										
Governmental activities:										
Charges for services										
General Government	4,676	3,184	3,736	4,793	1,793	1,871	1,905	1,463	11,406	3,838
Facilities	-	340	340	987	-	-	-	-	-	-
Police	2,041	4,639	3,544	3,405	4,282	4,441	4,523	3,472	4,008	4,095
Fire	161	-	1	146	1,889	1,971	2,007	1,541	2,242	2,288
Community development	3,644	2,618	2,615	2,889	790	4,560	807	869	587	575
Quality of life	3,942	1,920	610	409	1,363	1,378	1,404	1,077	947	935
Public works	2,249	1,986	1,491	2,711	2,444	1,468	1,495	1,147	934	2,000
Information Technology	-	-	-	929	487	604	615	472	-	-
Transportation	-	-	-	-	534	1,617	1,647	1,264	850	-
Economic development	-	-	-	-	-	-	-	-	-	671
Parks and recreation	-	-	-	-	1,435	1,334	1,358	1,043	1,630	1,614
Operating Grants and Contributions										
General Government	540	29	1,701	102	973	898	915	702	260	238
Facilities	-	-	-	-	-	-	-	-	-	-
Police	1,669	955	839	1,269	1,668	1,549	1,578	1,211	453	470
Fire	440	381	392	308	736	688	700	537	110	131
Community development	2,410	1,369	4,768	320	308	258	263	202	341	305
Quality of life	1,262	1,221	1,290	789	531	481	490	376	598	582
Public works	11	(23)	2,909	7,290	952	512	521	400	464	402
Information Technology	-	-	-	-	190	211	215	165	-	-
Transportation	-	-	-	-	208	564	574	441	353	345
Economic development	-	-	-	-	-	-	-	-	-	67
Parks and recreation	-	-	-	-	559	465	474	364	67	-
Capital Grants and Contributions										
General Government	2,531	3,350	15,129	4,226	-	3,155	549	5,672	3,682	5,070
Facilities	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	2,905	3,943	7,257	7,390	372	258	350
Quality of life	-	-	-	-	-	-	-	-	-	-
Public works	11,508	11,515	10,857	2,524	650	476	485	-	-	-
Subtotal governmental activities revenues	37,084	33,484	50,222	36,002	25,735	35,758	29,915	22,790	29,190	23,976

(Continued)

City of Las Cruces

Changes in Net Position (in 000's) – continued

Last Ten Fiscal Years

(Unaudited)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services										
Gas	31,991	23,880	24,693	24,498	24,150	24,243	10,932	10,736	10,873	13,841
Water	13,941	13,182	13,231	14,501	15,379	15,388	14,701	15,207	15,706	19,961
Waste water	10,910	10,793	10,822	10,897	11,599	12,004	11,970	11,570	11,767	15,173
Solid waste	10,194	9,710	10,204	10,361	11,050	11,735	11,589	11,818	13,525	13,169
Transit	-	-	564	640	660	637	737	620	768	864
Other	325	420	-	-	-	-	-	-	-	-
Operating Grants and Contributions										
Gas	-	-	-	-	-	-	-	-	-	-
Water	-	-	8	-	1	241	-	-	1,537	463
Waste water	-	-	-	-	-	-	-	-	1,256	628
Solid waste	-	-	-	-	-	-	-	-	-	-
Transit	-	-	1,368	1,614	1,765	3,185	2,459	2,253	2,325	2,154
Other	1,188	2,789	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Gas	335	333	50	4,570	-	97	-	33	73	91
Water	1,263	1,968	1,069	2,548	-	602	-	139	168	102
Waste water	1,926	2,383	531	2,034	-	590	-	122	87	74
Solid waste	-	-	-	-	-	-	-	-	-	-
Transit	-	-	626	58	-	-	-	-	-	-
Other	118	-	-	-	-	-	-	-	-	-
Subtotal business-type activities revenues	72,191	65,458	63,166	71,721	64,604	68,722	52,388	52,498	58,085	66,520
Total primary government revenues	109,275	98,942	113,388	107,723	90,339	104,480	82,303	75,288	87,275	90,496
Net (Expense)/Revenue										
Governmental activities	(75,436)	(59,933)	(74,929)	(90,985)	(77,145)	(86,263)	(95,892)	(99,422)	(99,422)	(114,033)
Business-type activities	6,624	(807)	(2,057)	6,135	(2,340)	14,853	(1,978)	(5,339)	248	(116)
Total primary government net expense	(68,812)	(60,740)	(76,986)	(84,850)	(79,485)	(71,410)	(97,870)	(104,761)	(99,174)	(114,149)
*General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts	77,080	88,372	75,230	76,793	82,112	83,312	81,882	93,684	99,614	99,866
Property	10,891	-	13,216	13,904	13,281	13,972	14,265	14,461	14,841	15,085
Franchise	2,985	-	2,739	2,952	2,743	2,691	2,701	2,438	2,873	2,809
Investment income (loss)	3,842	(1,720)	3,569	3,462	4,172	(545)	5,892	5,515	4,805	4,416
Hospital net assets received	-	-	-	-	-	-	-	-	-	-
Telshor Facility income	267	278	139	5,473	-	-	-	-	-	-
Other	-	-	2,683	2,878	-	365	11	-	-	-
Donated capital assets	-	-	-	443	1,044	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fees, fines, franchise fees	-	-	-	-	-	-	-	-	-	-
Other	2,835	3,091	-	-	-	-	-	-	-	-
Gain(loss) on disposal of fixed assets/sale of investments	-	-	-	-	-	-	-	-	-	-
Transfers	(4,083)	(4,232)	(3,442)	(3,697)	(830)	(2,945)	(3,161)	(2,943)	(3,168)	(3,308)
Total governmental activities	93,817	85,789	94,134	102,208	102,522	96,850	101,590	113,155	118,965	118,868
Business-type activities:										
Investment income	3,408	1,597	1,302	306	2,258	(1,827)	1,465	2,797	2,714	119
Other	40	698	457	10	38	-	-	-	-	-
Gain(loss) on disposal of capital assets/sale of investments	-	-	-	(443)	46	-	-	-	441	536
Capital contributions	-	-	-	-	-	-	231	-	-	-
Transfers	4,083	4,232	3,442	3,697	830	2,945	3,161	2,943	3,168	3,308
Total business-type activities	7,531	6,527	5,201	3,570	3,172	1,118	4,857	5,740	6,323	3,963
Total primary government	101,348	92,316	99,335	105,778	105,694	97,968	106,447	118,895	125,288	122,831
*Change in Net Position										
Governmental activities	18,380	25,855	19,205	11,223	25,377	10,587	5,698	13,733	19,543	4,835
Business-type activities	14,156	5,721	3,144	9,705	832	15,971	2,879	401	6,571	3,847
Total primary Government	\$ 32,536	\$ 31,576	\$ 22,349	\$ 20,928	\$ 26,209	\$ 26,558	\$ 8,577	\$ 14,134	\$ 26,114	\$ 8,682

* In FY 2013 "Net Assets" changed to "Net Position". GASB Statement No. 63.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund							
Non-spendable	\$ 1,747,278	\$ 1,820,976	\$ 1,431,060	\$ 1,607,029	\$ 1,732,121	\$ 1,531,425	\$ 1,330,306
Restricted	1,729,164	49,695	87,037	26,654	109,896	43,994	853,513
Committed	8,252,569	8,034,176	5,937,791	7,464,550	6,120,361	5,142,436	5,809,607
Assigned	4,479,163	5,831,716	3,063,748	4,651,973	6,634,296	4,817,723	4,185,702
Unassigned	<u>39,784,069</u>	<u>34,727,631</u>	<u>31,379,100</u>	<u>22,243,480</u>	<u>20,665,163</u>	<u>25,898,101</u>	<u>21,718,500</u>
General fund subtotal	<u>55,992,243</u>	<u>50,464,194</u>	<u>41,898,736</u>	<u>35,993,686</u>	<u>35,261,837</u>	<u>37,433,679</u>	<u>33,897,628</u>
All Other Governmental Funds							
Restricted	131,993,717	116,732,589	80,544,450	61,250,466	58,884,597	58,590,185	34,129,396
Committed	5,475,839	11,010,857	20,493,179	16,309,303	19,566,873	21,284,190	33,900,122
Unassigned	<u>(190,492)</u>	<u>(205,952)</u>	<u>-</u>	<u>(3,102)</u>	<u>-</u>	<u>(5,166)</u>	<u>-</u>
All other governmental funds subtotal	<u>137,279,064</u>	<u>127,537,494</u>	<u>101,037,629</u>	<u>77,556,667</u>	<u>78,451,470</u>	<u>79,869,209</u>	<u>68,029,518</u>
	<u>\$ 193,271,307</u>	<u>\$ 178,001,688</u>	<u>\$ 142,936,365</u>	<u>\$ 113,550,353</u>	<u>\$ 113,713,307</u>	<u>\$ 117,302,888</u>	<u>\$ 101,927,146</u>

Notes:

*The requirement for statistical data is ten years. GASB 54 was implemented in 2011, therefore, only data from 2011-2017 are shown. Prior years' data is available upon request.

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 90,955,351	\$ 88,372,353	\$ 91,184,536	\$ 93,649,128	\$ 95,393,242	\$ 97,283,814	\$ 96,147,228	\$ 108,144,911	\$ 114,455,163	\$ 114,950,696
Charges for services	1,359,566	2,038,227	1,639,472	1,693,974	2,748,831	2,621,870	2,978,651	2,871,940	2,957,652	3,036,531
Fees and fines	1,935,093	2,975,920	3,313,826	3,242,061	3,094,954	4,223,526	3,601,721	2,960,103	3,238,041	2,208,315
Franchise fees	2,677,024	2,772,546	2,683,038	2,877,685	2,742,676	2,691,014	2,700,727	2,438,470	2,873,464	2,809,073
Investment income	3,580,256	(1,909,490)	3,371,641	3,413,172	3,561,376	181,900	5,502,991	4,632,666	4,021,081	4,428,153
Licenses and permits	1,963,361	1,340,840	1,240,495	1,358,315	1,278,941	1,266,098	1,090,909	1,072,697	1,577,456	1,655,125
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	1,846,289	-	-	-	-
Intergovernmental	12,566,035	13,083,996	35,021,604	12,021,639	10,717,386	13,359,243	6,219,035	7,265,804	6,784,524	8,335,866
Other	12,030,681	7,805,665	6,780,990	9,661,224	8,601,347	6,168,354	8,237,485	8,798,356	7,211,763	8,203,588
Contributions from other governments	-	-	-	-	-	-	-	-	-	-
Total revenues	127,067,367	116,480,057	145,235,602	127,917,198	128,138,753	129,642,108	126,478,747	138,184,947	143,119,144	145,627,347
Expenditures										
Current										
General government	16,096,382	15,763,301	15,499,329	14,007,817	14,943,693	15,244,156	15,309,810	15,540,303	21,270,277	19,370,272
Facilities	9,029,214	9,475,716	12,899,522	12,419,508	-	-	-	-	-	-
Development services	-	-	-	-	-	-	-	-	-	-
Police	22,887,190	26,930,951	25,629,244	25,131,037	25,616,229	26,298,016	26,682,809	25,964,438	25,031,978	25,467,920
Fire	10,620,627	10,611,882	10,461,299	10,704,845	11,300,825	11,670,358	11,960,199	13,231,354	13,190,791	13,613,317
Community development	5,005,801	4,574,265	7,541,002	5,797,178	4,724,846	4,384,737	4,590,232	4,855,907	5,210,672	4,952,654
Quality of life	11,437,702	11,527,609	9,085,863	8,331,342	8,153,572	8,161,447	8,470,577	8,408,291	8,669,918	8,533,485
Public works	10,909,474	11,037,538	10,260,104	10,401,815	14,620,521	11,027,114	9,516,062	10,113,065	7,842,112	13,523,292
Information Technology	-	-	-	2,795,580	2,913,463	3,575,895	3,261,809	3,307,482	-	-
Transportation	-	-	-	-	3,192,467	7,227,168	7,124,350	7,050,236	6,748,867	1,941,788
Economic development	-	-	-	-	-	-	-	-	-	4,156,253
Parks and recreation	-	-	-	-	8,582,487	7,910,542	8,487,589	9,096,141	9,516,112	9,498,709
Capital outlay	32,342,749	52,120,555	60,876,060	25,235,059	16,511,279	20,881,103	16,053,786	16,407,438	30,391,233	34,117,241
Debt service										
Principal	7,260,878	8,298,537	7,554,567	48,897,966	13,058,688	8,843,242	9,313,208	9,418,765	10,705,464	9,697,955
Interest and other charges	4,003,447	4,307,153	4,194,303	4,244,129	4,040,062	3,391,926	3,158,108	3,485,553	3,592,138	4,097,624
Bond issuance costs	-	-	-	-	-	-	100,850	612,093	625,648	464,919
Total expenditures	129,593,464	154,647,507	164,001,293	167,966,276	127,658,132	128,615,704	124,029,389	127,491,066	142,795,210	149,435,429
Excess of rev over (under) exp	(2,526,097)	(38,167,450)	(18,765,691)	(40,049,078)	480,621	1,026,404	2,449,358	10,693,881	323,934	(3,808,082)

(Continued)

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Issuance of debt	32,184,395	9,749,434	187,874	46,400,106	17,462,973	44,638	2,780,000	44,042,825	35,680,000	23,888,528
Bond premium (discount)	-	-	-	-	536,733	-	-	1,834,877	1,152,703	1,656,248
Hospital netposition received	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds of notes payable	-	-	-	-	-	-	-	-	-	-
Gain on capital assets	157,755	587,667	28,308	575,764	812,621	1,043,557	251,515	122,895	1,197,843	101,462
Escrow refund	-	-	-	4,097,607	-	-	(1,590,000)	(19,545,000)	-	-
Payment to agency	-	-	-	-	-	-	(1,680,000)	-	-	-
Transfers in	25,472,862	21,088,190	19,719,483	26,035,390	22,493,222	20,070,575	20,982,459	21,933,451	34,732,300	24,900,335
Transfers out	(29,827,582)	(25,797,583)	(24,029,943)	(31,065,247)	(26,410,428)	(25,774,755)	(23,356,286)	(29,677,725)	(38,040,649)	(31,468,872)
Total other financing sources (uses)	27,987,430	5,627,708	(4,094,278)	46,043,620	14,895,121	(4,615,985)	(2,612,312)	18,711,323	34,722,197	19,077,701
Net change in fund balances	\$ 25,461,333	\$ (32,539,742)	\$ (22,859,969)	\$ 5,994,542	\$ 15,375,742	\$ (3,589,581)	\$ (162,954)	\$ 29,405,204	\$ 35,046,131	\$ 15,269,619
Debt service as a percentage of non-capital expenditures	11.58%	12.30%	11.39%	37.23%	15.38%	11.36%	11.64%	12.17%	13.28%	12.37%

Notes:

- * 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.
- * The substantial increase in debt service expenditures from FY10 to FY11 is due to the refunding of two bonds and three loans.
- * FY 2017 Transportation split into two separate departments/ Transportation and Economic Development
- * FY 2017 Name change from Community and Cultural Services to Quality of Life

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

Fiscal Year	Real Property		Personal Property		Exemptions Real/Personal Property	Total		Ratio of Total Taxable Value
	Taxable Value	Assessed Value	Taxable Value	Assessed Value		Taxable Value	Assessed Value	To Total Assessed Value
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	5,730,625,452	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%
2012	2,151,439,907	6,454,319,721	54,925,488	164,776,464	202,125,710	2,004,239,685	6,012,719,055	33%
2013	2,125,289,873	6,375,869,619	59,624,489	178,873,467	200,707,966	1,984,206,396	5,952,619,188	33%
2014	2,155,885,195	6,467,655,585	61,581,848	184,745,544	208,357,576	2,009,109,467	6,027,328,401	33%
2015	2,183,225,521	6,549,676,563	(60,724,499)	(182,173,497)	209,457,558	1,913,043,464	5,739,130,392	33%
2016	4,334,489,601	13,003,468,803	(108,098,881)	(324,296,643)	541,083,663	3,685,307,057	11,055,921,171	33%
2017	4,454,534,347	13,363,603,041	(110,661,888)	(331,985,664)	535,801,047	3,808,071,412	11,424,214,236	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 Fiscal Years
(Unaudited)

Fiscal Year	<u>Residential</u>					Total Residential
	<u>City</u>	<u>State</u>	<u>County</u>	<u>School District</u>	<u>Other</u>	
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
2012	6.614	1.360	8.989	9.840	2.000	28.803
2013	6.757	1.360	9.202	9.851	2.000	29.170
2014	6.801	1.360	9.255	9.853	2.000	29.269
2015	6.806	1.360	9.267	9.852	2.000	29.285
2016	6.699	1.360	9.152	9.920	2.000	29.131
2017	6.702	1.360	9.163	9.920	1.600	28.745

Fiscal Year	<u>Non-Residential</u>					Total Non- Residential
	<u>City</u>	<u>State</u>	<u>County</u>	<u>School District</u>	<u>Other</u>	
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
2012	7.120	1.360	11.995	10.014	2.000	32.489
2013	7.120	1.360	11.949	10.014	2.000	32.443
2014	7.120	1.360	11.935	10.013	2.000	32.428
2015	7.120	1.360	11.964	10.013	2.000	32.457
2016	7.120	1.360	11.959	10.116	2.000	32.555
2017	7.120	1.360	11.959	10.109	1.600	32.148

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

City of Las Cruces
Principal Property Taxpayers
June 30, 2017
Last Ten Fiscal Years
(Unaudited)

Taxpayer	Type of Business	FY2017			FY2016			FY2015			FY2014			FY2013		
		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	\$ 75,051,914	1.89%	1	\$ 78,255,738	1.97%	1	\$ 96,539,781	4.59%	1	\$ 88,614,513	4.27%	1	\$ 83,788,517	4.09%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	54,590,000	1.38%	2	54,590,000	1.38%	2	65,093,288	3.10%	2	68,342,933	3.29%	2	67,806,108	3.31%	2
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	35,960,393	0.91%	3	54,042,000	1.36%	3	50,676,800	2.41%	3	50,853,900	2.45%	3	66,381,142	3.24%	3
SUNE SPS1 LLC	ELECTRICITY							31,984,810	1.52%	5	36,200,000	1.74%	4	40,632,555	1.99%	4
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	35,248,800	0.89%	4	35,248,800	0.89%	4	35,116,500	1.67%	4	32,181,500	1.55%	5	32,181,500	1.57%	5
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	22,277,725	0.56%	7	21,760,209	0.55%	7	21,612,820	1.03%	8	23,280,858	1.12%	6	24,909,411	1.22%	6
QWEST CORPORATION	COMMUNICATIONS	22,031,097	0.55%	6	22,407,480	0.56%	6	22,846,665	1.09%	7	22,328,470	1.08%	8	23,149,114	1.13%	7
COPPERSTONE LLC	REAL ESTATE	17,829,900	0.45%	5	25,604,957	0.64%	5	23,522,866	1.12%	6	23,258,900	1.12%	7	17,869,700	0.87%	8
DUKE REALTY LAS CRUCES MOB LLC	REAL ESTATE												14,780,000	0.72%	9	
LAS CRUCES MADISON OWNERSHIP CO. LLC	REAL ESTATE												14,697,557	0.72%	10	
CASA BANDERA TIC LLC	REAL ESTATE	14,148,500	0.36%	10	14,148,500	0.36%	10									
LAS CRUCES - TMB LLC	REAL ESTATE															
FS LAGUNA SECA I LLC	SHOPPING CENTERS															
PUBLIC SERVICE CO OF NM	ELECTRICITY															
UNION PACIFIC RAIL ROAD COMPANY	RAILROAD															
EL PASO NATURAL GAS CO	GASOLINE															
LAS UVAS VALLEY DAIRY	AGRICULTURE															
BURLINGTON NORTHERN & SANTA FE RAILROAD	RAILROAD															
NEW MEXICO MALL PARTNERS LP	SHOPPING CENTERS															
MY WAY OF HOLDINGS LLC	CASINO															
SONOMA SPRINGS PARTNERS LP	REAL ESTATE															
PARK PLACE PERIDOT LLC	BUSINESS COMPLEX															
SOUTHWEST MALLS REAL ESTATE	SHOPPING CENTERS															
LAS CRUCES APARTMENT Co. LLC	PROPERTY DEVELOPMENT															
LAS CRUCES LAGUNA SECA LTD	SHOPPING CENTERS															
CMAT 1999-CI TOWN CENTER LLC	BUSINESS COMPLEX															
SAMS EAST, INC.	DISCOUNT STORES															
ANTHEM PARK PLACE LP	BUSINESS COMPLEX															
WAL-MART STORES, INC.	DISCOUNT STORES															
LAS CRUCES INVESTCO LLC	REAL ESTATE							14,689,139	0.70%	10	16,442,600	0.79%	9			
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS	14,781,437	0.37%	9	14,871,437	0.37%	9	15,646,000	0.74%	9	14,345,600	0.69%	10			
CLEAR SKY CAPITAL CASAS DE SOLEDAD		15,580,539	0.39%	8	15,126,762	0.38%	8									
			<u>7.75%</u>			<u>8.46%</u>			<u>17.97%</u>			<u>18.10%</u>			<u>18.86%</u>	

Source: Dona Ana County Property Abstract - County Assessors Office

(Continued)

City of Las Cruces
Principal Property Taxpayers – continued
June 30, 2017
Last Ten Fiscal Years
(Unaudited)

	FY2012			FY2011			FY 2010			FY 2009			FY 2008		
	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
Taxpayer	Type of Business														
EL PASO ELECTRIC COMPANY	\$ 83,900,940	4.19%	1	\$ 75,082,228	3.70%	1	\$ 74,944,703	3.81%	1	\$ 67,831,036	3.72%	1	\$ 64,345,540	3.93%	1
LAS CRUCES MEDICAL CENTER LLC	68,328,088	3.41%	2	65,207,949	3.21%	3	56,276,100	2.86%	3	18,758,700	1.03%	4	19,334,467	1.18%	4
MEMORIAL MEDICAL CENTER	66,824,652	3.33%	3	67,263,063	3.31%	2	74,406,896	3.78%	2	17,287,000	0.95%	6	17,169,067	1.05%	5
SUNE SPS1 LLC	18,908,564	0.94%	7												
MESILLA VALLEY MALL LLC	31,562,620	1.57%	4	31,160,200	1.53%	5	31,422,000	1.60%	5						
COMCAST CABLEVISION OF NM/PA INC	25,781,160	1.29%	6	27,078,136	1.33%	6	24,878,595	1.26%	6						
QWEST CORPORATION	26,808,806	1.34%	5	39,753,714	1.96%	4	39,251,670	1.99%	4	19,977,512	1.10%	3	26,869,586	1.64%	3
COPPERSTONE LLC															
DUKE REALTY LAS CRUCES MOB LLC															
LAS CRUCES MADISON OWNERSHIP CO. LLC	14,277,800	0.71%	10	14,277,800	0.70%	10	15,833,100	0.80%	7	9,171,319	0.50%	9	9,007,400	0.55%	10
CASA BANDERA TIC LLC	14,303,200	0.71%	9	14,450,000	0.71%	9	15,454,200	0.79%	8						
LAS CRUCES - TMB LLC	14,780,000	0.74%	8	15,300,000	0.75%	7	15,300,000	0.78%	9						
FS LAGUNA SECA I LLC							13,160,400	0.67%	10						
PUBLIC SERVICE CO OF NM										34,621,991	1.90%	2	34,744,992	2.12%	2
UNION PACIFIC RAIL ROAD COMPANY										17,964,050	0.99%	5	15,951,623	0.97%	6
EL PASO NATURAL GAS CO										12,938,360	0.71%	8	12,558,435	0.77%	7
LAS UVAS VALLEY DAIRY													11,841,705	0.72%	8
BURLINGTON NORTHERN & SANTA FE RAILROAD										13,413,383	0.74%	7	11,487,369	0.70%	9
NEW MEXICO MALL PARTNERS LP										8,309,100	0.46%	10			
MY WAY OF HOLDINGS LLC															
SONOMA SPRINGS PARTNERS LP															
PARK PLACE PERIDOT LLC				15,131,252	0.74%	8									
SOUTHWEST MALLS REAL ESTATE															
LAS CRUCES APARTMENT Co. LLC															
LAS CRUCES LAGUNA SECA LTD															
CMAT 1999-CI TOWN CENTER LLC															
SAMS EAST, INC.															
ANTHEM PARK PLACE LP															
WAL-MART STORES, INC.															
LAS CRUCES INVESTCO LLC															
SONOMA PALMS APTS LOUISIANA LLC															
CLEAR SKY CAPITAL CASAS DE SOLEDAD															
		18.23%			17.94%			18.34%			12.10%			13.63%	

Source: Dona Ana County Property Abstract - County Assessors Office

City of Las Cruces
Property Tax Levies and Collections
Last Ten Fiscal 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
2008	10,576,136	10,126,626	95.7%	11,543	10,564,593	99.9%
2009	11,806,587	11,249,267	95.3%	25,002	11,781,585	99.8%
2010	12,713,979	12,103,053	95.2%	46,031	12,667,948	99.6%
2011	13,128,983	12,566,172	95.7%	72,289	13,056,694	99.4%
2012	13,345,937	12,823,300	96.1%	204,850	13,141,087	98.5%
2013	13,802,013	13,312,600	96.5%	489,413	13,312,600	96.5%
2014	14,200,416	13,740,560	96.8%	459,856	13,740,560	96.8%
2015	14,434,851	13,982,535	96.9%	452,316	13,982,535	96.9%
2016	14,878,291	14,361,584	96.5%	857,048	14,361,584	96.5%
2017	15,112,697	14,614,744	96.7%	916,402	14,614,744	96.7%

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

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income *	Per Capita *
	Sales Tax Revenue Bonds	Unamortized Premium on Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Utility Revenue Bonds	Unamortized Discount on Utility Revenue Bonds	Capital Leases	Notes Payable			
2008	54,125,000	208,925	42,333,919	554,258	50,200,000	(99,490)	74,147	26,069,790	173,466,549	7.96%	1,933
2009	48,950,000	346,679	49,003,451	324,909	44,635,000	27,375	65,147	27,486,462	170,839,023	7.84%	1,824
2010	44,145,000	298,717	46,441,758	81,822	41,225,000	30,003	-	27,046,304	159,268,604	2.73%	1,700
2011	73,335,000	2,400,558	12,521,411	-	61,980,000	677,189	-	1,904,310	152,818,468	2.63%	1,561
2012	73,385,000	2,761,500	16,875,696	-	58,060,000	639,532	-	2,558,421	154,280,149	2.47%	1,548
2013	67,580,000	2,585,708	13,882,092	-	54,015,000	601,874	-	2,101,541	140,766,215	6.98%	1,400
2014	59,350,000	2,409,916	13,988,884	-	49,865,000	563,895	-	1,632,909	127,810,604	5.96%	1,261
2015	72,015,000	4,041,329	11,576,819	-	53,050,000	2,658,905	-	3,812,635	147,154,688	6.76%	1,451
2016	99,935,000	4,884,608	8,605,230	-	65,445,000	3,584,671	-	3,116,172	185,570,681	8.69%	1,826
2017	107,405,000	6,185,598	15,325,802	-	77,230,000	4,437,833	-	2,409,118	212,993,351	9.46%	2,093

Notes:

Details regarding the city's outstanding debt-can be found in the note 7 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.

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Taxable Value</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>
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
2012	99,665	2,004,239,685	-	-	-	N/A	N/A
2013	100,557	2,046,371,786	-	-	-	N/A	N/A
2014	101,324	2,076,068,745	-	-	-	N/A	N/A
2015	101,408	2,102,950,157	-	-	-	N/A	N/A
2016	101,643	2,181,741,246	-	-	-	N/A	N/A
2017	101,759	2,288,261,977	-	-	-	N/A	N/A

Source: Dona Ana County Property Abstract
U.S. Census Bureau

City of Las Cruces
Computation of Direct and Overlapping Debt
June 30, 2017
(Unaudited)

<u>Jurisdiction</u>	<u>Total General Debt Outstanding As of 6/30/2017</u>	<u>Percentage Applicable To City of Las Cruces</u>	<u>City of Las Cruces Share of Debt</u>
Direct:			
City of Las Cruces	\$ 128,916,399	100.00%	\$ 113,424,838
Overlapping :			
Dona Ana County	6,145,000	78.27%	4,809,692
Las Cruces School District	167,852,583	116.65%	195,800,038
Dona Ana Community College	<u>15,045,500</u>	45.18%	<u>6,797,557</u>
Total Overlapping	189,043,083		207,407,287
Total Direct And Overlapping General Obligation Bonded Debt	<u>\$ 317,959,482</u>		<u>\$ 320,832,125</u>

Note:

Overlapping rates are those of local and county governments that apply to the property owners of the City of Las Cruces. The percentage applicable to the City was determined by calculating the amount of property tax levied by the jurisdictions in the City divided by the total property taxes levied by the jurisdictions.

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 Fiscal Years
June 30, 2017
(Unaudited)

	<u>FY 2017</u>
Taxable Valuation	\$ 2,288,261,977
Legal Debt Limit- 4% of Assessed Valuation	91,530,479
Amount of Long-Term Debt Subject To Legal Debt Limit: General Obligation Debt Outstanding	-
Legal Debt Margin	<u>\$ 91,530,479</u>

	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 65,486,586	\$ 72,854,107	\$ 76,865,558	\$ 81,277,079	\$ 80,169,587	\$ 81,854,871	\$ 83,042,750	\$ 84,118,006	\$ 87,269,650	\$ 87,269,650
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Total debt margin	<u>\$ 65,486,586</u>	<u>\$ 72,854,107</u>	<u>\$ 76,865,558</u>	<u>\$ 81,277,079</u>	<u>\$ 80,169,587</u>	<u>\$ 81,854,871</u>	<u>\$ 83,042,750</u>	<u>\$ 84,118,006</u>	<u>\$ 87,269,650</u>	<u>\$ 87,269,650</u>
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	N/A

Source: Dona Ana County Property Abstract

City of Las Cruces
Pledged-Revenue Bond/Note Coverage
Last Ten Fiscal Years
(Unaudited)
June 30, 2017

Gross Receipts Tax Revenue Bonds/Notes					Utility Revenue Bonds/Notes					Environmental Gross Receipts Tax Bonds				
Fiscal Year	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service			Pledged Revenues	Debt Service		Coverage
		Principal	Interest					Principal	Interest					
2008	52,160,180	6,149,329	3,470,509	5.42	56,842,630	(45,125,377)	11,717,253	2,390,701	2,980,463	2.18	1,616,819	625,000	217,516	1.92
2009	49,211,512	7,084,187	3,931,990	4.47	47,854,543	(40,565,130)	7,289,413	2,967,453	3,342,628	1.16	1,519,556	640,000	198,766	1.81
2010	50,704,723	6,529,567	3,844,737	4.89	48,746,903	(41,635,816)	7,111,087	3,556,476	2,765,451	1.12	1,559,777	660,000	179,566	1.86
2011	50,412,206	7,131,321	2,828,948	5.06	49,896,286	(40,638,076)	9,258,210	4,085,000	2,101,594	1.50	1,555,093	680,000	159,766	1.85
2012	51,730,477	7,215,472	3,370,997	4.89	51,128,443	(40,127,838)	11,000,605	3,920,000	2,205,491	1.80	1,585,138	705,000	149,567	1.85
2013	52,346,775	7,388,465	3,117,693	4.98	51,635,196	(41,403,992)	10,231,204	4,045,000	2,075,941	1.67	1,605,605	751,279	137,985	1.81
2014	51,493,059	7,783,439	2,912,096	4.81	52,409,657	(42,485,209)	9,924,448	4,150,000	1,953,660	1.63	1,578,684	813,594	121,142	1.69
2015	52,842,407	8,146,612	3,301,885	4.62	50,011,524	(41,273,716)	8,737,808	4,420,000	1,796,217	1.41	1,616,984	534,866	71,740	2.67
2016	57,727,707	9,425,619	3,421,436	4.49	47,909,593	(40,862,240)	7,047,353	4,670,000	2,101,424	1.04	1,773,442	521,163	71,717	2.99
2017	57,222,365	9,229,689	3,971,998	4.33	59,888,381	(48,525,008)	11,363,373	4,590,000	2,650,452	1.57	1,756,683	207,486	68,255	6.37

Gas Tax Notes					Fire Protection Fund					Lodger's Tax and Convention Center Fees Bonds/Notes			
Fiscal Year	Pledged Revenues	Debt Service		Coverage	Pledged Revenues	Debt Service		Coverage		Pledged Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest				Principal	Interest	
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	1,537,530	385,000	140,533	2.93	285,715	219,316	65,387	1.00		3,057,756	365,000	704,831	2.86
2012	1,541,617	410,000	9,338	3.68	628,710	227,216	61,790	2.18		3,297,396	550,000	1,036,894	2.08
2013	1,546,274	405,000	13,703	3.69	418,242	235,498	53,522	1.45		3,169,736	565,000	1,023,144	2.00
2014	1,476,335	405,000	12,042	3.54	689,916	244,175	44,854	2.39		3,004,138	580,000	1,009,019	1.89
2015	1,502,770	410,000	9,288	3.58	609,873	256,287	35,754	2.09		3,127,447	595,000	991,619	1.97
2016	1,547,856	415,000	5,229	3.68	725,117	268,682	28,332	2.44		3,351,562	615,000	973,769	2.11
2017	1,403,313	-	-	-	742,698	157,655	19,922	4.18		3,304,443	630,000	956,856	2.08

Hold Harmless Gross Receipts Tax Revenue Bonds/Notes					Solid Waste Revenue Notes					
Fiscal Year	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2008	-	-	-	-	10,194,037	(10,238,849)	(44,812)	89,791	33,090	(0.36)
2009	-	-	-	-	10,267,228	(9,733,870)	533,358	229,627	72,597	1.76
2010	-	-	-	-	10,204,248	(9,578,086)	626,162	293,682	86,309	1.65
2011	-	-	-	-	10,360,956	(9,202,975)	1,157,981	302,457	77,522	3.05
2012	-	-	-	-	11,049,646	(10,366,503)	683,143	362,450	72,549	1.57
2013	-	-	-	-	11,735,393	(10,563,465)	1,171,928	456,880	69,828	2.23
2014	-	-	-	-	11,589,136	(10,680,237)	908,899	468,632	58,065	1.73
2015	8,740,534	-	-	-	11,740,390	(9,976,506)	1,763,884	596,093	56,472	2.70
2016	9,470,898	1,300,000	596,438	4.99	13,525,241	(10,485,014)	3,040,227	696,463	64,114	4.00
2017	9,683,178	935,000	963,504	5.10	13,169,287	(9,743,474)	3,425,813	707,054	56,185	4.49

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 Fiscal Years
June 30, 2017
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate %</u>
2008	89,722	2,179,617	24,293	32.5	23,747	4.5%
2009	93,680	1,784,791	19,052	31.0	24,530	7.2%
2010	93,452	2,640,112	28,251	31.0	24,400	7.9%
2011	97,906	2,757,522	28,165	35.8	24,706	6.9%
2012	99,665	2,959,453	29,694	33.0	24,534	6.8%
2013	100,557	2,015,363	20,042	33.2	24,495	6.9%
2014	101,324	2,145,941	21,179	32.4	24,516	6.6%
2015	101,408	2,176,216	21,460	31.1	24,191	8.2%
2016	101,643	2,155,848	21,210	33.6	24,613	7.2%
2017	101,759	2,252,130	22,132	31.7	24,627	7.5%

Sources:

U.S. Census Bureau
Las Cruces Public Schools

**City of Las Cruces
Principal Employers
Last Ten Fiscal Years
June 30, 2017
(Unaudited)**

2017	2016	2015	2014	2013
New Mexico State University	New Mexico State University	New Mexico State University	New Mexico State University	New Mexico State University
White Sands Missile Range	Las Cruces Public Schools	Las Cruces Public Schools	Las Cruces Public Schools	Las Cruces Public Schools
Las Cruces Public Schools	Peak Behavioral Health Services	City of Las Cruces	City of Las Cruces	City of Las Cruces
NASA	Memorial Medical Center	Memorial Medical Center	Memorial Medical Center	Memorial Medical Center
City of Las Cruces	Wal-mart	Wal-mart	Wal-mart	Wal-mart
Memorial Medical Center	Mountain View Regional Medical Center	Mountain View Regional Medical Center	Mountain View Regional Medical Center	Mountain View Regional Medical Center
Wal-Mart	Dona Ana County Administration	Dona Ana County	Dona Ana County	Dona Ana County
Allied Signal Aerospace	Dona Ana Branch Community College	Dona Ana Branch Community College	Dona Ana Branch Community College	Dona Ana Branch Community College
Excel Agent Services	Addus Health Care	Addus Healthcare (formerly Coordinated)	Coordinated Care Corp.	Coordinated Care Corp.
National Aeronautics & Space	National Aeronautics & Space	National Aeronautics & Space	National Aeronautics & Space	National Aeronautics & Space
2012	2011	2010	2009	2008
New Mexico State University	New Mexico State University	Border Foods Inc.	Border Foods Inc.	Advanced Care Hospital Of SNM
Las Cruces Public Schools	Las Cruces Public Schools	Dona Ana Branch Community College	Dona Ana Branch Community College	Border Foods Inc.
City of Las Cruces	Memorial Medical Center	Dona Ana County	Dona Ana County	Coordinated Care Corp.
Memorial Medical Center	Coordinated Care Corp.	Las Cruces Public Schools	Las Cruces Public Schools	Dona Ana Branch Community College
Dona Ana Branch Community College	Dona Ana Branch Community College	Memorial Medical Center	Memorial Medical Center	Dona Ana County Administration
Dona Ana County	Wal-Mart	Mountain View Regional Medical Center	Mountain View Regional Medical Center	Las Cruces Public Schools
Mountain View Regional Medical Center	Dona Ana County	National Aeronautics & Space	National Aeronautics & Space	Memorial Medical Center
Wal-Mart	Mountain View Regional Medical Center	New Mexico State University	New Mexico State University	Mountain View Regional Medical Center
Coordinated Care Corp.	City of Las Cruces	Tyson Prepared Foods	Tyson Prepared Foods	National Aeronautics & Space
National Aeronautics & Space	National Aeronautics & Space	Wal-Mart	Wal-Mart	New Mexico State University

Note:

By law, the New Mexico Department of Labor may not release the number of employees.

For further information, contact Ms. Rachel Moscovitz at the New Mexico Department of Labor at (505) 383-2722.

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

City of Las Cruces
City Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2017
(Unaudited)

<u>Function/program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Administration	8	15	18	22	28	21	20	23	24	25
Financial Services	62	59	58	58	42	42	38	42	42	46
Human Resources	14	14	15	14	15	15	15	15	13	14
Legal	46	35	22	26	22	25	25	25	28	36
Risk Management**	7	7	7	9	0	0	0	0	0	4
Facilities**										
Administration**	12	12	10	10	0	0	0	0	0	0
Airport Operations**	4	4	4	4	0	0	0	0	0	0
Building Services**	38	35	34	37	0	0	0	0	0	0
Fleet Services**	24	23	27	31	0	0	0	0	0	0
Parks**	58	58	72	70	0	0	0	0	0	0
Police										
Administration	56	56	64	65	52	64	61	61	66	79
Officers	204	209	213	241	209	202	192	198	184	224
Fire										
Administration	12	13	13	11	13	14	13	13	13	16
Firefighters and Officers	116	108	104	116	122	123	122	118	118	134
Community Development										
Administration	22	21	21	19	11	17	16	16	16	16
Neighborhood Development	15	16	16	21	17	13	5	6	7	14
Permits and Inspections	21	22	23	21	23	25	24	19	20	14
Community and Cultural Services (PS)**										
Administration	0	0	0	0	0	10	18	24	21	34
Convention & Visitors' Bureau	10	10	10	10	9	10	11	11	11	12
Library	36	43	40	36	38	26	24	27	27	34
Museum Systems	18	21	19	31	18	13	13	11	12	21
Parks & Recreation**	26	41	43	47	0	0	0	0	0	0
Public Information	7	7	7	7	6	6	6	6	5	5
Senior Programs	34	59	51	56	45	17	8	7	9	22
Transit**	49	50	49	60	0	0	0	0	0	0
Public Works										
Administration	3	3	3	3	8	9	9	9	11	11
Building Services	0	0	0	0	38	43	42	45	45	46
Engineering	53	50	44	38	34	36	33	35	35	39
Street Systems**	58	53	53	57	0	0	0	0	0	56
Support Services										
Document Services	2	2	2	2	2	2	2	2	2	2
Information Tech. & Comm.	32	27	19	24	24	25	23	23	21	27
Transportation**										
Administration**	0	0	0	0	8	7	8	8	11	27
Airport Operations**	0	0	0	0	4	3	3	3	3	3
Fleet Services**	0	0	0	0	24	26	23	25	27	31
Street Systems**	0	0	0	0	46	54	46	44	46	0
Transit**	0	0	0	0	48	41	43	41	43	55
Parks and Recreation**										
Administration**	0	0	0	0	7	9	15	17	17	27
Aquatics**	0	0	0	0	44	10	11	39	11	33
Parks**	0	0	0	0	52	53	49	51	39	55
Recreation and Athletic Programs**	0	0	0	0	31	18	19	17	13	36
Utilities										
Administration**	0	0	0	0	19	26	29	30	38	46
Gas	77	69	61	64	62	68	62	62	64	71
Solid Waste	74	67	53	39	42	43	41	42	47	49
Wastewater	81	73	71	75	66	81	89	84	82	85
Water	37	33	46	51	50	42	34	40	37	47
Total Employees	1,316	1,315	1,292	1,375	1,279	1,239	1,192	1,239	1,208	1,496

*The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2008 to 2017 is shown.

**These are changes due to 2012 Reorganization

Data for this schedule was obtained from the 2017-2018 Adopted Budget Book pages 141 to 179 which was compiled from Human Resources Reports.

City of Las Cruces
Operating Indicators by Function/Program
Last Ten Fiscal Years
June 30, 2017
(Unaudited)

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Number of newsletters printed and mailed	231,100	232,000	222,000	232,800	-	-	172,000	164,000	164,000	161,996
Number of newsletters produced					4	75	4	4	16	4
Cost per newsletter	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.23	\$ 88.00	\$ 132.29	\$ 371.00	\$ 6.34	\$ 0.58	\$ 0.59
Average number of days from position postings to position hires	39	80	79	76.5	78.0	74.5			50.0	51.0
Operating and maintenance cost per work station	<\$3500	<\$3,600	<\$3,600	<3800	<4000	<3800	<3800	<3800	<3800	<3600
Public Works/Building Services										
Dollar amount of projects managed per employee	10.49M	8.94	10.4	4.1 M	2.2M	3.79M	2.69M	2.67M	5.90M	4.25M
Number of project work orders (over \$10,000) requested	79	70	43	31	39	40	60	32	29	38
Total number of facilities operated and maintained	96	97	99	99	106	112	107	106	104	105
Conduct park safety and maintenance inspections	147/qtr	148/qtr	150/qtr	153/qtr	153/qtr	154/qtr	153/qtr	154/qtr	154/qtr	159/qtr
Number of clean up events	141	132	146	223	287	371	27	25	47	171
Police										
Number of citations issued	33,810	30,109	47,193	21,869	24,238	20,014	15,968	15,968	17,660	17,159
Number of codes violations addressed	30,944	20,082	23,064	30,399	32,000	37,742	38,919	32,333	32,749	30,597
Fire										
Number of building inspections	3,400	1,449	2,279	2,796	2,162	3,339	2,152	3,240	3,525	2,400
Number of citizens who receive safety education	2,224	1,556	2,150	3,150	3,691	3,663	5,700	5,739	7,950	11,018
Community Development										
Number of affordable rental and owner occupied housing using CDBG and HOME funds	71	67	96	53	58	66	56	61	62	56
Miles of bicycle facility lane installed	-	2.2	4.0	3.0	3.1	1.3	1.4	13.0	0.4	-
Number of special events hosted in downtown area	21	15	25	14	15	15	35	39	58	61
Number of vendors participating in the Farmer's and Crafts Market	255	295	275	300	340	285	-	-	-	-
Number of residential building permits issued (Res New SFD & Res New Townhouses 7/1/13-6/30/14)	1,158	490	468	475	396	417	343	315	379	480
Amount collected for residential permits	\$ 2,948,042	\$ 1,370,971	\$ 1,272,140	\$ 1,447,377	\$ 1,443,350	\$ 1,672,730	\$ 1,680,579	\$ 1,519,102	\$ 1,783,294	\$ 2,555,158
Number of commercial building permits issued (New Commercial Const includes New multi-family 7/1/13-6/30/14)	125	22	17	21	45	25	38	14	26	31
Amount collected for commercial permits	\$ 367,385	\$ 156,315	\$ 83,232	\$ 64,748	\$ 408,195	\$ 928,059	\$ 680,075	\$ 242,413	\$ 737,098	\$ 951,694

(Continued)

City of Las Cruces
Operating Indicators by Function/Program – continued
Last Ten Fiscal Years
June 30, 2017
(Unaudited)

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Community & Cultural Services										
Request for visitor information at Convention & Visitor's Bureau (CVB)	27,315	26,426	30,657	20,832	21,215	20,602	21,612	6,777	5,426	3,605
Walk-in visitors to CVB office	5,464	4,834	3,332	1,660	1,710	1,313	1,123	727	587	642
Number of congregate meals served to seniors	88,215	95,192	87,017	85,715	88,000	90,879	87,847	87,824	98,479	100,775
Number of home-delivered meals served to seniors	192,192	156,828	135,014	130,587	136,000	156,034	176,689	189,274	186,829	190,729
Number of homemaker units	10,103	10,027	8,235	3,164	4,000	4,584	4,246	4,535	4,547	5,084
Museum visitors	301,318	270,512	291,232	269,260	249,000	158,845	137,779	112,838	78,952	84,782
Museum exhibit openings attendance	18,056	16,415	16,345	18,876	17,000	23,244	20,320	6,340	3,286	3,766
Museum program participants	19,494	31,550	26,436	26,409	31,000	29,862	30,331	24,568	18,482	17,537
Fixed Route ridership	671,727	656,590	601,782	637,797	696,580	759,653	735,238	735,862	667,736	539,143
Cost per trip on fixed route	\$ 3.85	\$ 3.81	\$ 4.13	\$ 4.00	\$ 3.73	\$ 3.54	\$ 3.67	est. \$3.56	\$ 3.95	\$ 4.88
Total library circulations	540,936	550,687	583,892	566,302	577,657	554,009	478,675	455,560	431,060	409,838
Total number of library sponsored programs	971	676	665	887	880	850	943	630	613	525
Computer sessions at library	106,539	100,428	97,058	95,780	89,447	73,497	97,897	77,733	61,746	50,491
Public Works										
Percent of potholes patched within 24 hours of report	76.0%	59.0%	75.5%	63.9%	88.0%	89.2%	100.0%	66.7%	68%	76%
Maintain major arterials and intersections through routine striping program	3/yr	3/yr	2/yr	2/yr	2/yr	3/yr	3/yr	3/yr	2/yr	1/yr
Utilities										
Meter reading complaints	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%
Metering operating cost per customer	\$ 0.61	\$ 0.61	\$ 0.67	\$ 0.77	\$ 0.64	\$ 0.67	\$ 0.69	\$ 0.70	\$ 0.70	\$ 0.64
Operating and maintenance cost per dekatherm (Gas)	\$ 2.05	\$ 2.37	\$ 1.83	\$ 1.76	\$ 1.72	\$ 1.74	\$ 1.88	\$ 1.78	\$ 2.61	\$ 2.80
Operating and maintenance cost per 1,000 gallons produced (Water)	\$ 1.23	\$ 1.20	\$ 1.13	\$ 1.06	\$ 1.17	\$ 1.27	\$ 1.24	\$ 1.37	\$ 1.94	\$ 1.64
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	\$ 1.97	\$ 1.80	\$ 1.73	\$ 1.44	\$ 1.85	\$ 2.09	\$ 1.98	\$ 2.04	\$ 2.94	\$ 2.94
Total operating cost per ton collected (Solid Waste)	\$ 57.82	\$ 77.43	\$ 60.06	\$ 66.09	\$ 61.32	\$ 69.03	\$ 71.25	\$ 61.20	\$ 71.36	\$ 73.46

City of Las Cruces
Capital Assets and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years
June 30, 2017
(Unaudited)

<u>Function/program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Area in square miles	76.38	76.38	76.99	76.99	76.99	76.99	77.20	76.99	77.00	76.99	LC Website
Government facilities and services:											
Miles of streets	556	558	563	564	565	575.68	602	496	483	483	Willie Roman
Number of street lights	6,641	7,138	7,360	7,458	7,488	7,533	7,790	7,914	7,463	7,959	Willie Roman
Culture and Recreation:											
Community centers	5	5	5	5	5	4	5	5	6	6	Sonya Delgado
Lakes	1	1	1	1	1	1	1	1	1	1	Sonya Delgado
Pond	1	1	1	1	1	1	2	2	2	2	Sonya Delgado
Parks	80	80	82	84	84	85	86	92	93	92	Sonya Delgado
Park acreage	600	600	646	678	678	690	720	850	972	970	Sonya Delgado
Sports complex	13	13	13	13	13	13	13	13	16	16	Sonya Delgado
Swimming pools	4	4	4	4	4	4	4	4	4	4	Sonya Delgado
Shooting range	1	1	1	1	1	1	1	1	1	1	Sonya Delgado
Tennis courts	18	18	18	18	18	19	19	19	18	18	Sonya Delgado
Bike path	2	2	2	2	4	4	4	4	11	11	Sonya Delgado
Miles of bike paths	10	10	10	10	14	14	19	21	23	23	Sonya Delgado
Fire Protection:											
Number of stations	7	7	7	7	7	7	7	7	8	7	Eric Enriquez
Police Protection:											
Number of stations	1	1	1	1	1	1	1	1	2	1	Jaime Montoya
Sewerage Systems:											
Miles of sanitary sewers (est.)	507	525	530	530	536	536	533	550	550	550	Diana Montoya
Miles of storm sewers (mains)	17	17	17	17	17	17	74.7	74.7	85	74.7	Tony Trevino
Number of treatment plants	2	2	3	3	3	3	3	3	3	3	Diana Montoya
Number of service connections	28,323	29,329	30,866	31,734	32,094	32,394	32,767	33,098	34,048	33,518	Diana Montoya
Water System:											
Miles of water mains (est.)	525	547	558	558	573	580	600	600	704	600	Diana Montoya
Number of service connections	31,193	30,521	31,249	31,797	31,924	31,934	32,209	32,380	35,099	32,653	Diana Montoya
Transit System:											
Miles of Bus Routes	125	133	133	133	133	133	133	133	115	133	M.Bartholomew
Number of Bus Stops	337	350	350	350	345	345	345	343	260	290	M.Bartholomew
Number of Buses	15	15	15	18	18	18	18	19	19	19	M.Bartholomew
Number of Dial-a-Ride Vehicles	17	17	17	23	21	21	21	20	20	2	M.Bartholomew

Sources: Various City departments.

City of Las Cruces
Sales Tax Revenue Payers by Industry
Last Ten Fiscal Years
(Unaudited)
June 30, 2017

Fiscal Year 2016

Industry	Number of Filers	Percentage of		Percentage of		Tax Rate
		Total	Tax Liability	Total	Tax Liability	
Retail Trade	10,047	19.27%	\$ 71,172,263	34.01%		8.3130%
Construction	7,121	13.66%	25,155,891	12.02%		8.3130%
Other Services (except Public Admin)	10,746	20.61%	15,567,684	7.44%		8.3130%
Health Care and Social Assistance	6,157	11.81%	34,124,180	16.30%		8.3130%
Accommodation and Food Services	3,442	6.60%	23,038,391	11.01%		8.3130%
Professional, Scientific and Technical Svcs	6,217	11.92%	13,043,433	6.23%		8.3130%
Wholesale Trade	2,759	5.29%	3,833,924	1.83%		8.3130%
Unclassified Establishments	976	1.87%	852,162	0.41%		8.3130%
Utilities	105	0.20%	7,029,139	3.36%		8.3130%
Information and Cultural Industries	1,657	3.18%	12,054,208	5.76%		8.3130%
Real Estate and Rental and Leasing	2,915	5.59%	3,415,655	1.63%		8.3130%
Total	52,142	100%	\$ 209,286,930	100%		

Fiscal Year 2016

Industry	Number of Filers	Percentage of		Percentage of		Tax Rate
		Total	Tax Liability	Total	Tax Liability	
Retail Trade	9,926	18.71%	\$ 68,891,198	35.01%		8.3125%
Construction	7,033	13.26%	22,175,727	11.27%		8.3125%
Other Services (except Public Admin)	11,136	20.99%	16,939,856	8.61%		8.3125%
Health Care and Social Assistance	6,114	11.52%	25,132,273	12.77%		8.3125%
Accommodation and Food Services	3,420	6.45%	22,297,561	11.33%		8.3125%
Professional, Scientific and Technical Svcs	6,302	11.88%	13,652,053	6.94%		8.3125%
Wholesale Trade	2,587	4.88%	4,371,959	2.22%		8.3125%
Unclassified Establishments	2,056	3.88%	1,805,892	0.92%		8.3125%
Utilities	100	0.19%	6,887,564	3.50%		8.3125%
Information and Cultural Industries	1,477	2.78%	11,442,374	5.81%		8.3125%
Real Estate and Rental and Leasing	2,900	5.47%	3,197,201	1.62%		8.3125%
Total	53,051	100%	\$ 196,793,658	100%		

Fiscal Year 2015

Industry	Number of Filers	Percentage of		Percentage of		Tax Rate
		Total	Tax Liability	Total	Tax Liability	
Retail Trade	10,391	19.88%	\$ 59,497,466	34.44%		7.9375%
Construction	6,603	12.63%	16,725,866	9.68%		7.9375%
Other Services (except Public Admin)	11,172	21.37%	14,886,142	8.62%		7.9375%
Health Care and Social Assistance	5,936	11.36%	28,587,166	16.55%		7.9375%
Accommodation and Food Services	3,355	6.42%	18,940,642	10.96%		7.9375%
Professional, Scientific and Technical Svcs	6,509	12.45%	11,505,973	6.66%		7.9375%
Wholesale Trade	2,642	5.05%	3,287,094	1.90%		7.9375%
Unclassified Establishments	1,191	2.28%	1,028,970	0.60%		7.9375%
Utilities	108	0.21%	5,432,062	3.14%		7.9375%
Information and Cultural Industries	1,508	2.88%	10,304,240	5.96%		7.9375%
Real Estate and Rental and Leasing	2,860	5.47%	2,581,122	1.49%		7.9375%
Total	52,275	100%	\$ 172,776,743	100%		

Fiscal Year 2014

Industry	Number of Filers	Percentage of		Percentage of		Tax Rate
		Total	Tax Liability	Total	Tax Liability	
Retail Trade	10,233	21.06%	\$ 59,620,284	34.25%		7.5625%
Construction	6,091	12.54%	13,971,810	8.03%		7.5625%
Other Services (except Public Admin)	10,842	22.32%	14,641,995	8.41%		7.5625%
Health Care and Social Assistance	5,401	11.12%	24,712,320	14.19%		7.5625%
Accommodation and Food Services	3,198	6.58%	18,185,183	10.45%		7.5625%
Professional, Scientific and Technical Svcs	5,889	12.12%	11,317,346	6.50%		7.5625%
Wholesale Trade	2,299	4.73%	16,428,383	9.44%		7.5625%
Unclassified Establishments	630	1.30%	783,553	0.45%		7.5625%
Utilities	40	0.08%	1,468,008	0.84%		7.5625%
Information and Cultural Industries	1,349	2.78%	10,090,255	5.80%		7.5625%
Real Estate and Rental and Leasing	2,607	5.37%	2,876,308	1.65%		7.5625%
Total	48,579	100%	\$ 174,095,445	100%		

(Continued)

City of Las Cruces
Sales Tax Revenue Payers by Industry – continued
Last Ten Fiscal Years
(Unaudited)
June 30, 2017

Fiscal Year 2013					
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	9,837	20.07%	\$ 57,993,164	34.70%	7.5625%
Construction	6,298	12.85%	18,623,882	11.14%	7.5625%
Other Services (except Public Admin)	11,273	23.00%	15,198,000	9.09%	7.5625%
Health Care and Social Assistance	5,622	11.47%	24,356,642	14.57%	7.5625%
Accommodation and Food Services	3,119	6.36%	17,484,295	10.46%	7.5625%
Professional, Scientific and Technical Svcs	6,098	12.44%	10,836,410	6.48%	7.5625%
Wholesale Trade	2,377	4.85%	3,526,849	2.11%	7.5625%
Unclassified Establishments	409	0.83%	380,595	0.23%	7.5625%
Utilities	105	0.21%	6,332,123	3.79%	7.5625%
Information and Cultural Industries	1,335	2.72%	9,844,183	5.89%	7.5625%
Real Estate and Rental and Leasing	2,539	5.18%	2,570,936	1.54%	7.5625%
Total	49,012	100%	\$ 167,147,079	100%	

Fiscal Year 2012					
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	10,156	20.12%	\$ 59,170,981	35.70%	7.5625%
Construction	6,614	13.10%	19,149,191	11.55%	7.5625%
Other Services (except Public Admin)	11,844	23.47%	13,943,584	8.41%	7.5625%
Health Care and Social Assistance	5,752	11.40%	22,776,880	13.74%	7.5625%
Accommodation and Food Services	3,220	6.38%	16,810,873	10.14%	7.5625%
Professional, Scientific and Technical Svcs	6,407	12.69%	11,272,006	6.80%	7.5625%
Wholesale Trade	2,330	4.62%	3,558,828	2.15%	7.5625%
Unclassified Establishments	293	0.58%	521,462	0.31%	7.5625%
Utilities	103	0.20%	6,391,697	3.86%	7.5625%
Information and Cultural Industries	1,374	2.72%	9,708,312	5.86%	7.5625%
Real Estate and Rental and Leasing	2,380	4.72%	2,445,620	1.48%	7.5625%
Total	50,473	100%	\$ 165,749,434	100%	

Fiscal Year 2011					
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	10,210	19.50%	\$ 61,955,156	36.46%	7.5625%
Construction	7,036	13.44%	20,365,580	11.99%	7.5625%
Other Services (except Public Admin)	12,709	24.28%	16,542,853	9.74%	7.5625%
Health Care and Social Assistance	5,819	11.12%	22,565,074	13.28%	7.5625%
Accommodation and Food Services	3,221	6.15%	17,642,384	10.38%	7.5625%
Professional, Scientific and Technical Svcs	6,680	12.76%	10,532,343	6.20%	7.5625%
Wholesale Trade	2,383	4.55%	3,415,197	2.01%	7.5625%
Unclassified Establishments	565	1.08%	451,938	0.27%	7.5625%
Utilities	101	0.19%	6,184,660	3.64%	7.5625%
Information and Cultural Industries	1,316	2.51%	7,880,332	4.64%	7.5625%
Real Estate and Rental and Leasing	2,312	4.42%	2,384,331	1.40%	7.5625%
Total	52,352	100%	\$ 169,919,848	100%	

Fiscal Year 2010					
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	9,485	19.78%	\$ 57,662,658	35.71%	7.4375%
Construction	5,972	12.45%	21,149,490	13.10%	7.4375%
Other Services (except Public Admin)	11,558	24.10%	14,829,585	9.18%	7.4375%
Health Care and Social Assistance	5,683	11.85%	23,866,680	14.78%	7.4375%
Accommodation and Food Services	2,949	6.15%	15,363,382	9.52%	7.4375%
Professional, Scientific and Technical Svcs	6,023	12.56%	10,371,267	6.42%	7.4375%
Wholesale Trade	2,242	4.68%	3,178,722	1.97%	7.4375%
Unclassified Establishments	665	1.39%	1,112,128	0.69%	7.4375%
Utilities	90	0.19%	5,903,990	3.66%	7.4375%
Information and Cultural Industries	1,264	2.64%	6,247,725	3.87%	7.4375%
Real Estate and Rental and Leasing	2,018	4.21%	1,773,614	1.10%	7.4375%
Total	47,949	100%	\$ 161,459,241	100%	

(Continued)

City of Las Cruces
Sales Tax Revenue Payers by Industry – continued
Last Ten Fiscal Years
(Unaudited)
June 30, 2017

Industry	Fiscal Year 2009					Fiscal Year 2008				
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	9,809	20.30%	\$ 57,692,756	36.81%	7.125% - 7.3750%	9,965	20.30%	\$ 56,577,965	36.24%	7.1250%
Construction	6,859	14.20%	21,576,264	13.77%	7.125% - 7.3750%	7,028	14.32%	24,163,297	15.48%	7.1250%
Other Services (except Public Admin)	11,074	22.92%	15,741,662	10.05%	7.125% - 7.3750%	11,465	23.36%	16,390,115	10.50%	7.1250%
Health Care and Social Assistance	5,596	11.58%	20,425,524	13.03%	7.125% - 7.3750%	5,256	10.71%	18,227,889	11.68%	7.1250%
Accommodation and Food Services	2,932	6.07%	14,315,226	9.13%	7.125% - 7.3750%	2,856	5.82%	13,777,131	8.82%	7.1250%
Professional, Scientific and Technical Svcs	5,678	11.75%	10,649,058	6.80%	7.125% - 7.3750%	5,997	12.22%	9,941,355	6.37%	7.1250%
Wholesale Trade	2,410	4.99%	3,571,603	2.28%	7.125% - 7.3750%	2,395	4.88%	3,968,200	2.54%	7.1250%
Unclassified Establishments	682	1.41%	812,425	0.52%	7.125% - 7.3750%	558	1.14%	1,204,372	0.77%	7.1250%
Utilities	94	0.19%	6,225,175	3.97%	7.125% - 7.3750%	98	0.20%	5,952,788	3.81%	7.1250%
Information and Cultural Industries	1,114	2.31%	3,808,499	2.43%	7.125% - 7.3750%	1,390	2.83%	3,560,350	2.28%	7.1250%
Real Estate and Rental and Leasing	2,064	4.27%	1,892,641	1.21%	7.125% - 7.3750%	2,081	4.24%	2,358,809	1.51%	7.1250%
Total	48,312	100%	\$ 156,710,833	100%		49,089	100%	\$ 156,122,271	100%	

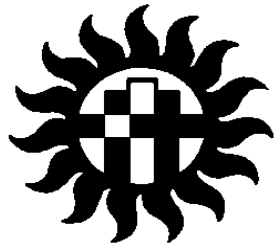
Source: State of New Mexico Taxation & Revenue

<http://www.taxnewmexico.gov/monthly-local-government-distribution-reports-p-500.aspx>

* 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.

* The requirement for statistical data is ten years, however, no data is available prior to 2006.

* Gross receipts tax rates were incorporated into the schedule beginning in Fiscal Year 2017. Changes to the tax rates may occur twice a year in January or July.



City of Las Cruces

City of Las Cruces
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2017

Grantor/Program Title	State Number	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY17 Expenditures as of 6/30/17
New Mexico Aging & Long Term Services Dept.					
Title IIIB, IIIC1, IIIC2, IIIE	2016-17- 64014	7/16 thru 6/17	\$ 346,346	\$ 342,969	\$ 342,969
Munson Recreation Area	A14-1137	08/5/2015 thru 6/30/18	139,590	49,654	32,198
Senior Center Improvements	16A-A2001	11/10/16 thru 6/30/20	80,000	-	5,937
Total NM Aging & Long Term Services			565,936	392,623	381,104
NM State Department of Transportation					
MPO Section 5303	M01395	07/15 thru 09/16	66,737	64,169	10,424
MPO Section 5303	M01395	10/16 thru 9/18	139,739	38,764	38,764
MPO FHWA	P114030	10/14 thru 9/16	304,683	304,683	138,292
MPO FHWA	P115120	10/15 thru 09/17	558,377	222,130	222,130
MPO FHWA	P117040	10/16 thru 9/18	303,848	320,455	-
Airport Action Plan	LRU	09/14 thru 02/16	20,078	17,547	3,757
Aiport Operations	LRU-16-02	8/15 thru 10/17	13,290	12,339	516
NMDOT Airport Maintenance Grant	LRU-17-01	9/16 thru 6/17	9,998	9,503	9,503
El Paseo Safety Improvements	LC00130	3/15 thru 9/17	396,300	396,000	285,073
Las Cruces Street Improvements	14-2064	10/14 thru 06/18	1,036,000	1,036,000	804,274
Mesquite Historic District Street Lighting	14-2063	09/14 thru 06/18	150,000	87,874	46,285
Las Cruces Dam Trail	D14713	12/14 thru 9/17	384,480	321,288	290,285
La Llorona Trail Improvements	D14525	8/14 thru 9/16	384,480	384,480	1,380
Las Cruces Row Roads Flood Control	A2564	11/16 thru 6/20	766,000	285,864	285,864
Solano Drive ADA Improvements	SP-1-16/ HW2 L100216	7/6/2015 thru 6/30/2017	44,793	44,793	44,793
Bus and Bus Facilities - Pass Thru NMDOT	MO1284/2	10/1/2013 thru 9/30/2017	379,153	379,153	37,855
Las Cruces Transit System Bus Shelters & ROW	13-1844	9/29/2014 thru 6/30/2017	80,000	80,000	80,000
Las Cruces Transit System Bus Shelters	14-2065	10/20/2014 thru 6/30/2018	50,000	50,000	50,000
Las Cruces Street Improvements	D15098/ 15-0918	11/25/15 thru 6/30/2019	65,000	65,000	65,000
Solano ADA (LG Road Fund) Improvements	-1-17(962) / CN (HW2 L10021	8/1/2016 thru	37,947	-	-
Amador-Melendres Rescontruction and Improvements	MAP-7613(910) L100296	9/6/2016 thru 6/30/2018	254,850	-	-
Harrelson St Road Improvements	16-A2562	11/3/16 thru 6/30/20	300,000	37,985	37,985
Las Cruces Traffic System Network	16-A2565	9/30/16 thru 6/30/20	100,000	5,385	5,385
University Avenue Crosswalk System	16-A2566	9/23/16 thru 6/30/20	260,000	11,685	11,685
Las Cruces Avenue Street Improvements	16-A2563	9/23/16 thru 6/30/20	75,000	-	-
Total NM State Dept of Transportation			6,180,753	4,175,097	2,469,250
Children, Youth and Families Department					
Juvenile Citation Program	17-690-19803	07/01/16 thru 06/30/17	309,086	297,709	297,709
Total Children, Youth and Families Department			309,086	297,709	297,709
New Mexico Environment Department					
WW Septic Systems (Sewer Systems Construction Project)	SAP 13-1449-STB	4/4/2014 thru 06/30/2017	321,000	321,000	4,472
Las Cruces Water System and Wells	SAP 14-1737-STB	12/2/2014 thru 6/30/2018	2,000,000	1,995,953	458,528
Las Cruces Septic System Remediation	SAP 14-1624-STB	12/2/2014 thru 6/30/2018	2,250,000	1,515,782	581,242
WW Septic Systems (Willow Glenn)	SAP 15-0501- STB	12/2/2014 thru 6/30/2018	170,000	-	-
Griggs Walnut Plume Site	SAP 16-A2258-STB	9/8/2016 thru 06/30/2020	540,000	46,745	46,745
Total New Mexico Environment Department			5,281,000	3,879,480	1,090,987
NM Tourism Department					
New Mexico Clean and Beautiful	17-418-6002-0029	7/1/2016-6/30/2017	21,500	17,986	17,986
Total New Mexico Tourism Department			\$ 21,500	\$ 17,986	\$ 17,986

(Continued)

See notes to schedule of expenditures of state and federal awards.

City of Las Cruces
Schedule of Expenditures of State Awards (continued)
For the Year Ended June 30, 2017

Grantor/Program Title	State Number	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY17 Expenditures as of 6/30/17
NM State Library					
NM State Library Aid Grant FY 16	1978 Section 18-2-4 B, NMA	11/1/15 - 6/30/16	\$ 15,054	\$ 15,053	\$ 15,053
Total New Mexico State Library			<u>15,054</u>	<u>15,053</u>	<u>15,053</u>
NM Finance Authority					
Water Trust Board Planning	235-WTB	08/12 - 08/15	100,620	109,411	58,569
Total New Mexico Finance Authority			<u>100,620</u>	<u>109,411</u>	<u>58,569</u>
NM Department of Health					
Emergency Medical Services Fund-FY17		7/1/2016 - 6/30/2017	20,000	18,977	18,977
Health Kids Health Communities FY16	MOA #0019473	3/17/16-9/30/16	50,000	46,839	46,839
Healthy Kids FY2017	MOA #0020442	10/01/16 thru 9/30/2017	50,000	5,363	5,363
Total NM Department of Health			<u>120,000</u>	<u>71,179</u>	<u>71,179</u>
New Mexico Public Regulation Commission					
Fire Protection Distribution Fund-FY17		7/1/2016 - 6/30/2017	786,263	723,642	723,642
FY17 LCFD Apparatus		11/17/2016 - 6/30/2017	100,000	100,000	100,000
Total New Mexico Public Regulation Commission			<u>886,263</u>	<u>823,642</u>	<u>823,642</u>
American Library Association					
Latino Americans : 500 years of History	LA104780	7/1/15 thru 6/30/16	10,000	10,000	1,640
Total American Library Association			<u>10,000</u>	<u>10,000</u>	<u>1,640</u>
Department of Finance and Administration					
Women's Vietnam War Memorial	14-L-1914	thru 06/18	406,500	282,083	260,932
Klein Park Improvements (2)	14-L-1910	9/14 thru 6/18	141,000	125,720	18,998
Traffic Safety Management Control Center	14-L-1913	09/14 thru 06/18	725,000	571,086	84,657
Fire Department Equipment	16-A2424	8/17/16 thru 6/30/18	250,000	250,000	250,000
Fire Station Kitchen Grant	16-A2425	8/17/16 thru 6/30/20	20,000	20,000	20,000
Law Enforcement Protection Fund	LEPF FY 17	7/1/16 thru 6/30/17	142,200	141,367	141,367
Police Equipment Grant	15-0770	3/28/16 thru 6/30/18	48,000	48,000	48,000
East Mesa Public Safety Complex	16-A2423	8/17/16 thru 6/30/18	50,000	48,886	48,886
LCPD Seized Assets-State	NM0070100	INDEFINITE	-	-	-
METRO Seized Assets-State	NM0070104	INDEFINITE	-	-	-
La Placita Electrical Infr	15-0765	11/15 thru 6/19	25,000	-	2,590
MVASC Design Phase 1	15-0768	11/15 thru 6/19	40,000	-	-
Cinematic Infr	05-0762	11/15 thru 6/19	402,000	4,441	4,441
Veterans Park Plaques	15-0772	1/15 thru 6/18	40,000	39,751	39,751
Community of Hope-Health	14-L-2271	3/15 thru 6/17	138,600	138,600	138,600
Community of Hope - Health Facility	14-L-1912	1/15 thru 6/18	292,892	20,211	20,211
Railroad Museum Impr	15-0769	11/15 thru 6/19	25,000	-	11,698
Amador Hotel	15-0761	2/16 thru 6/19	195,000	98,767	98,767
Alameda Depot Street Lighting	14-2062	10/15 thru 6/18	100,000	14,991	14,991
Young Park Play Area	15-0773	11/15 thru 6/19	75,000	66,667	66,667
Thomas Branigan Memorial Library GO Bond-2015	GOB15-14-1289	07/31/14-04/01/18	258,254	258,254	151,823
FY15 NMDFA Competition Pool	15-0763	11/17/15 thru 6/30/19	220,000	-	-
Cinematic Infr Project	15-1122	10/17/16 thru 6/30/18	550,000	15,305	15,305
Amador Hotel Hazardous Material	16-A2421	10/17/16 thru 6/30/20	100,000	-	-
Klein Park Improvements	16-A2426	10/17/16 thru 6/30/20	100,000	-	-
Thomas Branigan Memorial Library Equipment	16-A2427	10/17/16 thru 6/30/18	40,000	11,574	11,574
MV Community of Hope Health Facility	15-1123	9/13/16 thru 6/30/18	50,000	-	-
MC Community of Hope Health Facility (2)	15-0764	11/7/16 thru 6/30/19	505,000	14,554	14,554
La Clinica Cervantes Complex Equip	15-0754	10/3/16 thru 6/30/18	643,000	459,983	459,983
Jardin Kitchen - Laundry Improvements	15-0767	11/4/16 thru 6/30/19	50,000	16,999	16,999
Total Department of Finance and Administration			<u>5,632,446</u>	<u>2,647,239</u>	<u>1,940,794</u>
Total State Assistance			<u>\$ 19,122,658</u>	<u>\$ 12,439,419</u>	<u>\$ 7,167,913</u>

See notes to schedule of expenditures of state and federal awards.

City of Las Cruces

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant no./ Pass-Through Identifying no.	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY17 Expenditures as of 6/30/17
U.S. Department of Housing and Urban Development						
Community Development Block Grant						
B-12-MC-35-0002	14.218	B-12-MC-35-0002	07/12 to Comp	\$ 745,651	\$ 770,670	\$ 5,778
B-13-MC-35-0002	14.218	B-13-MC-35-0002	07/13 to Comp	769,526	821,576	96,517
B-14-MC-35-0002	14.218	B-14-MC-35-0002	07/14 to Comp	763,886	745,661	108,284
B-15-MC-35-0002	14.218	B-15-MC-35-0002	07/15 to Comp	771,833	651,390	226,208
B-16-MC-35-0002	14.218	B-16-MC-35-0002	07/16 to Comp	773,328	615,829	615,829
Entitlement Grants Cluster				3,824,224	3,605,126	1,052,616
Home Program Grant						
M-14-MC-35-0222	14.239	M-14-MC-35-0222	07/14 to Comp	330,643	400,519	137,198
M-15-MC-35-0222	14.239	M-15-MC-35-0222	07/15 to Comp	289,953	147,433	102,723
M-16-MC-35-0222	14.239	M-16-MC-35-0222	07/16 to Comp	309,238	128,216	128,216
Total Home Program Grant				929,834	676,168	368,137
Special Needs Assistance Program (SNAP)						
NM0047L6B011501	14.267	NM0047L6B011501	10-1-2016 to 9-30-2017	70,702	51,331	51,331
NM0047C6B010900	14.238	NM0047C6B010900	8-1-2015 to 9-30-2016	88,815	45,620	20,205
Total Special Needs Assistance Program Grant				159,517	96,951	71,536
Total U.S. Department of Housing and Urban Development				4,913,575	4,378,245	1,492,289
U.S. Department of Justice						
Victim Assistance Unit						
Victim Assistance Unit	16.575	2016-VA-413	10/01/2015 thru 09/30/2016	41,494	35,450	9,583
Subtotal CFDA 16.575	16.575	2016-VA-413	10/01/2016 thru 09/30/2017	41,494	31,401	31,401
				82,988	66,851	40,984
FBI SNM Gang Task Force						
FBI Safe Streets Violent Gang Task Force FY 14	16.U01	MOA	9/7/10-UNTIL RESCINDED	137,170	124,932	-
FBI SNM Gang Task Force FY16	16.U01	MOA	07/13-Until Rescinded	86,011	72,847	2,594
FBI Organized Crime Drug Enforcement Task Force - Busted and Blue	16.U01	MOA	07/01/2015-Until Rescinded	30,508	27,252	17,248
US Marshals Service	16.U01	MOA	10/01/2015-09/30/2016	54,600	51,460	51,460
Subtotal CFDA 16.U01	16.U01	MOU	11/3/10-UNTIL RESCINDED	108,522	104,055	17,388
				416,811	380,546	88,690
COPS Hiring Program FY15	16.710	2015UMWX0052	9/1/2015 - 9/30/2018	1,125,000	18,113	18,113
BYRNE JAG FY17	16.738	2016-DJ-BX-0713	10/1/2015 - 09/30/2019	31,665	31,395	31,395
LCPD Seized Assets-DOJ	16.922	NM0070100	INDEFINITE	-	392,790	157,510
Total U.S. Department of Justice				1,656,464	889,695	336,692
U. S. Department of Transportation						
Airport Action Plan						
Aiport Operations	20.106	20.106	09/14 thru 09/17	361,400	333,399	71,381
Total U.S DOT Airport Improvement	20.106	LRU-16-02	8/15 thru 10/17	239,221	219,442	(4,136)
				600,621	552,841	67,245
Federal Transportation Administration						
Section 5309						
Las Cruces IMC construction#3	20.507	NM-03-0052	9/05 thru Completion	1,868,050	2,779	1,194
LC Transit M&O Facility	20.507	NM-90-X103	2012 thru Completion	394,000	369,467	34,874
Section 5307	20.507	NM-04-0023	1/11 thru Completion	617,500	448,770	-
Section 5307	20.507	NM-90-X129	9/14 thru Completion	1,920,435	2,283,873	334,015
RoadRunner Transit	20.507	NM-90-X135	7/15 thru 6/18	1,594,643	1,670,989	745,304
	20.507	NM2017-002-00	7/1/2016 thru 5/31/2019	1,951,987	1,361,730	1,361,730
Pass thru New Mexico Department of Homeland Security and Emergency Management						
Federal Transit Administration						
Transit - ARRA	20.507	NM-96-X004-00	07/09 thru completion	1,713,911	1,625,094	-
Pass Thru New Mexico Department of Transportation						
Bus and Bus Facilities	20.526	5539	10-1-2013 - completion	379,153	379,153	37,855
Total Pass Thru New Mexico Department of Transportation				2,093,064	2,004,247	37,855
Total Federal Transit Cluster				10,439,679	8,141,855	2,514,972
Federal Highway Administration						
Pass through State Department of Transportation						
S.T.E.P. 100 DAYS & NIGHTS 2016	20.608	16-DS-RF-049	10/1/15-9/30/16	18,008	18,005	17,150
DNTXT-Traffic Safety Bureau 2016	20.608	16-DD-02-049	10/1/15-9/30/16	13,008	13,005	3,248
ODW-Traffic Safety Bureau 2016	20.608	16-OP-RF-049	10/1/15-9/30/16	17,707	17,705	4,323
ODWL-Traffic Safety Bureau 2016	20.608	16-AL-64-049	10/1/15-9/30/16	102,780	102,759	27,966
ENDWI - Traffic Safety Bureau 2017	20.608	17-AL-64-049	10/1/2016 - 9/30/2017	102,763	46,701	46,701
BKLUP/CLOT - Traffic Safety Bureau 2017	20.608	17-OP-RF-049	10/1/2016 - 9/30/2017	12,073	8,479	8,479
STEP/DNOS - Traffic Safety Bureau 2017	20.608	17-ST-RF-049	10/1/2016 - 9/30/2017	25,611	1,587	1,587
Total Pass Through State Highway Department				291,950	208,241	109,454
Total U.S. Department of Transportation				\$ 11,332,250	\$ 8,902,937	\$ 2,691,671

(Continued)

See notes to schedule of expenditures of state and federal awards.

City of Las Cruces
Schedule of Expenditures of Federal Awards - continued
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant no./ Pass-Through Identifying no.	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY17 Expenditures as of 6/30/17
U.S. Department of Health and Human Services						
National Family Caregivers Support - Title III-Part E	93.052	2016-17- 64014	7/16-6/17	\$ 35,774	\$ 35,774	\$ 35,774
Supportive Services & Senior Ctrs - Title III-Part B	93.044	2016-17- 64014	7/16-6/17	33,867	33,867	33,867
Meals/Transportation Grant - Title III-Part C1 & C2	93.045	2016-17- 64014	7/16-6/17	215,593	215,288	215,288
Nutrition Services Incentive Program - Title III	93.053	2016-17- 64014	7/16-6/17	233,475	233,475	233,475
Total Aging Cluster				<u>482,935</u>	<u>482,630</u>	<u>482,630</u>
Total U.S. Department of Health and Human Services				<u>518,709</u>	<u>518,404</u>	<u>518,404</u>
U.S. Dept. of Homeland Security						
Homeland Security-ICE	97.MOA	MOA	06/11/10-UNTIL RESCINDED	85,000	65,944	15,831
FEMA Las Cruces Flood Warning System	97.039	FEMA-4199-DR-NM	Begins on 11/16/2018	168,919	-	-
				<u>253,919</u>	<u>65,944</u>	<u>15,831</u>
Pass through OEM - Doña Ana County						
Operation Stone Garden FY-16	97.067	DASO	9/1/2014 - 08/31/2016	58,350	53,642	9,619
Operation Stone Garden FY-17	97.067	EMW-2015-SS-00110-S01-OPSG-DASO	9/1/2016 - 8/31/2018	39,867	27,986	27,986
Total Pass-through OEM - Doña Ana County				<u>98,217</u>	<u>81,628</u>	<u>37,605</u>
Total U.S. Department of Homeland Security				<u>352,136</u>	<u>147,572</u>	<u>53,436</u>
Executive Office of the President						
Office of National Drug Control Policy						
HIDTA-CLC FUND 7492	95.001	G15SN0006A	01/15 THRU 12/16	1,470,894	1,470,924	571,500
HIDTA-Metro	95.001	G16SN0006A	01/16 THRU 12/17	1,606,453	1,285,011	1,285,013
Total Office of National Drug Control Policy				<u>3,077,347</u>	<u>2,755,935</u>	<u>1,856,513</u>
US Department of the Interior- BLM						
Museum of Nature and Science (MONAS)	15.238	L12AC20088	09/12 thru 09/17	50,000	32,502	15,852
Total US Department of the Interior- BLM				<u>50,000</u>	<u>32,502</u>	<u>15,852</u>
Total Federal Awards				<u>\$ 21,900,481</u>	<u>\$ 17,625,290</u>	<u>\$ 6,964,857</u>

See notes to schedule of expenditures of state and federal awards.

City of Las Cruces
Notes to the Schedules of Expenditures of State and Federal Awards
June 30, 2017

1) General

The accompanying schedules of expenditures of state and federal awards (Schedules) presents the activity of all state and federal award programs for 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 information in the Schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The schedules is not intended to, and do not present the financial position, changes in net position or cash flows of the City.

2) Basis of Presentation

Expenditures reported in the accompanying Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City has elected not to use the 10-percent de Minimis indirect cost rate allowed under the Uniform Guidance.

3) Federal Loans

On May 24, 2010, the City was awarded a promissory note from the U.S. Department of Housing and Urban Development in the amount of \$2,000,000. The note was awarded under the HUD Section 108 loan guarantee program for the purpose of constructing, rehabilitating, and improving the Museum of Nature and Science in the City. Land serves as collateral for the loan and interest is charged at a rate of 1.7 percent. As of the year ended June 30, 2017, the City expended the full \$2,000,000 of the proceeds. Payments on the loan for the year ended June 30, 2017 included \$77,000 in principal and \$63,572 in interest; leaving an outstanding balance of \$1,586,000. Proceeds of the loan, that were received and expended in prior years, impose no continuing compliance requirements. The proceeds of the loan are not reported in the schedules of expenditures of federal awards.

City of Las Cruces
Notes to the Schedules of Expenditures of State and Federal Awards (Continued)
June 30, 2017

4) Sub-recipients

Of the federal expenditures presented in the schedule of expenditures of state and federal awards, the City provided federal awards to sub-recipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.218	Community Development Block Grant	\$ 116,632

5) Reconciliation of the Schedules of Expenditures of State and Federal Awards

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

Expenditures in the schedule of expenditures of state awards	\$ 7,180,912
Expenditures in the schedule of expenditures of federal awards	6,964,857
Expenditures financed by other funding sources	<u>31,077,409</u>
Expenditures reported in the statement of revenues, expenditures, and changes in fund balance/net position—other governmental funds/Transit fund	<u>\$ 45,223,178</u>

Report of Independent Auditors 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. Timothy Keller, New Mexico State Auditor
and the Honorable Mayor and City Council Members
of the City of Las Cruces

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Las Cruces, New Mexico (“the City”) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents and have issued our report thereon dated November 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Albuquerque, New Mexico
November 22, 2017

Report of Independent Auditors on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Mr. Timothy Keller, New Mexico State Auditor
and the Honorable Mayor and City Council Members
of the City of Las Cruces

Report on Compliance for Each Major Federal Program

We have audited the City of Las Cruces, New Mexico's ("the City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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. *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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

Albuquerque, New Mexico
November 22, 2017

City of Las Cruces
Schedule of Findings and Questioned Costs
June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
20.500/20.507/20.526	Federal Transit Cluster	Unmodified
95.001	High Intensity Drug Trafficking Areas Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

City of Las Cruces
Schedule of Findings and Questioned Costs - continued
June 30, 2017

Section II - Financial Statement Findings

FINDING 2017-001 – Schedule of Expenditures of Federal Awards – Significant Deficiency in Internal Control over Compliance

Criteria:

Title 2 of the Code of Federal Regulations, §200.510, requires the City to identify, in its accounts, all federal awards received and expended and the federal programs under which they were received and prepare appropriate financial statements, including a Schedule of Expenditures of Federal Awards (SEFA).

Condition:

The City initially submitted an incomplete SEFA, in which several grants included FY16 figures rather than FY17. It required a subsequent revision to properly reflect FY17 figures.

Questioned costs:

None.

Context:

Specifically, auditors noted the following errors:

- Federal award expenditures for the High Intensity Drug Trafficking Areas Program (CFDA 95.001) were misstated by approximately \$510,000.
- Federal award expenditures did not agree to the initial SEFA provided by the City for ten federal programs.

Effect:

Errors in the SEFA could misstate major programs and expenditures. The City adjusted its SEFA for these errors in the current period under audit.

Cause:

The City prepared its SEFA without fully implementing its policies and procedures requiring a thorough review and reconciliation of the SEFA to detect errors.

Repeat finding:

This finding is not a repeat finding.

Recommendation:

The City should ensure that the SEFA is accurate and complete. The City should enforce its existing policies and procedures for preparing the SEFA. Specifically, the City should ensure that reported amounts reconcile to the financial records and comparing reported amounts with those reported in the previous reporting period for reasonability.

City of Las Cruces
Schedule of Findings and Questioned Costs - continued
June 30, 2017

Section II - Financial Statement Findings

FINDING 2017-001 – Schedule of Expenditures of Federal Awards – Significant Deficiency in Internal Control over Compliance (continued)

Management's Response:

The City will ensure that future reporting amounts accurately reflect to the current expenditures and comparing reported amounts with those reported in the previous reporting period.

Accounting will collaborate with the Grants Department on a quarterly basis to review and approve Federal Grant Expenditures reconciliations. The Grants Administrator and Accounting Manager will ensure that reported amounts reconcile to the financial records and grants.

City of Las Cruces
Schedule of Findings and Questioned Costs - continued
June 30, 2017

Section III - Federal Award Findings and Questioned Costs

None reported.

City of Las Cruces
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

<u>Prior Audit Findings</u>	<u>Current Status</u>
Financial Statement Findings	
2011-002 – Information Technology (Other Non-Compliance)	Resolved
2015-003 – Appropriation to Agencies (Other Non-Compliance)	Resolved
2016-001 – Procurement and Purchasing Cards (Significant Deficiency)	Resolved
Federal Award Findings	
None noted in prior audit	



City of Las Cruces
Corrective Action Plan
For the Year Ended June 30, 2017

Audit Finding	Corrective Action Plan	Person Responsible	Estimated Completion Date
2017-001 Schedule of Expenditures of Federal	See management's response.	Director of Financial Services	June 30, 2018

City of Las Cruces
Exit Conference and Financial Statement Preparation
For the Year Ended June 30, 2017

An exit conference was conducted on November 14, 2017, in a closed meeting pursuant to *Section 12-6-5 NMSA, 1978*, with the following individuals in attendance:

City of Las Cruces

Stuart Ed	City Manager
Ken Miyagishima	Mayor
Kasandra Gandara	Councilor
Gill Sorg	Councilor
Jennifer Vega-Brown	City Attorney
William Studer	Assistant City Manager
Rosie Duran	Director of Financial Services
Maria Villa	Accounting Manager
Maria Sanchez	Financial Reporting Analyst Senior
Audrey Evans	City Internal Audit Department
Viola Perea	City Internal Audit Department

Moss Adams LLP

Ryan Luetkemeyer	Senior 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.