

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CAFR

FOR YEAR ENDED JUNE 30, 2018

L A S C R U C E S . N E W M E X I C O

STATE OF NEW MEXICO
CITY OF LAS CRUCES
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Prepared by

Finance Department
William Studer,
Interim Financial Services Director

Table of Contents

June 30, 2018

INTRODUCTORY SECTION

Letter of Transmittal	8-15
List of Principal Officials	16
Organizational Chart	17
GFOA Certificate	18

FINANCIAL SECTION

Independent Auditors' Report	20-22
Management's Discussion and Analysis	23-37
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	40-41
Statement of Activities	42-43
Fund Financial Statements	
<i>Major Government Funds</i>	
Balance Sheet—Governmental Funds	44
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	47
Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	
General Fund	48
Telshor Facility	49
<i>Proprietary Funds</i>	
Statement of Net Position	50-53
Statement of Revenues, Expenses, and Changes in Net Position	54-57
Statement of Cash Flows	58-61
<i>Agency Funds</i>	
Statement of Fiduciary Assets and Liabilities	62
Notes to Financial Statements	
Note 1: Summary of Significant Accounting Policies – Description and Reporting Entity	63-64
Note 2: Summary of Significant Accounting Policies – Basis of Presentation, Basis of Accounting	64-74
Note 3: Cash and Investments	74-78
Note 4: Capital Assets	79-82
Note 5: Receivables and Payables	82-83
Note 6: Interfund Assets, Liabilities, and Transfers	84-85
Note 7: Long-Term Liabilities	86-96

City of Las Cruces

Table of Contents

June 30, 2018

FINANCIAL SECTION (Continued)

Notes to Financial Statements (Continued)

Note 8: Landfill Closure and Post-Closure Care Cost	96
Note 9: Pollution Remediation Obligation – Change in Accounting Estimate	97
Note 10: Deferred Compensation Plan	98
Note 11: New Mexico Retiree Health Care Plan	98-103
Note 12: Multiple-Employer Cost Sharing Pension Plans	104-112
Note 13: Risk Management	112-113
Note 14: Development Impact Fees	114
Note 15: Telshor Facility Lease Memorial Medical Center/Province Hospital (Telshor Facility)	115-116
Note 16: Las Cruces Convention Center	116-117
Note 17: Major Construction Commitments	117
Note 18: Contingent Liabilities	117
Note 19: Downtown Tax Increment Development District (TIDD)	117-118
Note 20: Affiliated Organizations and Joint Powers Agreements	118-120
Note 21: Tax Abatements	120-121
Note 22: Subsequent Events	121-122
Note 23: Restatement to Prior Period	122

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability	124
Schedule of the City's Contributions	125
Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Act Plan	126
Schedule of Employer Contributions	127
Notes to Required Supplementary Information	128

Combining Financial Statements

Nonmajor Governmental Funds

Combining Balance Sheet	130-141
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	142-153

Nonmajor Enterprise Funds

Combining Statement of Net Position	154
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	155
Combining Statement of Cash Flows	156-157

City of Las Cruces

Table of Contents

June 30, 2018

FINANCIAL SECTION (Continued)

Combining Financial Statements (Continued)

Internal Service Funds

Combining Statement of Net Position	158
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	159
Combining Statement of Cash Flows	160-161

Agency Funds

Statement of Changes in Assets and Liabilities	162-165
--	---------

Supplementary Information

Schedule of Insurance in Force	168-171
Schedule of Pledged Collateral	173
Schedule of Special Appropriations	174-175
Schedule of Deposit Accounts and Investments	176-177
Schedule of Joint Powers Agreements	178-181

STATISTICAL SECTION

Financial Trends

Net Position by Category	186-187
Changes in Net Position	188-195
Fund Balances – Governmental Funds	196-197
Changes in Fund Balances – Governmental Funds	198-201

Revenue Capacity

Taxable and Assessed Value of Property	202-203
Property Tax Rates per \$1,000 Assessed Valuation	205
Principal Property Taxpayers	206-209
Property Tax Levies and Collections	210-211

Debt Capacity

Ratio of Outstanding Debt by Type	212-213
Ratio of Net General Obligation Debt to Taxable Value and Net General Obligation Bonded Debt per Capita	214
Computation of Direct and Overlapping Debt	215
Computation of Legal Debt Margin	216-217
Pledged-Revenue Bond/Note Coverage	218-219

Demographic and Economic Information

Demographic Data	221
Principal Employers	222-223

City of Las Cruces

Table of Contents

June 30, 2018

STATISTICAL SECTION (Continued)

Operating Information

City Government Employees by Function/Program	224-225
Operating Indicators by Function/Program	226-229
Capital Assets and Infrastructure Statistics by Function/Program	230-231
Sales Tax Revenue Payers by Industry	232-237

SINGLE AUDIT SECTION

Schedule of Expenditures of State Awards	240-245
Schedule of Expenditures of Federal Awards	246-251
Notes to the Schedules of Expenditures of State and Federal Awards	252-253
Report 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>	254-255
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance as Required by the Uniform Guidance	256-257
Schedule of Findings and Questioned Costs	258-272
Summary Schedule of Prior Audit Findings	273
Other Disclosures	274

INTRODUCTORY SECTION

December 3, 2018

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, 2018, 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 economic outlook of the City of Las Cruces indicates mixed economic signals. Nevertheless, compared to the nation and the state of New Mexico, Las Cruces MSA has experienced strong economic output growth over the past several years. This is evidenced by the real cumulative growth, which has been higher than the nation and the state at least since 2001.

The U.S. Census Bureau reports median household income for the City of Las Cruces in 2016 at \$41,215. In comparison, the state of New Mexico has a household income of \$45,674 for 2016. A difference of \$4,459 between the State and the City's median household income. However, even though the City has a smaller median household income than the State, the trend has been positive overall. In 2010 the median household income in the City was \$38,391, which means that median household income has increased \$2,824 in 6 years.

Unemployment rate for the City of Las Cruces is higher than the State of New Mexico and the Nation. The September 2018 preliminary figures of the not-seasonally adjusted unemployment rate for the City of Las Cruces is 4.9%, while the State indicates a 4.6% for the same statistic. In comparison, the Nation has 3.6% for the same measurement.

The number of payroll jobs in Las Cruces metropolitan area has increased from a year ago. The preliminary numbers on total non-farm payroll employment in Las Cruces metropolitan area for September 2018 indicate a total of 70,500 payroll jobs. In comparison to the September 2017 figures on the same statistic at 70,400 payroll jobs it represents a slight increase of roughly 100 jobs. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 27, 419 on September 2018, which is 46 less cases than August 2018.

There were fewer new businesses registrations and business permit renewals. On September 2018, there were 45 new business registrations, which is lower than the number of business registrations for September 2017 at 54. The total number of new business registrations for the first 9 months of 2018 is 475, which is higher than the

first 9 months of 2017 at 453. Business registration renewals for September 2018 were 176, which is lower than the September 2017 figures at 246.

Median listing home prices have been increasing since June 2017. The median listing home prices are listed according to three websites: \$198,900, \$191,500, and \$183,360 for Zillow.com, Realtor.com, and Trulia.com respectively in September 2018. This represents an average change in listing prices from its previous month of +\$5,612 for the three websites.

New Mexico State University (NMSU) has experienced a decline in total students enrolled on Fall at least since 2010. The Office of Institutional Analysis (OIA) indicates that on Fall 2017 there were 14,432 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 22%. However, although NMSU has seen a decrease in enrollment, it has improved its graduation rates.

Long Term Plans and Major Initiatives

On August 21, 2018 the citizens of Las Cruces approved all four General Obligation Bond projects on the ballot. These projects, estimated to be completed in the next 5 years are for park improvements including facilities, a new animal shelter facility, replacement of fire station 3 and new and improved recreational trails.

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

The design for the Convention Center expansion was completed and construction has begun. The project is scheduled for completion in fiscal year 2020.

The fiber optic INTERCONNECT and signal improvements continued to add additional intersections to the fully operational Traffic Management Center in fiscal year 2018.

The Women's Veterans Monument at Veteran's Park was completed in fiscal year 2018.

Visit Las Cruces moved into their new permanent location downtown in 2018.

As part of the City's plan to be a customer focused, higher performing organization, the City is implementing performance-based management throughout all City departments. Approximately half of the departments completed the process, known as PEAK Performance in fiscal year 2018. PEAK stands for perform the mission, evaluate measures, assess outcomes and keep climbing. Implementation of performance-based budgeting is anticipated with the fiscal year 2020 budget.

The City continues to promote sustainability efforts through three major areas of investment including additional photovoltaic systems, retrofitting more lights to LED, and a Utilities Energy Performance contract. The Utilities contract, which updates water and gas meters to advanced meter reading meters is the largest energy performance contract for the City to date. The energy savings realized will be reinvested in renewable and energy efficient projects.

Continued 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 are being 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 20 goals identified by City Council, with the projected completion date below:

1. The Las Cruces community will experience greater engagement with their City government. 2017
2. Working with the University and other partners, downtown patrons will have access to restaurants, taverns, music, and art. December 31, 2017
3. The City will offer internships, apprenticeships, and mentorship programs to the community. January 1, 2018
4. The community will have City-approved results-oriented plans for sidewalks, parks, median landscaping, and facilities. July 1, 2018
5. Information & referral services for families with young children will be integrated into all appropriate city services. July 1, 2018
6. Las Cruces City Government will be managing for results for customers. July 1, 2018
7. City-led sponsored events will be held downtown. End of 2018
8. Las Cruces businesses will be able to access all permitting and licensing services in an efficient, effective, customer-service focused one-stop shop. December 31, 2018
9. The relationship between the business community and the City will be strengthened. 2019
10. Working with our partners, the community will have access to engaging public transportation connecting downtown, the University, and the Convention Center. 2019
11. Fiber optic broadband access will be available to businesses in the West Mesa Industrial Park. 2019
12. The community will experience greater access to services and facilities by way of the City and Las Cruces Public Schools' shared services. 2019
13. Wi-fi will be available in downtown, Plaza de las Cruces, and the Mesquite neighborhood. 2020
14. City vehicles and equipment will be maintained in a cost-effective centralized service center. 2021
15. The community will experience a cost-effective municipal court facility. 2022
16. Downtown Las Cruces will have an additional 200 living spaces available. 2022

17. Las Cruces will have daily, regional commercial flights. 2022
18. The Las Cruces airport terminal will be renovated to accommodate 20,000 enplanements per year. 2022
19. Commuter rail service between Las Cruces and El Paso will be included in the 2025 Metropolitan Transportation Plan. 2022
20. Las Cruces families will have access to an interactive children's museum facility. 2022

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

Internal Control Framework

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

Financial Information, Management and Control

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

Budgetary Control

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

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

The adopted budget becomes a document that details a clear and precise picture of the cost of public services that will be provided. The budget is controlled through an integrated accounting system to assure effective fiscal management and accountability. Budget adjustments requested throughout the fiscal year that increase fund expenditures must be approved by the City Council.

Taxes

The allocation of the property tax for fiscal year 2018 and the two preceding years is based on the mill levy below:

<u>Purpose</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operational mill levy:			
Residential	8.770	6.702	6.699
Non-residential	9.126	7.120	7.120

The gross receipts tax rate on receipts within the City was 8.3125% at June 30, 2018. The breakdown and sources of the gross receipts tax rate include:

	<u>Tax Rate</u>	<u>Percent of Total Rate</u>
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	<u>1.25%</u>	<u>15.04%</u>
	8.3125%	100.00%

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 more than \$85 million. The City currently has no outstanding G.O. bonds. On August 21, 2018 City voters approved \$35.6 million of G.O. bonds. The City had twenty-one revenue bond issues outstanding as of June 30, 2018. Gross receipts tax revenues finance fourteen bond issues. The seven Joint Utilities Revenue Bond issues are secured by the net operating revenues of the utility system. The amount of bonds outstanding at June 30, 2018 was \$99.8 million in governmental bonds and \$94.4 million in utility revenue bonds. Principal payments on bonds totaled \$12.5 million during the fiscal year. In addition, the City had twelve loans outstanding from the New Mexico Finance Authority and other entities totaling \$19.3 million with principal payments during the fiscal year of \$3.6 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, Office of Management and Budget Circular A-133, and ARRA requirements. Additionally, the City Charter requires an annual audit of all accounts of the City by an independent certified public accountant.

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

The independent firm of certified public accountants, Carr, Riggs & Ingram, LLC, has audited the financial statements and related notes. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Las Cruces for the comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fourteenth 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.

Acknowledgments

The annual audit cannot be completed without the efforts and dedication of the entire 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 'S. Ed', with a large, stylized flourish at the end.

Stuart C. Ed
City Manager

City of Las Cruces

List of Principal Officials

June 30, 2018

City Council

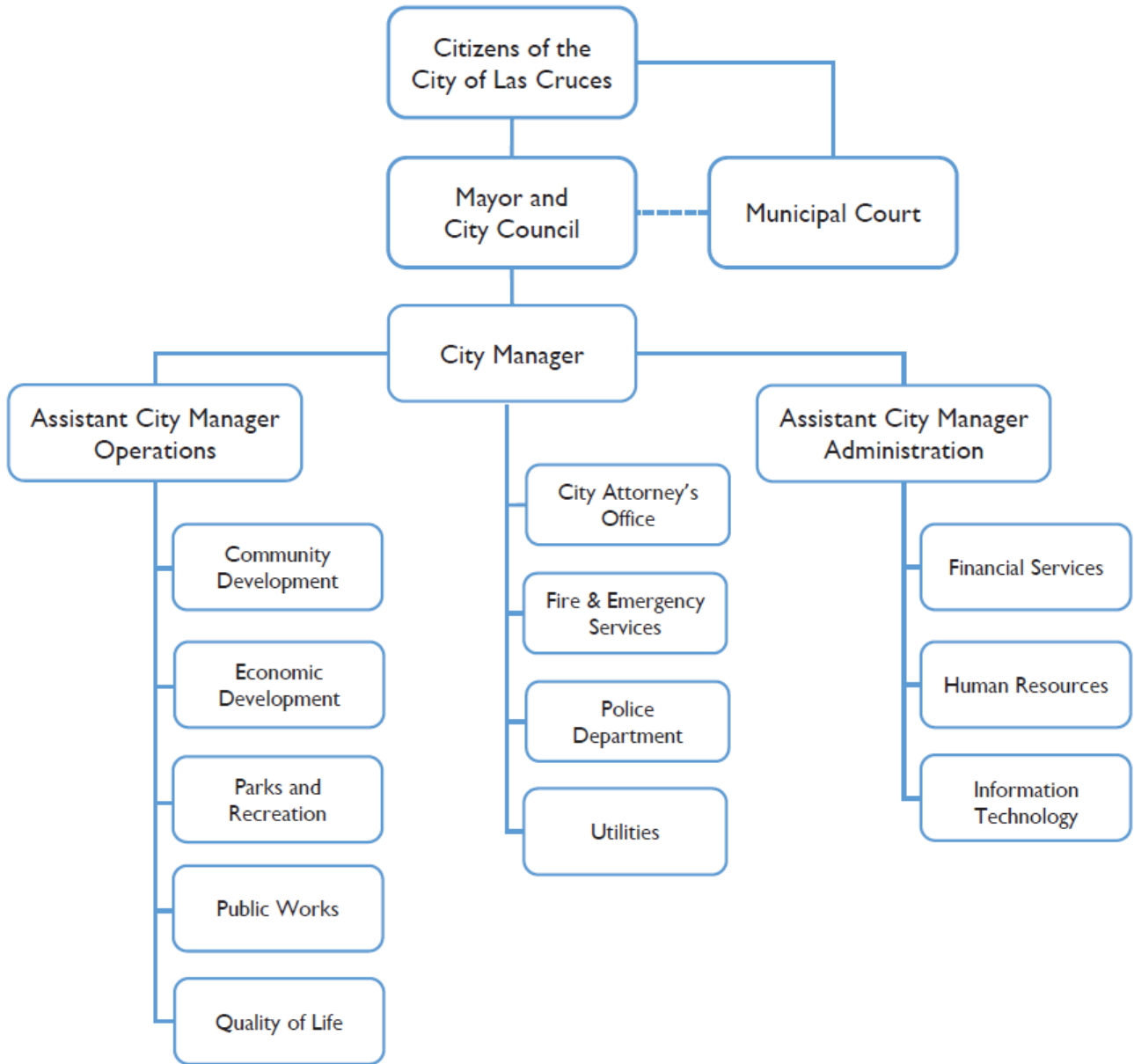
Ken Miyagishima	Mayor
Kasandra Gandara	Councilor
Greg Z. Smith	Councilor
Olga Pedroza	Councilor
Jack Eakman	Councilor
Gill Sorg	Councilor
Cecelia A. Levatino	Councilor

Other Officials

Stuart C. Ed	Manager
David P. Dollahon	Assistant City Manager – Operations
William F. Studer, Jr.	Assistant City Manager – Administration

City of Las Cruces

City Government Organizational 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, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson
New Mexico State Auditor
To the City Council
City of Las Cruces
Las Cruces, New Mexico

Report on 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 comparison schedule 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, 2018, and the related notes to the financial statements, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 of 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 entity'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison schedule for the General Fund and major special revenue funds of the City of Las Cruces as of June 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 23 to the financial statements, in 2018 the City adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter - Change in Accounting Estimate

As discussed in Note 9 to the financial statements, in 2018 the City adjusted their estimate for pollution remediation closure and post-closure liability.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 37, the GASB Supplementary Pension Schedules on pages 124 through 125, and the GASB Supplementary OPEB Schedules on pages 126 through 127 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge 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 combining financial statements, the introductory section, the statistical section, the Schedule of Insurance in Force, the Schedule of Collateral Pledged by Depository for Public Funds, the Schedule of Special Appropriations, the

Schedule of Deposit Accounts and Investments; the Schedule of Joint Powers Agreements within the Supporting Schedules section required by 2.2.2 NMAC, and the Schedule of Expenditures of State Awards are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The 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 combining financial statements, the Schedule of Insurance in Force, the Schedule of Collateral Pledged by Depository for Public Funds, the Schedule of Special Appropriations, the Schedule of Deposit Accounts and Investments; and the Schedule of Joint Powers Agreements within the Supporting Schedules section in the table of contents required by 2.2.2 NMAC 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 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, 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 combining financial statements, and supporting schedules, the Schedule of Insurance in Force, the Schedule of Collateral Pledged by Depository for Public Funds, the Schedule of Special Appropriations, the Schedule of Deposit Accounts and Investments; and the Schedule of Joint Powers Agreements within the Supporting Schedules section required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The introductory section, the statistical section, and the Schedule of Expenditures of State Awards 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 December 3, 2018, 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 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. 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
December 3, 2018

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

The Management Discussion and Analysis presents an overview of the City's financial activities for the fiscal year ended June 30, 2018. 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 \$529,631,067 (net position). Of this amount, (\$75,616,703) 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 \$186,935,608 a decrease of \$6,335,699 in comparison with the prior year. Of this amount, \$8,649,257 is available for spending at the government's discretion.
- The pooled cash and investments for the governmental activities decreased \$10,047,593 and business-type activities increased \$11,089,531 for an increase in total of \$1,041,938.
- The total bond and loan debt for the governmental and business-type activities decreased \$8,224,111. During the fiscal year total debt outstanding decreased to \$136,445,747 due to the issuance of new debt being a lower amount than payments on existing debt.

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.

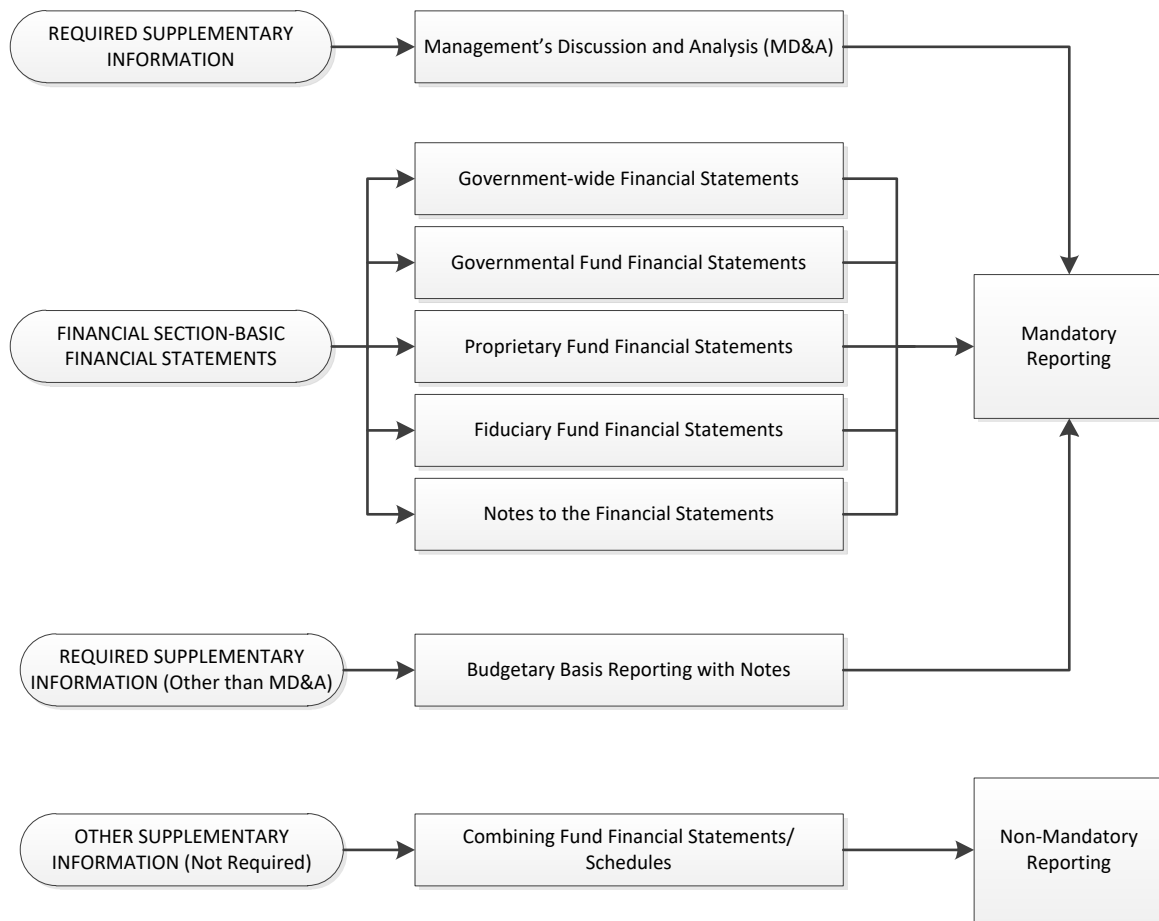
The financial statements presented herein include all the activities of the City of Las Cruces using the integrated approach as prescribed by Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local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

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

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.

The *Statement of Activities* presents information showing how the government's net position changed during fiscal year 2018. 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

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

Life, Public Works, and Parks and Recreation. The business-type activities of the City include Gas, Water, Waste Water, Solid Waste, Transit, and Alternative Fuels. In addition, the City's Rio Grande Theatre is now being reported as a business-type activity.

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.

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 five 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. One other governmental fund, Telshor Facility, is also reported as a major fund. The remaining sixty-six governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Individual fund data for each of these non-major

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

governmental funds is provided in the form of *combining statements* in the Combining Financial Statements section of this report.

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, Alternative Fuels and Rio Grande Theatre 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 & Analysis

June 30, 2018

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 \$529,631,067, at the close of the most recent fiscal year.

Net Position (in 000's)

Eighty two 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 seventy-seven percent in fiscal year 2017. 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 nine percent from 2017 due to an increase in grant funding and unspent debt proceeds.

	Governmental Activities			Business - Type Activities			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Current and Other Assets	232,381	241,821	225,830	94,791	81,615	93,303	327,173	323,436	319,133
Capital Assets	394,169	390,521	374,118	266,778	247,093	217,727	660,947	637,613	591,845
Total Assets	626,550	632,342	599,948	361,569	328,707	311,030	988,119	961,049	910,978
Deferred Outflows of Resources	23,445	38,156	11,215	6,505	9,321	1,705	29,951	47,477	12,919
Total Assets and Deferred Outflows of Resources	649,995	670,498	611,163	368,074	338,029	312,735	1,018,070	1,008,526	923,898
Current and Other Liabilities	22,863	156,594	23,844	18,840	32,376	11,447	41,701	188,970	35,290
Long-term Liabilities	285,648	131,183	209,315	130,911	79,847	79,111	416,560	211,032	288,426
Total Liabilities	308,510	287,777	233,158	149,751	112,223	90,558	458,261	400,002	323,716
Deferred Inflows of Resources	24,551	2,032	2,152	5,627	409	628	30,178	2,441	2,780
Net Position:									
Invested in Capital Assets,									
net of related debt	276,032	292,055	300,431	160,997	185,374	204,137	437,029	477,429	504,568
Restricted Net Position	139,745	133,723	116,782	47,524	28,393	29,918	187,269	162,116	146,701
Unrestricted Net Position	(98,842)	(45,091)	(41,361)	4,176	11,629	(12,506)	(94,667)	(33,462)	(53,867)
Total Net Position	316,934	380,687	375,852	212,697	225,396	221,549	529,631	606,084	597,401
Total Liabilities, Deferred Inflows of Resources and Net Position	649,995	670,498	611,163	368,074	338,029	312,735	1,018,070	1,008,526	923,898

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

Changes in net position during 2018 and comparative amounts for 2017 and 2016 were:

Summary of Changes in Position (in 000's)

	Governmental Activities			Business - Type Activities			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Revenues:									
Program Revenues:									
Charges for services	\$ 12,058	\$ 22,604	\$ 22,604	\$ 56,563	\$ 63,009	\$ 52,639	\$ 68,621	\$ 79,024	\$ 75,243
Operating grants and contributions	7,032	2,647	2,646.88	-	3,244	5,118	7,032	5,891	7,765
Capital grants and contributions	959	3,939	3,939.44	3,457	266	327	4,416	4,205	4,267
General Revenue:									
Taxes-GRT and property	112,834	114,951	114,455				112,834	114,951	114,455
Franchise fees/lodgers tax	6,866	2,809	2,873				6,866	2,809	2,873
Investment income	2,942	4,416	4,805	(55)	119	2,714	2,887	4,535	7,519
Telshor Facility income	-	-	-				-	-	-
Miscellaneous	7,347	-	-	127	536	441	7,473	536	441
Capital asset contribution	629	-	-	1,545	-	-	2,174	-	-
Total Revenue	150,666	151,367	151,324	61,637	67,175	61,240	212,303	211,952	212,564
Expenses:									
General Government	28,650	28,917	29,352				28,650	31,463	29,352
Economic Development	5,851	6,239	-						
Police	28,806	27,973	26,784				28,806	27,973	26,784
Fire	17,737	14,617	14,247				17,738	14,618	14,247
Community Development	6,227	4,953	5,214				6,227	4,953	5,214
Quality of Life	7,358	9,489	9,553				7,358	9,489	9,553
Public Works	29,862	25,792	21,483				29,862	25,792	21,483
Transportation	956	2,906	8,042				956	2,906	8,042
Parks and Recreation	12,026	10,458	10,325				12,026	10,458	10,325
Gas	-	-	-	12,433	14,082	11,274	12,433	14,082	11,274
Water	-	-	-	18,740	18,703	15,994	18,740	18,703	15,994
Waste water	-	-	-	15,072	17,216	14,318	15,072	17,216	14,318
Solid waste	-	-	-	13,612	11,386	11,627	13,612	11,386	11,627
Other	-	-	-	5,373	5,249	4,625	5,373	5,249	4,625
Interest on long-term debt	4,439	4,117	3,613	-	-	-	-	4,117	3,613
Total Expenses	141,913	135,462	128,613	65,231	66,636	57,837	196,855	198,406	186,450
Increase in net position									
before transfers	8,754	15,905	22,711	(3,594)	539	3,403	5,159	16,444	26,114
Transfers	(4,687)	(3,308)	(3,168)	4,687	3,308	3,168	3,161	-	-
Change in Net Position	4,066	4,835	19,544	1,093	3,847	6,571	3,376	8,682	26,114
Net Position - beginning	380,687	375,852	422,341	225,396	221,549	214,978	217,890	597,401	637,319
Prior period adjustment (Note 21)	(67,818)	-	(66,032)	(13,793)	-	-			(66,032)
Net Position - ending	316,934	380,687	375,852	212,697	225,396	221,549	221,266	606,084	597,401

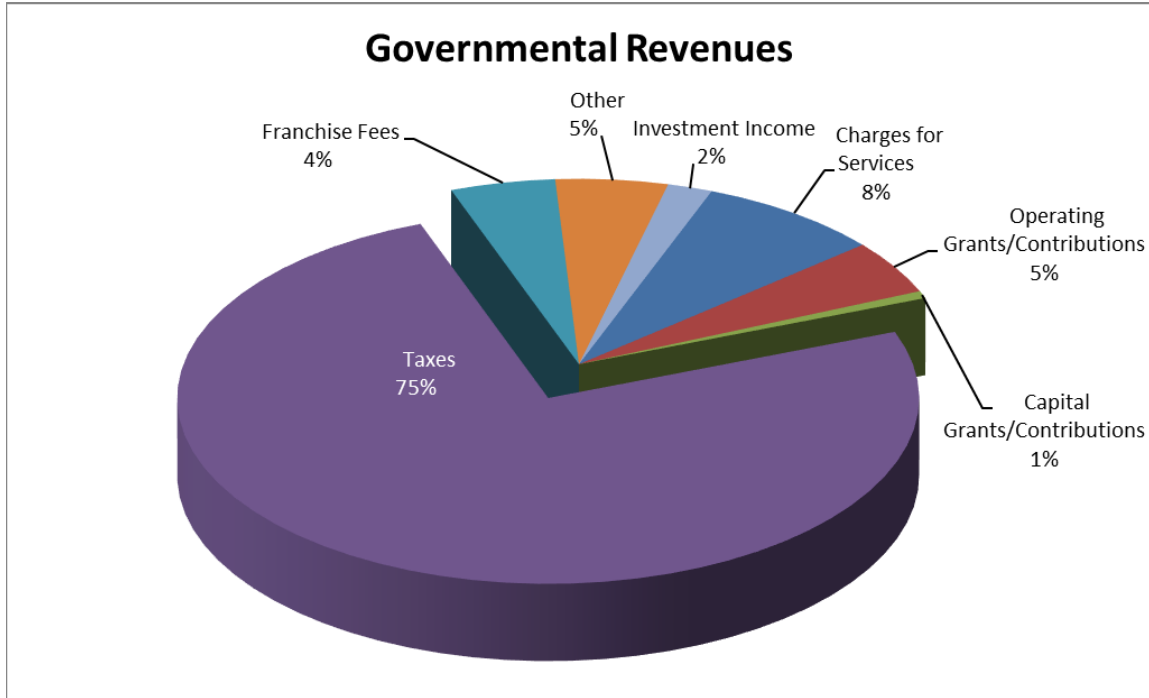
City of Las Cruces

Management's Discussion & Analysis

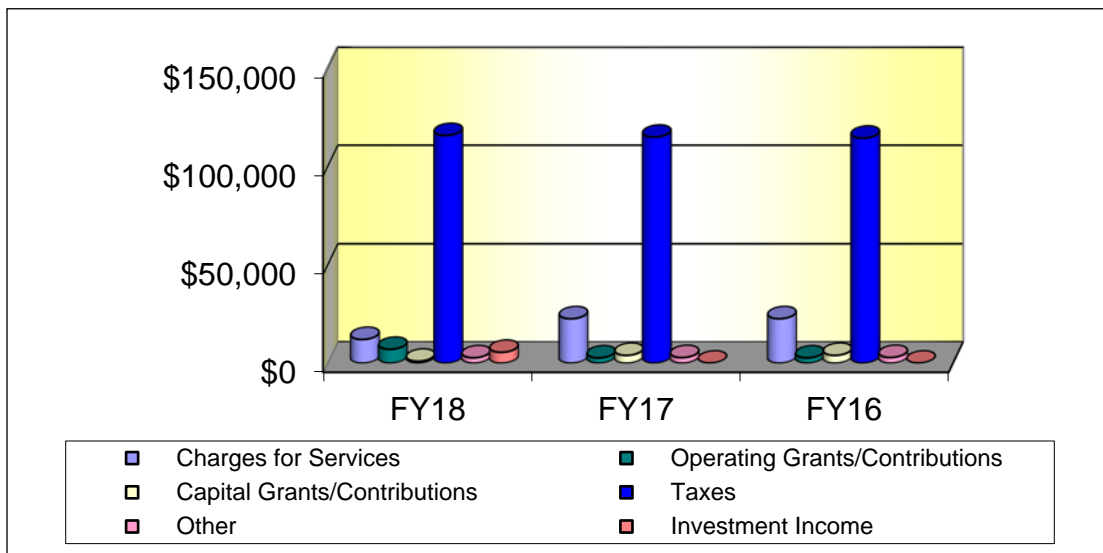
June 30, 2018

Governmental Activities

During the current fiscal year, net position for governmental activities decreased \$63,752,783 from the prior fiscal year for an ending balance of \$316,934,499. Of this decrease \$65,869,925 is attributable to the implementation of GASB 75, *Accounting and Recording of Other Post Employment Benefits* (OPEB) which records a liability for unfunded amounts owed for OPEB. Gross receipts tax, property tax, and franchise fees increased from \$117.8 million in fiscal year 2017 to \$119.7 million in fiscal year 2018 due to better than expected growth in the economy.



Revenue by Source – Governmental Activities



City of Las Cruces

Management's Discussion & Analysis

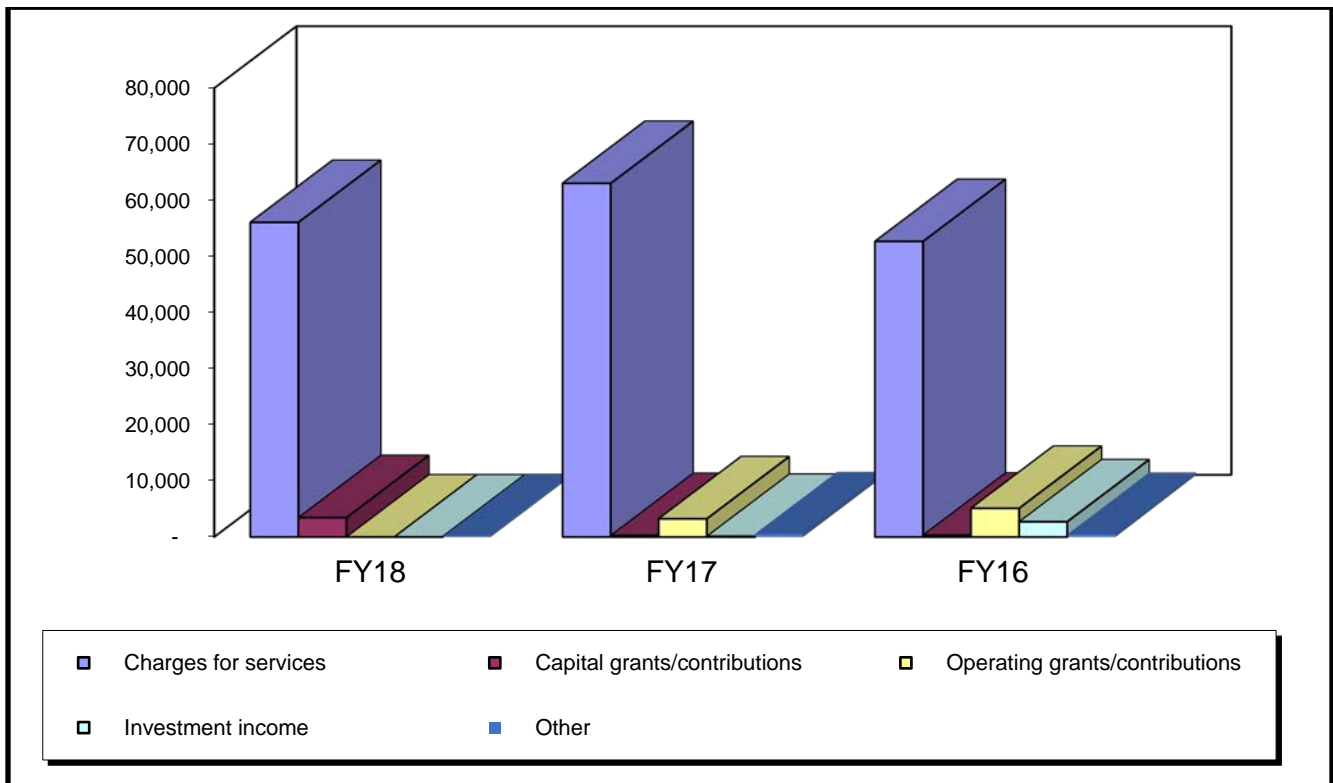
June 30, 2018

Expenses of the City's governmental activities increased from \$138.0 million in fiscal year 2017 to \$142.0 million in 2018 due to significant increased costs in public works.

Business-type Activities

For the City's business-type activities, the net position decreased by \$12,699,774 to reach an ending balance of \$212,696,568. Of this decrease \$13,792,501 is attributable to the implementation of GASB 75, *Accounting and Recording of Other Post Employment Benefits (OPEB)* which records a liability for unfunded amounts owed for OPEB. Charges for services decreased from \$63 million in 2017 to \$6.4 million in 2018 mainly due a change in the allocation of Utilities Shared Services in 2017. Gas decreased by \$2.8 million, Water decreased by \$1.77 million and Wastewater decreased by \$2.4 million. Transit and other enterprise funds increased by \$.1 million due to a slight increase in Transit's grant funding. Operating grants and contributions decreased from \$3.2 million in fiscal year 2017 to \$0 in fiscal year 2018.

Revenues by Source – Business-type Activities

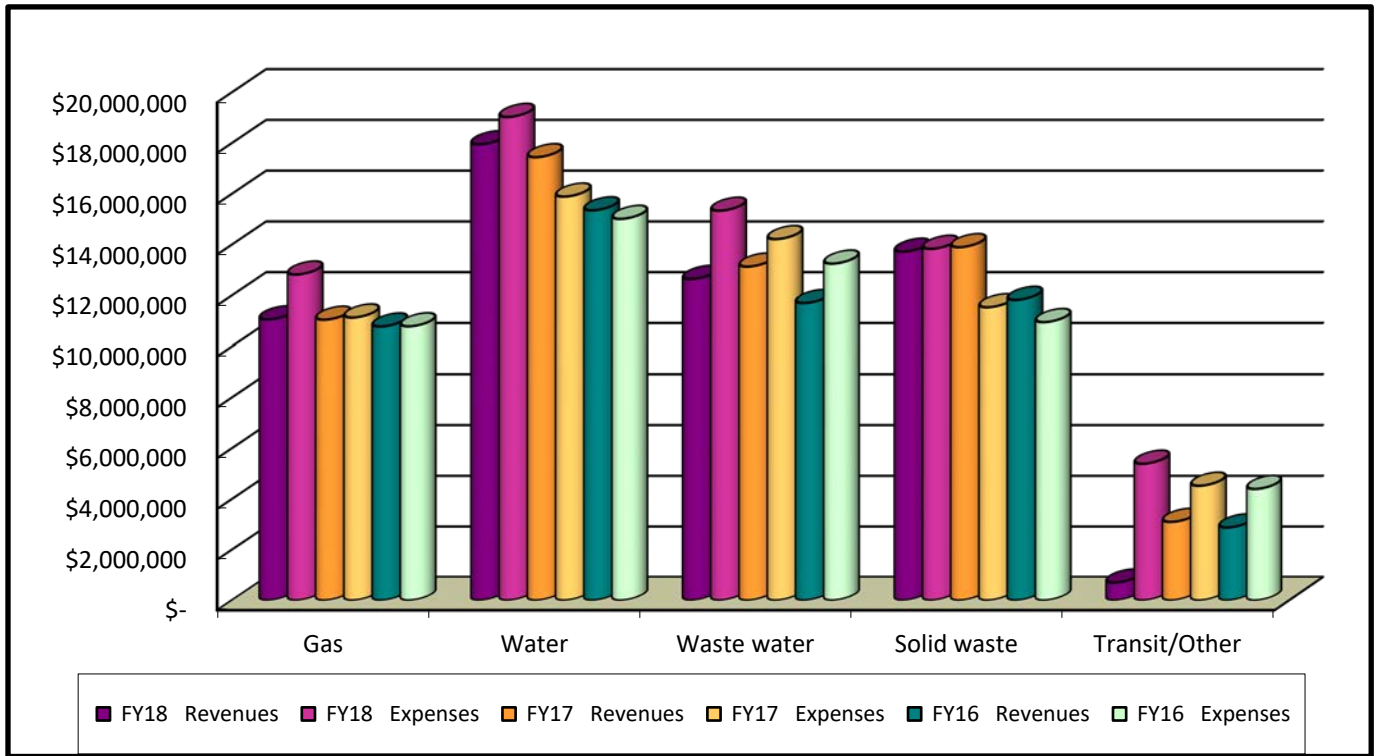


City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

Expenses and Program Revenues – Business-type Activities



City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

Financial Analysis of the City's Funds

Gross receipts tax, the largest revenue source in the general fund, decreased by \$4.2 million from 2017 reflecting the further decrease in state funding reductions which occurred in 2017 and carried over into 2018 plus improvement in the area's economy. Operating and capital grants and contributions increased by \$23 thousand due to an increased emphasis on grant 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, Telshor Facility and Debt Service funds are reported as major governmental funds. As of the end of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$186.9 million, a decrease of \$6.3 million from the prior year due to a reduction in debt issuances and an increase in net transfers out of \$11.7 million. Net transfers out were mainly to transit and the liability internal service fund.

The fund balance of the General Fund is reported in the five categories defined by GASB 54. The non-spendable fund balance of \$1.56 million is for inventories. The restricted fund balance of \$1.45 million is for grants for general government, public safety programs, economic development, community development, parks and recreation, public works and quality of life programs. The committed fund balance of \$7.34 million is for debt service. The assigned fund balance in the General Fund is \$4 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 \$24.6 million. The total fund balance in the General Fund is \$48.38 million.

Fund balances of other major governmental funds are committed and restricted. The Telshor Facility fund has \$41.9 million restricted for health-related programs, an increase of \$1.4 million due to higher investment earnings. The fund balance in Debt Service of \$4.76 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 \$91.9 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 \$.80 million is mostly health related and public safety programs.

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2018, of the \$25.0 million in unassigned fund balance, \$17.9 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 decreased \$7.2 million during the current fiscal year despite a \$17.6 million increase in revenues over expenditures. This decrease is attributable to transfers to other funds including \$6.1 million to a building fund as part of the community investment program, \$3 million to the City's claims liability fund and a number of smaller increases to other governmental funds.

Revenues – Final budgeted amounts were \$1.2 million less than the original budgeted amounts with increases in licenses and permits and operating grants offset by a decrease in all other revenues.

Total revenues increased \$4.00 million from 2017 due mostly to a \$3.33 million or 4% increase in gross receipts taxes. This increase reflects the retail growth and construction projects in and around the City. Operating grants also increased by 29% due to increased efforts to obtain grants overall. Investment income suffered a 24% loss due to loss of unrealized value from rising interest rates. The City expects to hold these investments to maturity which will eliminate the current loss.

Expenditures - Differences between the original expenditures budget and the final amended expenditures budget totaled \$210 thousand and are briefly summarized as follows:

- The budget for general government increased by \$509 thousand. \$210 thousand is attributable to additional budget for the Munis software reimplementation project and \$203 thousand is for the Performance Management implementation. The remainder is the net effect from mid-year and end-of-year budget adjustments for mostly temporary help and salary adjustments.
- The budget for economic development increased by \$5.5 million. \$6.1 million is attributable to the increase in budget for the community investment projects. The \$600 thousand decrease is attributable to the net effect from mid-year and end-of-year budget adjustments for changes in project costs.
- The budget for police decreased by \$201 thousand which is the net effect of mid-year and end-of-year budget adjustments primarily attributable to the reclass of budget for cell phones to the Information Technology Department.
- The budget for fire decreased \$24 thousand which is the net effect of mid-year and end of year budget adjustments primarily attributable to due reductions in the budget for vehicles.
- The budget for community development increased by \$756 thousand which is attributable to the net effect of mid-year and end-of-year budget adjustments primarily for increased costs and functions of the Accela software.
- The budget for quality of life increased by \$69 thousand which is attributable to the net effect of various mid-year and end-of-year budget adjustments.

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

- The budget for public works increased by \$829 thousand of which is \$345 thousand is for additional parking lot expenditures and \$300 thousand is for additional building repair and maintenance costs, \$200 is for additional design and engineering services. The remainder is due to the net effect of various budget adjustments
- The budget for Parks and Recreation increased by \$390 thousand which is primarily attributable to increased costs of \$164 thousand for overtime and \$117 for the Weed It project. The remainder is due to the net effect of various budget adjustments for salaries and other expenses.
- The budget for capital outlay increased by \$3.40 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 2019 fiscal year rather than being completed in the 2018 fiscal year and some costs of capital items coming less than expected, mostly for vehicles.

Actual expenditures were approximately \$13.93 million less than the final expenditures budget. These variances can be briefly summarized as follows:

- The general government actual expenditures were approximately \$2.17 million less than the final budget. The difference to budget can be attributable to a decrease of \$892 thousand in salary savings throughout the year and \$1.3 million is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for economic development were approximately \$3.02 million less than the final budget. \$2.5 million is attributable to a cancelled energy savings plan project. \$34 thousand is attributable to salary savings throughout the year and \$400 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for police were \$2.4 million less than budget. The difference of \$2.1 is attributable to salary savings throughout the year and \$346 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for fire were approximately \$264 thousand less than budget. \$149 thousand is attributable to salary savings throughout the year. \$64 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for community development were approximately \$716 thousand less than budget. \$456 thousand is due to lower than expected planning and design costs, \$210 thousand is attributable to salary savings throughout the year. \$50 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for quality of life were approximately \$202 thousand less than budget. \$159 thousand is attributable to salary savings throughout the year. \$43 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for public works were \$1.51 million less than budget. \$803 thousand is attributable to salary savings, \$315 thousand is attributable to savings on electricity and \$392 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

- Actual expenditures for parks and recreation were approximately \$455 thousand less than budget. \$213 thousand is attributable to salary savings and \$242 thousand is attributable to conservative spending on various operating expenditures so that they were less than estimated.
- Actual expenditures for capital outlay were approximately \$3.16 million less than budget. This variance is caused by conservative spending on capital items so that expenditure was less than budgeted costs.

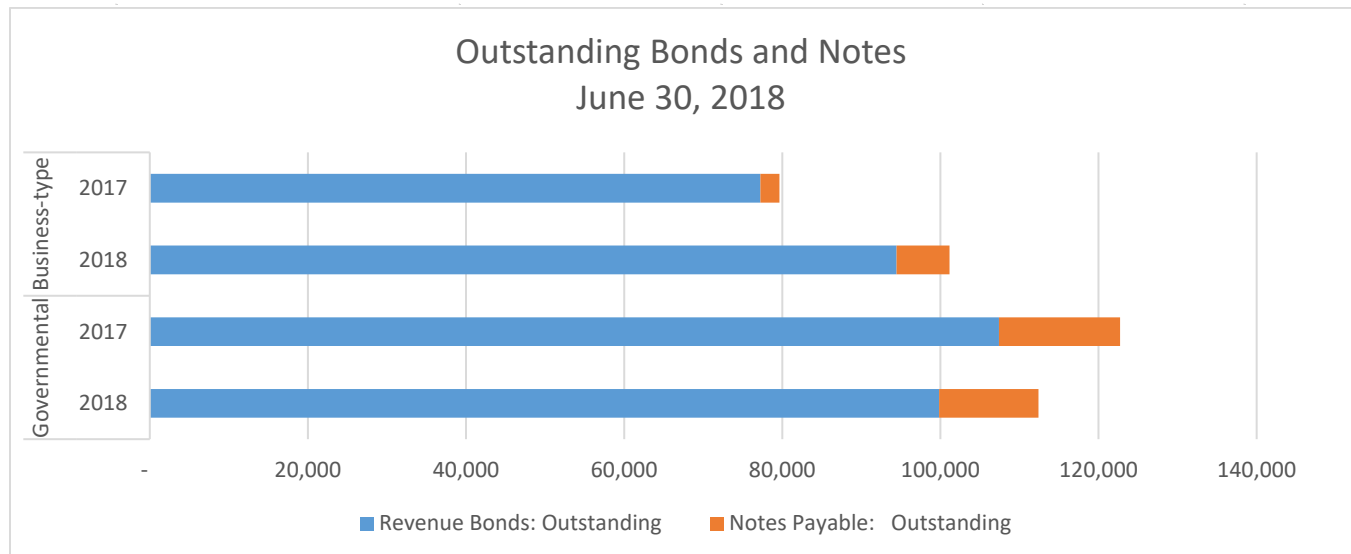
Long-term Debt

At the end of fiscal year 2018, the City had total long-term debt outstanding of \$244.57 million in bonds, notes, and leases, with a net increase of \$13.82 million over the prior year due to the issuance of new debt.

Outstanding Bonds and Liabilities to Financial Institutions 2018

	Governmental		
	2018	2017	Change
Revenue Bonds: Outstanding	99,845,000	107,405,000	(7,560,000)
Notes Payable: Outstanding	12,557,332	15,325,802	(2,768,470)
Total Outstanding	112,402,332	122,730,802	(10,328,470)

	Business-type		
	2018	2017	Change
Revenue Bonds: Outstanding	94,445,000	77,230,000	17,215,000
Notes Payable: Outstanding	6,714,765	2,409,118	4,305,647
Total Outstanding	101,159,765	79,639,118	21,520,647



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

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$660.09 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 3.7 percent.

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

Economic Outlook

The economic outlook of the City of Las Cruces indicates mixed economic signals. Nevertheless, compared to the nation and the state of New Mexico, Las Cruces MSA has experienced strong economic output growth over the past several years. This is evidenced by the real cumulative growth, which has been higher than the nation and the state at least since 2001.

The U.S. Census Bureau reports median household income for the City of Las Cruces in 2016 at \$41,215. In comparison, the state of New Mexico has a household income of \$45,674 for 2016. A difference of \$4,459 between the State and the City's median household income. However, even though the City has a smaller median household income than the State, the trend has been positive overall. In 2010 the median household income in the City was \$38,391, which means that median household income has increased \$2,824 in 6 years.

Unemployment rate for the City of Las Cruces is higher than the State of New Mexico and the Nation. The September 2018 preliminary figures of the not-seasonally adjusted unemployment rate for the City of Las Cruces is 4.9%, while the State indicates a 4.6% for the same statistic. In comparison, the Nation has 3.6% for the same measurement.

The number of payroll jobs in Las Cruces metropolitan area has increased from a year ago. The preliminary numbers on total non-farm payroll employment in Las Cruces metropolitan area for September 2018 indicate a total of 70,500 payroll jobs. In comparison to the September 2017 figures on the same statistic at 70,400 payroll jobs it represents a slight increase of roughly 100 jobs. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 27, 419 on September 2018, which is 46 less cases than August 2018.

There were fewer new businesses registrations and business permit renewals. On September 2018, there were 45 new business registrations, which is lower than the number of business registrations for September 2017 at 54. The total number of new business registrations for the first 9 months of 2018 is 475, which is higher than the first 9 months of 2017 at 453. Business registration renewals for September 2018 were 176, which is lower than the September 2017 figures at 246.

Median listing home prices have been increasing since June 2017. The median listing home prices are listed according to three websites: \$198,900, \$191,500, and \$183,360 for Zillow.com, Realtor.com, and Trulia.com respectively in September 2018. This represents an average change in listing prices from its previous month of +\$5,612 for the three websites.

City of Las Cruces

Management's Discussion & Analysis

June 30, 2018

New Mexico State University (NMSU) has experienced a decline in total students enrolled on Fall at least since 2010. The Office of Institutional Analysis (OIA) indicates that on Fall 2017 there were 14,432 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 22%. However, although NMSU has seen a decrease in enrollment, it has improved its graduation rates.

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

Assistant City Manager
City of Las Cruces
PO Box 20000
Las Cruces, NM 88004

This page intentionally left blank.



Basic Financial Statements

City of Las Cruces

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	South Central Solid Waste Authority
Assets				
Cash and investments	\$ 98,578,371	\$ 35,558,925	\$ 134,137,296	\$ 3,530,266
Receivables, net	23,950,575	7,469,684	31,420,259	646,493
Inventory	1,949,809	2,571,976	4,521,785	-
Due from other governmental units	20,453,728	1,514,758	21,968,486	-
Due from South Central Solid Waste	1,254,170	-	1,254,170	-
Internal balances	384,945	(384,945)	-	-
Notes receivable	-	485,957	485,957	-
Restricted cash and investments	85,809,604	47,523,697	133,333,301	2,149,747
Other	-	51,377	51,377	-
Capital assets:				
Land and construction in progress	48,341,691	16,043,156	64,384,847	1,516,151
Other capital assets, net of depreciation	345,827,076	250,734,706	596,561,782	8,903,233
Total capital assets	394,168,767	266,777,862	660,946,629	10,419,384
Total assets	626,549,969	361,569,291	988,119,260	16,745,890
Deferred Outflows of Resources				
Deferred amount from refundings	-	587,750	587,750	-
Deferred charges related to pensions	22,409,529	5,653,246	28,062,775	1,279,317
Deferred charges related to OPEBs	1,035,931	264,084	1,300,015	48,230
Total deferred outflows of resources	23,445,460	6,505,080	29,950,540	1,327,547

(Continued)

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

City of Las Cruces

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	South Central Solid Waste Authority
Liabilities				
Accounts payable and accrued liabilities	\$ 7,412,919	\$ 11,084,319	\$ 18,497,238	\$ 522,149
Unearned revenue	1,271,124	-	1,271,124	-
Customer deposits	-	1,215,939	1,215,939	-
Long-term liabilities:				
Net pension liability	109,480,484	15,587,557	125,068,041	3,575,873
Net OPEB liability	53,900,117	13,740,441	67,640,558	2,509,440
Due within one year	14,178,563	6,539,332	20,717,895	346,459
Due in more than one year	122,267,184	101,583,006	223,850,190	3,579,424
Total liabilities	308,510,391	149,750,594	458,260,985	10,533,345
Deferred Inflows of Resources				
Deferred gain of revenue for cost of gas	-	33,501	33,501	-
Deferred inflows related to pensions	12,283,010	2,466,416	14,749,426	569,795
Deferred inflows related to OPEBs	12,267,529	3,127,292	15,394,821	571,143
Total deferred inflows of resources	24,550,539	5,627,209	30,177,748	1,140,938
Net Position				
Net investment in capital assets	276,031,887	160,997,333	437,029,220	8,631,590
Restricted for:				
General government	200,000	-	200,000	-
Public safety programs	2,673,376	-	2,673,376	-
Housing and community development	679,889	-	679,889	-
Debt service	5,281,439	36,236,335	41,517,774	-
Capital projects	-	10,071,422	10,071,422	-
Public works	77,884,358	-	77,884,358	-
Health-related programs	41,910,949	-	41,910,949	-
Economic development	6,603,474	-	6,603,474	-
Parks and recreation	3,813,309	-	3,813,309	-
Quality of life	698,041	-	698,041	-
Customer deposits	-	1,215,939	1,215,939	-
Curbside recycling program	-	-	-	-
Unrestricted	(98,842,223)	4,175,539	(94,666,684)	(2,232,436)
Total net position	\$ 316,934,499	\$ 212,696,568	\$ 529,631,067	\$ 6,399,154

(Concluded)

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

City of Las Cruces

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Revenues	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 28,650,222	\$ 6,357,373	\$ 111,918	\$ -
Police	28,806,426	463,631	910,821	-
Fire	17,738,183	4,875	944,876	-
Community development	6,227,254	1,478,807	1,486,938	-
Quality of life	7,357,780	93,533	960,896	224,359
Economic development	5,851,198	91,722	-	568,163
Public works	29,861,568	1,454,752	2,221,921	-
Transportation	956,033	-	-	-
Parks and recreation	12,025,970	2,113,097	394,816	166,706
Interest on long-term debt	4,438,917	-	-	-
Total governmental activities	141,913,551	12,057,790	7,032,186	959,228
Business-type activities				
Gas	12,433,423	11,092,912	-	-
Water	18,740,479	18,192,296	-	-
Wastewater	15,071,876	12,728,491	-	1,364,014
Solid waste	13,612,255	13,803,975	-	-
Transit/other	5,373,271	745,050	-	2,093,195
Total business-type activities	65,231,304	56,562,724	-	3,457,209
Total primary government	207,144,855	68,620,514	7,032,186	4,416,437
Component unit				
South Central Solid Waste Authority	11,585,955	10,982,771	6,219	-
Total component unit	\$ 11,585,955	\$ 10,982,771	\$ 6,219	\$ -

General revenues, transfers, and special items

Taxes:
Gross receipts
Property
Lodgers
Other
Investment income (loss)
Donated assets
Gain on sale of capital assets
Other
Transfers
Change in accounting estimate (Note 9)
Total general revenues, transfers, and special items
Change in net position
Net position, beginning of year, as originally stated
Restatement (Note 23)
Net position, beginning of year, as restated
Net position, end of year

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

City of Las Cruces

Net Revenue (Expense) and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	South Central Solid Waste Authority	
\$ (22,180,931)	\$ -	\$ (22,180,931)	\$ -	
(27,431,974)	-	(27,431,974)	-	
(16,788,432)	-	(16,788,432)	-	
(3,261,509)	-	(3,261,509)	-	
(6,078,992)	-	(6,078,992)	-	
(5,191,313)	-	(5,191,313)	-	
(26,184,895)	-	(26,184,895)	-	
(956,033)	-	(956,033)	-	
(9,351,351)	-	(9,351,351)	-	
(4,438,917)	-	(4,438,917)	-	
(121,864,347)	-	(121,864,347)	-	
	(1,340,511)	(1,340,511)	-	
	(548,183)	(548,183)	-	
	(979,371)	(979,371)	-	
	191,720	191,720	-	
	(2,535,026)	(2,535,026)	-	
	(5,211,371)	(5,211,371)	-	
(121,864,347)	(5,211,371)	(127,075,718)	-	
	-	-	(596,965)	
	-	-	(596,965)	
95,656,183	-	95,656,183	-	
17,177,709	-	17,177,709	-	
2,185,040	-	2,185,040	-	
4,680,838	-	4,680,838	-	
2,941,827	(54,845)	2,886,982	2,634	
628,706	1,545,381	2,174,087	-	
-	126,710	126,710	-	
7,346,589	-	7,346,589	-	
(4,686,852)	4,686,852	-	-	
(1,948,551)	-	(1,948,551)	-	
123,981,489	6,304,098	130,285,587	2,634	
2,117,142	1,092,727	3,209,869	(594,331)	
380,687,282	225,396,342	606,083,624	9,922,237	
(65,869,925)	(13,792,501)	(79,662,426)	2,928,752	
314,817,357	211,603,841	526,421,198	6,993,485	
\$ 316,934,499	\$ 212,696,568	\$ 529,631,067	\$ 6,399,154	

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

City of Las Cruces

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Debt Service	Telshor Facility	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 30,684,330	\$ -	\$ -	\$ 54,568,073	\$ 85,252,403
Restricted cash and investments	-	5,641,808	41,922,315	38,245,481	85,809,604
Receivables, net	1,143,993	8,420,964	94,828	14,282,720	23,942,505
Due from other funds	2,878,509	-	-	-	2,878,509
Due from other governmental units	15,952,603	-	-	4,501,125	20,453,728
Inventories	1,561,385	-	-	-	1,561,385
Total assets	\$ 52,220,820	\$ 14,062,772	\$ 42,017,143	\$ 111,597,399	\$ 219,898,134
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts and contracts payable	\$ 1,297,228	\$ -	\$ 106,194	\$ 3,547,038	\$ 4,950,460
Due to other funds	-	-	-	2,493,564	2,493,564
Accrued liabilities	1,818,586	-	-	48,850	1,867,436
Unearned revenue	257,228	350,000	-	5,066,799	5,674,027
Total liabilities	3,373,042	350,000	106,194	11,156,251	14,985,487
Deferred Inflows of Resources:					
Deferred special assessment receipts	-	-	-	8,550,764	8,550,764
Deferred amount from investment earnings	26,234	-	-	-	26,234
Unavailable revenue	445,097	8,954,944	-	-	9,400,041
Total deferred inflows of resources	471,331	8,954,944	-	8,550,764	17,977,039
Total Liabilities and Deferred Inflows of Resources	3,844,373	9,304,944	106,194	19,707,015	32,962,526
Fund balances					
Nonspendable:					
Inventories and noncurrent receivables	1,561,384	-	-	-	1,561,384
Restricted for:					
General government	200,000	-	-	-	200,000
Economic development	50,317	-	-	6,553,157	6,603,474
Public safety programs	115,417	-	-	2,557,959	2,673,376
Housing and community development	70,466	-	-	609,423	679,889
Parks and recreation	298,239	-	-	3,515,070	3,813,309
Public works	18,220	-	-	77,866,138	77,884,358
Quality of life	698,041	-	-	-	698,041
Debt service	-	4,757,828	-	523,611	5,281,439
Health related programs	-	-	41,910,949	-	41,910,949
Committed for:					
Health related programs	-	-	-	567,050	567,050
Debt service	8,122,444	-	-	23,227	8,145,671
Public safety programs	2,930,186	-	-	207,357	3,137,543
Public works	-	-	-	1,456	1,456
Transportation	4,258,445	-	-	-	4,258,445
Quality of life	1,370,000	-	-	-	1,370,000
Economic development	75,000	-	-	-	75,000
Assigned to:					
Economic development	1,977,234	-	-	-	1,977,234
Public works	231,355	-	-	-	231,355
Culture and recreation	-	-	-	-	-
Transportation	250,750	-	-	-	250,750
Community development	-	-	-	-	-
Vehicle acquisition	1,547,089	-	-	-	1,547,089
Unassigned	24,601,860	-	-	(534,064)	24,067,796
Total fund balances	48,376,447	4,757,828	41,910,949	91,890,384	186,935,608
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,220,820	\$ 14,062,772	\$ 42,017,143	\$ 111,597,399	\$ 219,898,134

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, 2018

Total fund balances for governmental funds	\$ 186,935,608
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 \$219,773 that are reported in internal services funds)	393,948,994
Other assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds	22,379,942
The contribution of certain capital assets is deferred in the statement of net position	
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 \$7,177,750 and net pension liabilities of \$109,480,484 and net OPEB liability of \$53,900,117)	(129,267,997)
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	1,254,170
Deferred outflows of pensions (excludes \$653,828 of deferred outflows from pensions of internal service funds reported below)	21,755,701
Net pension liabilities are not reported in governmental funds but reported on the statement of net position	(107,842,555)
Deferred inflows of pensions (excludes \$156,841 of deferred inflows from pensions of internal service funds reported below)	(12,126,169)
Deferred outflows of opebs (excludes \$21,359 of deferred outflows from opebs of internal service funds reported below)	1,014,572
Net opeb liabilities are not reported in governmental funds but reported on the statement of net position	(52,788,776)
Deferred inflows of opebs (excludes \$252,928 of deferred inflows from opebs of internal service funds reported below)	(12,014,601)
Assets and liabilities of internal service funds are included in net position of governmental activities	3,685,610
Net position of governmental activities	\$ 316,934,499

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

City of Las Cruces

Statement of Revenues, Expenditures, and Changes - Governmental Funds

For the Year Ended June 30, 2018

	General Fund	Debt Service	Telshor Facility	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 97,719,896	\$ -	\$ -	\$ 21,354,797	\$ 119,074,693
Charges for services	2,854,738	-	-	124,021	2,978,759
Fees and fines	594,605	-	-	3,114,602	3,709,207
Investment income (loss)	(281,792)	(464)	2,723,824	532,927	2,974,495
Franchise fees	3,898,194	-	-	-	3,898,194
Licenses and permits	1,471,630	-	-	-	1,471,630
Intergovernmental					
Federal	-	-	-	2,381,697	2,381,697
State	-	-	-	5,426,056	5,426,056
Local	40,418	-	-	143,243	183,661
Other	4,741,366	847,468	-	1,613,983	7,202,817
Total revenues	\$ 111,039,055	\$ 847,004	\$ 2,723,824	\$ 34,691,326	\$ 149,301,209
Expenditures					
Current					
General government	\$ 17,958,367	\$ -	\$ -	\$ 2,907,437	\$ 20,865,804
Police	23,823,819	-	-	1,241,026	25,064,845
Fire	14,521,364	-	-	658,173	15,179,537
Community development	3,609,846	-	-	1,396,658	5,006,504
Quality of Life	5,842,368	-	-	1,159,119	7,001,487
Economic development	3,310,315	-	-	2,362,737	5,673,052
Public works	12,533,426	-	-	4,015,915	16,549,341
Transportation	-	-	-	-	-
Parks and recreation	10,177,121	-	-	416,690	10,593,811
Capital outlay	4,867,131	-	-	18,611,390	23,478,521
Debt service					
Principal	-	10,302,345	-	1,620,500	11,922,845
Interest and other charges	-	4,438,873	-	44	4,438,917
Total expenditures	96,643,757	14,741,218	-	34,389,689	145,774,664
Revenues over (under) expenditures	14,395,298	(13,894,214)	2,723,824	301,637	3,526,545
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	1,620,500	1,620,500
Sale of Capital Assets	127,905	-	-	41,203	169,108
Transfers in	3,075,574	13,751,277	-	16,916,509	33,743,360
Transfers out	(25,214,573)	(15,054)	(1,320,453)	(18,845,132)	(45,395,212)
Total other financing sources (uses)	(22,011,094)	13,736,223	(1,320,453)	(266,920)	(9,862,244)
Net change in fund balances	(7,615,796)	(157,991)	1,403,371	34,717	(6,335,699)
Fund balances, beginning of year	55,992,243	4,915,819	40,507,578	91,855,667	193,271,307
Fund balances, end of year	\$ 48,376,447	\$ 4,757,828	\$ 41,910,949	\$ 91,890,384	\$ 186,935,608

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, 2018

Net change in fund balances—governmental funds	\$ (6,335,699)
<p>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 longterm economic focus of the statement of activities versus the current financial sources focus of the governmental funds. The main components of the difference are described below:</p>	
<p>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:</p>	
Capital outlay	23,478,521
Depreciation	(20,376,697)
Proceeds from capital asset	(169,108)
Previously deferred capital asset	1,281,592
Donated assets	628,706
<p>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.</p>	
Repayments of bonds and notes payable	11,922,845
Proceeds from bonds and notes payable	(1,620,500)
Change in estimate for landfill liability	(1,948,551)
Amortization of premium/discount of bond and notes payable	451,049
<p>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.</p>	
	(53,990)
<p>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.</p>	
	908,839
<p>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.</p>	
	(140,000)
<p>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.</p>	
	(6,673,119)
<p>Change in OPEB 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.</p>	
	761,026
<p>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.</p>	
	2,228
Change in net position of governmental activities	\$ 2,117,142

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, 2018

	2018			2017	
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final		with Final Budget - Positive (Negative)	
Revenues					
Local taxes					
Gross receipts	\$ 84,691,300	\$ 84,691,300	\$ 85,229,365	\$ 538,065	\$ 81,901,329
Property	11,547,200	11,547,200	11,958,901	411,701	11,494,458
Total local taxes	96,238,500	96,238,500	97,188,266	949,766	93,395,787
State-shared taxes	498,900	498,900	531,630	32,730	460,430
Charges for services	3,080,287	3,254,365	2,854,738	(399,627)	2,917,887
Fees and fines	721,000	721,000	594,605	(126,395)	528,827
Investment income	875,363	875,363	(281,792)	(1,157,155)	113,036
Franchise fees	4,198,400	4,198,400	3,898,194	(300,206)	4,014,606
Licenses and permits	942,700	1,424,910	1,471,630	46,720	1,655,125
Operating grants and contributions	16,000	31,000	40,418	9,418	28,803
Other	6,088,427	5,333,167	4,741,366	(591,801)	4,299,059
	16,421,077	16,337,105	13,850,789	(2,486,316)	14,017,773
Total revenues	112,659,577	112,575,605	111,039,055	(1,536,550)	107,413,560
Expenditures					
Current					
General government	18,749,415	19,258,317	17,958,367	1,299,950	17,803,992
Economic Development	11,840,940	6,325,733	3,310,315	3,015,418	3,778,231
Police	25,364,347	25,163,768	23,823,819	1,339,949	23,046,768
Fire	14,809,085	14,785,325	14,521,364	263,961	12,876,783
Community development	3,569,768	4,326,197	3,609,846	716,351	3,233,873
Quality of Life	5,974,977	6,043,970	5,842,368	201,602	5,257,888
Public works	12,337,700	13,167,037	12,533,426	633,611	11,257,868
Parks and Recreation	10,242,428	10,631,986	10,177,121	454,865	9,084,634
Capital outlay	4,605,790	8,002,191	4,867,131	3,135,060	4,076,635
Total expenditures	107,494,449	107,704,524	96,643,757	11,060,767	90,416,672
Revenues over expenditures	5,165,128	4,871,081	14,395,298	9,524,217	16,996,888
Other Financing Sources (Uses)					
Sale of Capital assets	-	77,865	127,905	50,040	90,230
Transfers in	2,112,460	3,075,574	3,075,574	-	3,906,120
Transfers out	(19,036,249)	(28,082,528)	(25,214,573)	(2,867,955)	(15,465,189)
Total other financing sources (uses)	(16,923,789)	(24,929,089)	(22,011,094)	(2,817,915)	(11,468,839)
Net change in fund balance	(11,758,661)	(20,058,008)	(7,615,796)	6,706,302	5,528,049
Fund balance, beginning of year	55,992,243	55,992,243	55,992,243	-	50,464,194
Fund balance, end of year	\$ 44,233,582	\$ 35,934,235	\$ 48,376,447	\$ 6,706,302	\$ 55,992,243

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, 2018

	2018			2017	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Revenues					
Investment income (expense)	\$ 498,174	\$ 498,174	\$ 2,723,824	\$ 2,225,650	\$ 3,976,577
Other	4,388	4,388	-	(4,388)	-
Total revenues	502,562	502,562	2,723,824	2,221,262	3,976,577
Other Financing Sources (Uses)					
Transfers out	(669,453)	(1,320,453)	(1,320,453)	-	(395,000)
Total other financing sources (uses)	(669,453)	(1,320,453)	(1,320,453)	-	(395,000)
Net change in fund balance	1,172,015	(1,823,015)	1,403,371	2,221,262	3,581,577
Fund balance, beginning of year	40,507,578	40,507,578	40,507,578	31,055	36,926,001
Fund balance, end of year	\$ 41,679,593	\$ 38,684,563	\$ 41,910,949	\$ 2,252,317	\$ 40,507,578

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

City of Las Cruces

Statement of Net Position – *Proprietary Funds*

June 30, 2018

	Enterprise Funds	
	Gas	Water
Assets		
Current assets		
Pooled cash and investments	\$ 14,960,965	\$ 4,221,688
Accounts receivable, net of allowance for uncollectible accounts	1,507,295	2,775,369
Due from other governments	-	9,756
Inventories	887,030	654,446
Total current assets	17,355,290	7,661,259
Non-current assets		
Restricted cash and investments	8,645,569	28,729,748
Notes receivable	-	261,631
Advance to other funds	-	1,144,597
Other	-	-
Capital assets	76,857,884	173,846,307
Less accumulated depreciation	(44,974,443)	(48,839,081)
Net capital assets	31,883,441	125,007,226
Total non-current assets	40,529,010	155,143,202
Total assets	57,884,300	162,804,461
Deferred outflows of resources		
Deferred amount from refundings	-	256,118
Deferred charges related to pensions	1,285,390	970,114
Deferred charges related to OPEB	65,774	56,578
Total deferred outflows of resources	1,351,164	1,282,810

(Continued)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 7,256,411	\$ 9,047,729	\$ 72,132	\$ 35,558,925	\$ 13,325,968
1,377,549	1,637,616	171,855	7,469,684	8,070
212,272	-	1,292,730	1,514,758	-
405,742	624,758	-	2,571,976	388,425
<u>9,251,974</u>	<u>11,310,103</u>	<u>1,536,717</u>	<u>47,115,343</u>	<u>13,722,463</u>
9,376,210	772,170	-	47,523,697	-
224,326	-	-	485,957	-
2,166,714	-	-	3,311,311	-
-	-	51,377	51,377	-
155,157,776	15,780,575	13,921,644	435,564,186	2,466,864
(59,990,002)	(8,387,009)	(6,595,789)	(168,786,324)	(2,247,091)
<u>95,167,774</u>	<u>7,393,566</u>	<u>7,325,855</u>	<u>266,777,862</u>	<u>219,773</u>
<u>106,935,024</u>	<u>8,165,736</u>	<u>7,377,232</u>	<u>318,150,204</u>	<u>219,773</u>
<u>116,186,998</u>	<u>19,475,839</u>	<u>8,913,949</u>	<u>365,265,547</u>	<u>13,942,236</u>
331,632	-	-	587,750	-
971,588	1,154,958	1,271,196	5,653,246	653,828
52,109	48,584	41,039	264,084	21,359
<u>1,355,329</u>	<u>1,203,542</u>	<u>1,312,235</u>	<u>6,505,080</u>	<u>675,187</u>

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

City of Las Cruces

Statement of Net Position – *Proprietary Funds*

June 30, 2018

	Enterprise Funds	
	Gas	Water
Liabilities		
Current liabilities		
Accounts and contracts payable	\$ 2,524,710	\$ 5,918,759
Due to other funds	-	-
Accrued liabilities	198,451	359,608
Current portion of non-current liabilities	253,179	3,441,561
Total current liabilities	2,976,340	9,719,928
Non-current liabilities		
Customer deposits	648,641	214,833
Revenue bonds payable	9,513,298	60,115,097
Notes payable	-	2,402,500
Compensated absences	226,262	210,032
Claims	-	-
Accrued landfill closure cost	-	-
Advance from other funds	-	3,311,311
Net pension liability	4,011,285	2,853,541
Net OPEB liability	3,422,279	2,943,774
Total non-current liabilities	17,821,765	72,051,088
Total liabilities	20,798,105	81,771,016
Deferred inflow of resources		
Deferred gain of revenue for cost of gas	33,501	-
Deferred inflows related to pensions	550,783	485,239
Deferred inflows related to OPEB	778,903	669,996
Total deferred inflows of resources	1,363,187	1,155,235
Net Position		
Net investment in capital assets	22,060,398	59,049,990
Restricted for customer deposits	648,641	214,833
Restricted for capital projects	7,783,987	1,203,368
Restricted for debt service	212,942	27,311,546
Unrestricted	6,368,204	(6,618,717)
Total net position	\$ 37,074,172	\$ 81,161,020

(Concluded)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 1,483,215	\$ 188,035	\$ 38,403	\$ 10,153,122	\$ 222,653
-	-	384,945	384,945	-
208,097	109,113	55,928	931,197	27,947
2,219,661	591,676	33,255	6,539,332	2,377,918
3,910,973	888,824	512,531	18,008,596	2,628,518
156,292	196,173	-	1,215,939	-
24,331,572	-	-	93,959,967	-
2,402,500	1,168,061	-	5,973,061	-
192,775	103,888	133,021	865,978	48,997
-	-	-	-	5,095,260
-	784,000	-	784,000	-
-	-	-	3,311,311	-
2,975,550	2,573,733	3,173,448	15,587,557	1,637,929
2,711,246	2,527,831	2,135,311	13,740,441	1,111,341
32,769,935	7,353,686	5,441,780	135,438,254	7,893,527
36,680,908	8,242,510	5,954,311	153,446,850	10,522,045
-	-	-	33,501	-
479,016	618,737	332,641	2,466,416	156,840
617,073	575,328	485,992	3,127,292	252,928
1,096,089	1,194,065	818,633	5,627,209	409,768
66,212,119	5,607,857	7,325,855	160,256,219	219,773
156,292	196,173	-	1,215,939	-
508,718	575,349	-	10,071,422	-
8,711,199	648	-	36,236,335	-
4,177,002	4,862,779	(3,872,615)	4,916,653	3,465,837
\$ 79,765,330	\$ 11,242,806	\$ 3,453,240	\$ 212,696,568	\$ 3,685,610

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, 2018

	Enterprise Funds	
	Gas	Water
Operating Revenues		
Sales/charges	\$19,677,957	\$18,080,244
Provision for uncollectible accounts	(80)	7,648
Net sales/charges	19,677,877	18,087,892
Utility extension/service fee	327,760	131,189
Rentals	-	300
Other	71,379	91,055
Total operating revenues	20,077,016	18,310,436
Cost of gas, water, and services respectively	(8,984,104)	(118,140)
Gross Margin	11,092,912	18,192,296
Operating Expenses		
Personnel services	3,428,376	3,251,651
Supplies	330,439	490,815
Utilities	24,665	2,014,733
Professional services	638,549	2,241,414
Motor pool charges	-	-
Motor fuel	-	-
Repairs and maintenance	1,292,148	2,416,833
Rent	2,697	58,866
Depreciation and amortization	2,378,321	3,182,953
Payment in lieu of taxes	532,313	620,565
Administrative charges from other funds	3,059,229	2,353,154
Customer service	-	-
Closure/post-closure costs	-	-
Claims and judgments (benefits)	-	-
Insurance	112,912	88,786
Pension expense	333,145	403,751
Other post employment benefit expenses	136,059	-
Other	62,988	16,328
Total operating expenses	12,331,841	17,139,849
Operating income (loss)	(1,238,929)	1,052,447

(Continued)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 12,651,412	\$13,869,120	\$687,799	\$64,966,532	\$ 2,442,431
2,539	(62,963)	-	(52,856)	-
12,653,951	13,806,157	\$687,799	\$64,913,676	2,442,431
30,575	-	-	489,524	-
-	-	31,189	31,489	449,491
43,965	(2,182)	26,062	230,279	13,995,137
12,728,491	13,803,975	\$745,050	65,664,968	16,887,059
-	-	-	(9,102,244)	(2,844,206)
12,728,491	13,803,975	\$745,050	56,562,724	14,042,853
2,793,990	2,308,392	2,907,417	14,689,826	1,528,530
1,096,602	309,528	84,031	2,311,415	341,828
829,789	39,697	45,631	2,954,515	29,079
1,425,594	5,022,798	318,825	9,647,180	1,222,105
-	-	432,957	432,957	-
-	-	585,146	585,146	-
1,072,582	1,045,574	90,484	5,917,621	82,624
49,567	-	-	111,130	24,592
3,936,817	1,371,012	566,754	11,435,857	33,648
522,483	311,697	-	1,987,058	-
2,192,563	3,237,213	-	10,842,159	-
-	-	-	-	-
-	(516,899)	-	(516,899)	-
-	-	-	-	17,550,722
105,091	160,408	-	467,197	-
368,439	321,236	199,101	1,625,672	101,816
-	-	84,893	220,952	44,184
17,075	(39,917)	58,032	114,506	13,827
14,410,592	13,570,739	5,373,271	62,826,292	20,972,955
(1,682,101)	233,236	(4,628,221)	(6,263,568)	(6,930,102)

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, 2018

	Enterprise Funds	
	Gas	Water
Non-operating Revenues (Expenses)		
Gain (loss) on sale of capital assets	\$ 49,794	\$ 44,973
Investment income (loss)	(9,003)	30,720
Grants - federal	-	-
Grants - State	-	-
Interest expense	(101,582)	(1,600,630)
Total non-operating revenues (expenses)	(60,791)	(1,524,937)
Income (loss) before capital contributions and trans	(1,299,720)	(472,490)
Capital contributions	659,929	180,028
Transfers		
Transfers in	-	-
Transfers out	-	-
Change in net position	(639,791)	(292,462)
Net position, beginning of year	41,247,299	83,962,508
Restatement - OPEB	(4,065,122)	(3,496,735)
Restatement - Accounts receivable	531,786	987,709
Net position, beginning of year as restated	37,713,963	81,453,482
Net position, end of year	\$ 37,074,172	\$ 81,161,020

(Concluded)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ (22,899)	\$ 49,765	\$ 5,077	\$ 126,710	\$ -
(29,383)	(47,851)	672	(54,845)	(32,670)
-	-	2,093,195	2,093,195	-
1,364,014	-	-	-	-
(661,284)	(41,516)	-	(2,405,012)	-
650,448	(39,602)	2,098,944	1,124,062	(32,670)
(1,031,653)	193,634	(2,529,277)	(5,139,506)	(6,962,772)
705,424	-	-	1,545,381	-
1,592,537	-	3,094,315	4,686,852	6,965,000
-	-	-	-	-
1,266,308	193,634	565,038	1,092,727	2,228
81,273,679	13,488,245	5,424,611	225,396,342	5,003,476
(3,220,528)	(3,002,661)	(2,536,409)	(16,321,455)	(1,320,094)
445,871	563,588	-	2,528,954	-
78,499,022	11,049,172	2,888,202	211,603,841	3,683,382
\$ 79,765,330	\$ 11,242,806	\$ 3,453,240	\$ 212,696,568	\$ 3,685,610

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, 2018

	Enterprise Funds	
	Gas	Water
Cash flows from operating activities		
Cash received from customers	\$ 20,172,713	\$ 18,374,503
Cash paid to suppliers	(13,758,269)	(6,232,849)
Cash paid to employees	(3,425,552)	(2,273,357)
Claims paid	-	-
Other receipts	71,379	91,055
Net cash provided (used) by operating activities	3,060,271	\$9,959,352
Cash flows from non-capital financing activities		
Grants and contributions	-	-
Transfers in	-	-
Transfers out	-	-
Loans for development impact fees	-	(24,665)
Advance to/from other funds	-	-
Net cash provided (used) by non-capital financing activities	-	(24,665)
Cash flows from capital and related financing activities		
Purchase/transfer of capital assets	(4,798,994)	(11,744,907)
Cash proceeds from sale of capital assets	-	-
Acquisition of other assets	-	-
Grants	-	-
Capital contributions	-	-
Proceeds from revenue bonds and notes payable	-	-
Principal paid: revenue bonds/lease purchase/advances	5,646,291	16,346,830
Interest paid: revenue bonds/lease purchase/advances	(101,582)	(1,600,629)
Net cash provided (used) by capital and related financing activities	745,715	3,001,294
Cash flows from investing activities		
Cash interest received	(9,003)	30,720
Net cash provided (used) by investing activities	(9,003)	30,720
Net increase (decrease) in pooled cash and investments	3,796,983	12,966,701
Cash and investments, beginning of year	19,809,551	19,984,735
Cash and investments, end of year	\$ 23,606,534	\$ 32,951,436
Cash and investments at June 30 consisted of:		
Current assets		
Cash and investments	\$ 14,960,965	\$4,221,688
Non-current assets		
Restricted cash and investments	8,645,569	28,729,748
Total cash and investments, June 30	\$ 23,606,534	\$32,951,436

(Continued)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 13,033,283	\$ 13,782,450	\$ 736,680	\$ 66,099,629	\$ 16,889,460
(9,092,813)	(10,018,705)	(2,030,086)	(41,132,722)	(4,724,874)
(2,051,107)	(1,825,543)	(2,090,257)	(11,665,816)	(1,528,531)
-	-	-	-	(18,359,835)
43,965	(2,180)	26,062	230,281	-
1,933,328	\$1,936,022	(3,357,601)	13,531,372	(7,723,780)
<hr/>				
-	-	2,093,195	2,093,195	-
1,592,537	-	3,094,315	4,686,852	6,965,000
-	-	(49,980)	(49,980)	-
(21,496)	-	-	(46,161)	-
-	-	-	-	-
1,571,041	-	5,137,530	6,683,906	6,965,000
<hr/>				
(10,149,701)	(1,895,240)	(1,060,939)	(29,649,781)	(120,330)
-	-	-	-	-
-	-	-	-	-
1,364,014	-	-	1,364,014	-
-	-	-	-	-
-	-	-	-	-
341,034	(719,353)	-	21,614,802	-
(661,284)	(41,519)	-	(2,405,014)	-
<hr/>				
(9,105,937)	(2,656,112)	(1,060,939)	(9,075,979)	(120,330)
<hr/>				
(29,383)	(47,851)	5,749	(49,768)	(32,669)
(29,383)	(47,851)	5,749	(49,768)	(32,669)
<hr/>				
(5,630,951)	(767,941)	724,739	11,089,531	(911,779)
22,263,572	10,587,840	(652,607)	71,993,091	14,237,746
\$ 16,632,621	\$ 9,819,899	\$ 72,132	\$ 83,082,622	\$ 13,325,967
<hr/>				
\$7,256,411	\$9,047,729	\$ 72,132	35,558,925	\$ 13,325,968
<hr/>				
9,376,210	772,170	-	47,523,697	-
\$ 16,632,621	\$9,819,899	\$ 72,132	\$ 83,082,622	\$ 13,325,968

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, 2018

	Enterprise Funds	
	Gas	Water
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (1,238,929)	\$ 1,052,447
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,378,321	3,182,953
Pension Expense	-	-
Employer pension contributions	-	-
Provision for uncollectible accounts	80	(7,649)
Increase in liability for landfill closure costs	-	-
Change in assets and liabilities:		
Accounts receivable	143,844	163,880
Inventories	(6,834)	(98,446)
Due to/from other funds	-	-
Due from other governmental agencies	-	-
Accounts and contracts payable	1,424,747	4,972,680
Estimated liability for insurance claims	-	-
Wages payable and accrued liabilities	15,743	317,910
Deferred gain of revenue	33,501	-
Deferred outflows of resources	1,109,713	984,490
Net pension liability	(927,427)	(798,208)
Deferred inflows related to pensions	137,940	190,404
Customer deposits	(10,428)	(1,109)
Total adjustments	4,299,200	8,906,905
Net cash provided (used) by operating activities	\$ 3,060,271	\$ 9,959,352
Non-cash investing/financing activities		
Advances to (from) other funds	\$ -	\$ -
Capital contributions of capital assets	659,929	180,028
Total non-cash investing/financing activities	\$ 659,929	\$ 180,028

(Concluded)

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

City of Las Cruces

Enterprise Funds				
Waste Water	Solid Waste	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ (1,682,101)	\$ 233,236	\$ (4,628,221)	\$ (6,263,568)	\$ (6,930,102)
3,936,817	1,371,012	566,754	11,435,857	33,648
-	-	-	-	-
-	-	-	-	-
(2,539)	62,963	-	52,855	-
-	(36,000)	-	(36,000)	-
351,524	(87,472)	17,692	589,468	2,400
(17,710)	(8,235)	-	(131,225)	(5,587)
-	-	421,089	421,089	-
(212,272)	-	-	(212,272)	-
(925,138)	133,758	14,955	5,621,002	(1,493,990)
-	-	-	-	568,592
149,136	(6,696)	(29,955)	446,138	(23,382)
990,406	686,641	-	1,710,548	-
-	-	415,477	2,509,680	-
(2,061,808)	(1,135,905)	-	(4,923,348)	-
1,407,240	721,918	(135,392)	2,322,110	124,641
(227)	802	-	(10,962)	-
3,615,429	1,702,786	1,270,620	19,794,940	(793,678)
\$ 1,933,328	\$ 1,936,022	\$ (3,357,601)	\$ 13,531,372	\$ (7,723,780)
\$ -	\$ -	\$ -	\$ -	\$ -
705,424	-	-	1,545,381	-
\$ 705,424	\$ -	\$ -	\$ 1,545,381	\$ -

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

City of Las Cruces

Statement of Fiduciary Assets and Liabilities – Agency Funds

For the Year Ended June 30, 2018

Assets

Pooled cash and investments	\$	4,877,784
Accounts receivable		126,545
Receivable from other government agencies		294,119
Capital assets, net		859,819
Deferred outflows		1,045,320
Total assets	\$	7,203,587

Liabilities

Accounts and contract payable	\$	123,510
Accrued wages payable		331,183
Net pension liability		2,995,690
OPEB liability		2,933,437
Deferred inflows		929,335
Revenue collected in advance		5,340
Fund held for others		(114,908)
Total liabilities	\$	7,203,587

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

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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.

Notes to Financial Statements

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - DESCRIPTION AND REPORTING ENTITY (Continued)

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-Wide Statements—The statement of net position 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 Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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.

Special Revenue Fund

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.

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.

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 Internal Services and Self Insurance.

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; Branigan Estate (proceeds of sales of assets is used to purchase books for the library); Gifts and Memorials; Veteran's Memorial Wall; Animal Service Center of the Mesilla Valley; High Intensity Drug Trafficking Area.

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash Equivalents and Investments

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

Investments are stated at fair value.

Restricted Cash and Investments

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

Receivables

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

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

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

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

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.

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

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 earmarked by the governing body by accounting them in these funds.
- 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.

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

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 16.66%, or 2/12, of the annual budgeted expenditures. This policy applies only to the chief operating fund of the City - the General Fund. The State of New Mexico requires that a 1/12 reserve be maintained in the General Fund. The 2/12 reserve is reported in the financial statements as Unassigned Fund Balance. Total minimum fund balance was \$17,943,534 for the year ended June 30, 2018.

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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

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:

	General Fund	Other Funds	Total
Non-Spendable:			
Inventories:	\$ 1,561,384	\$ -	\$ 1,561,384
Restricted:			
General Government	200,000	-	200,000
Economic Development	50,317	6,553,157	6,603,474
Public Safety			
Police	15,417	906,222	921,639
Fire	100,000	954,029	1,054,029
Municipal Court	-	697,708	697,708
Housing and Community Development			
MPO Planning	70,466	-	70,466
Affordable Housing Trust	-	527,100	527,100
Housing & Community	-	82,323	82,323
Debt Service	-	5,281,439	5,281,439
Parks and Recreation	298,239	3,515,070	3,813,309
Public works			
Streets Maintenance & Operations	-	34,320,176	34,320,176
Flood Control	18,220	9,977,605	9,995,825
Facilities Maintenance	-	21,163,022	21,163,022
Parks	-	-	-
Downtown	-	9,011,835	9,011,835
Griggs & Walnut	-	3,393,500	3,393,500
Quality of Life	698,041	-	698,041
Health Related Programs			
Held for Investments Proceeds to Benefit	-	41,910,949	41,910,949

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

	General Fund	Other Funds	Total
Committed:			
Health-related programs	\$ -	\$ 567,050	\$ 567,050
Debt Service	8,122,444	23,227	8,145,671
Public Safety			
Police	2,930,186	207,357	3,137,543
Public Works	-	1,456	1,456
Transportation	4,258,445	-	4,258,445
Quality of life	1,370,000	-	1,370,000
Economic development	75,000	-	75,000
Subtotal	19,768,159	139,093,225	158,861,384
Assigned to:			
Economic Development	1,977,234	-	1,977,234
Public Works	231,355	-	231,355
Transportation	250,750	-	250,750
Vehicle Acquisition Fund			
Parks & Recreation Vehicle	358,510	-	358,510
Quality of Life Replacement	-	-	-
Airport Replacement	36,000	-	36,000
City Replacement	43,579	-	43,579
Public Works Vehicle Replacement	35,000	-	35,000
Police Vehicle Replacement	1,074,000	-	1,074,000
Unassigned	24,601,860	(534,064)	24,067,796
Total Fund Balance	\$ 48,376,447	\$ 138,559,161	\$ 186,935,608

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

Net Position: Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets: Consists of capital assets, net of net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position: All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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. For local governments the legal level of budgetary control is at the fund level. 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

For the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

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. 83: *Certain Asset Retirement Obligations*
- Statement No. 84: *Fiduciary Activities*
- Statement No. 87: *Leases*

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

- Statement No. 88: *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89: *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90: *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

NOTE 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	\$	98,578,371
Business-type activities		35,558,925
<hr/>		
Total primary government		134,137,296
South Central Solid Waste Authority		3,530,266

Restricted cash and investments

Governmental activities		85,809,604
Business-type activities		47,523,697
<hr/>		
Total primary government		133,333,301
Fiduciary funds (less amount due to fiscal agent)		4,877,784
South Central Solid Waste Authority		2,149,747
<hr/>		
Total Cash and Investments	\$	278,028,394

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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	\$ 13,683,280	\$ 49,361,700	\$ 63,044,980
Investments	140,941,241	60,595,546	201,536,787
Cash with fiscal agent	-	12,785,629	12,785,629
Cash on hand	-	15,727	15,727
Accrued interest	645,271	-	645,271
Total Cash and Investments	\$ 155,269,792	\$ 122,758,602	\$ 278,028,394

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, 2018, the City's deposits, totaling \$64,596,307 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 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 Financial Statements

June 30, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

As of June 30, 2018, 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	\$ 10,376,615	0.00
U.S. agency coupon bonds	126,581,306	12.81
U.S. treasury bills	3,983,320	0.22
Total Pooled Cash Investments	140,941,241	
Telshor Facility Fund		
U.S. agency coupons	18,762,330	6.02
External investment equity pools	19,591,681	N/A
U.S. treasury bills	995,860	.02
Total Telshor Facility Fund	39,349,871	
Water and Waste		
U.S. agency coupon bonds	2,290,795	8.4
U. S. treasury bills	9,969,600	.01
Total Water and Waste	12,260,395	
Capital Projects		
U.S. agency coupon bonds	7,987,200	.08
U. S. treasury bills	998,080	.01
Total Capital Project	8,985,280	
Total Investments	\$ 201,536,787	

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 \$109,530,655 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, 2018, 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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

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, 2018, all of the City's securities are held in either the street name or by a third-party financial institution in the City's name.

Concentration of Credit Risk. The City's formal investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2018, 35% of the City's investment pool was in Fannie Mae (FNMA), 31% was in Federal Home Loan Mortgage Corporation (FHLMC), 24% in Federal Home Loan Bank (FHLB), 7% was in Federal Farm Credit Bank (FFCB) and 3% was in U.S. Treasuries. Of the Telshor Fund, 48% was in FHLB and 47% was in FFCB and 5% was in U.S. Treasuries. Of the Water and Wastewater Funds portfolio, 19% was in FHLB and 81% was in U.S. Treasuries. Of the Capital Projects, 89% was in FHLB and 11% was in U.S. Treasuries.

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, 2018:

Investment Type	Level 1	Level 2
New Mexico State Investment Councils Pool	\$ 14,913,399	\$ 4,678,282
U.S. Agencies Securities	-	155,621,631
U.S. Treasuries Securities	-	15,946,860
Stagecoach Sweep Repo	-	10,376,615
Total Pooled Investments	\$ 14,913,399	\$ 186,623,388

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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

The City's investment in pools at June 30, 2018 are shown below:

	Reported Amount	Weighted Average Fair Value	Maturity
Overnight Repurchase Agreement	\$ 10,376,615	\$ 10,376,615	N/A
State Investment Council Large Cap Active Equity Pool	6,904,987	6,904,987	N/A
State Investment Council Large Cap Index Equity Pool	4,678,282	4,678,282	N/A
State Investment Council Non-U.S. Developed Equity Pool	1,253,590	1,253,590	N/A
State Investment Council Mid/Small Cap Equity Pool	6,754,822	6,754,822	N/A

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 4: CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
<i>Capital assets not being depreciated</i>					
Land and land rights	\$ 27,040,614	\$ 754,000	\$ -	\$ -	\$ 27,794,614
Land improvements	19,125,120	-	-	-	19,125,120
Construction in progress	2,763,992	158,409	-	(1,500,444)	1,421,957
Total capital assets not being depreciated	48,929,726	912,409	-	(1,500,444)	48,341,691
<i>Other capital assets</i>					
Buildings and building improvements	150,942,118	3,056,532	-	-	153,998,650
Airport runways	28,107,430	411,943	-	-	28,519,373
Infrastructure	-	48,246	-	-	48,246
Park improvements	24,103,995	437,033	-	-	24,541,028
Land improvement remediation	1,633,551	33,460	-	-	1,667,011
Machinery and equipment	51,090,464	5,235,732	(1,116,494)	-	55,209,702
Roads network	337,779,732	13,317,371	(480,129)	-	350,616,974
Flood control network	35,536,030	1,832,657	(20,459)	-	37,348,228
Total other capital assets at cost	629,193,320	24,372,974	(1,617,082)	-	651,949,211
<i>Less accumulated depreciation for</i>					
Buildings and building improvements	(41,206,121)	(4,842,462)	-	-	(46,048,583)
Airport runway	(11,124,120)	(853,346)	-	-	(11,977,466)
Park improvements	(5,940,227)	(714,179)	-	-	(6,654,406)
Land improvement remediation	(490,065)	(108,903)	-	-	(598,968)
Machinery and equipment	(39,296,035)	(3,574,146)	1,390,007	-	(41,480,174)
Roads network	(177,396,241)	(9,333,831)	480,129	-	(186,249,943)
Flood control network	(12,149,574)	(983,481)	20,460	-	(13,112,594)
Total accumulated depreciation	(287,602,383)	(20,410,348)	1,890,596	-	(306,122,135)
Total other capital assets at historic cost, net	341,590,937	3,962,626	273,513	-	345,827,077
Governmental activities capital assets, net	\$ 390,520,663	\$ 4,875,035	\$ 273,513	\$ (1,500,444)	\$ 394,168,768

	Governmental Activities
Police	\$ 1,663,190
Fire	1,133,477
Community and cultural services	983,222
Public works	12,777,788
Information technology (Gen Govt)	1,787,122
Transportation	956,034
Parks and recreation	1,075,866
ISF depreciation expense	33,648
Total depreciation expense	\$ 20,410,348

Notes to Financial Statements

June 30, 2018

NOTE 4: CAPITAL ASSETS (Continued)

Land and land rights increased by \$754 thousand with the purchase of land located at the southeast corner of Roadrunner Parkway and East Lohman Avenue.

Construction in progress decreased by approximately \$1.5 million from the completion of three fire trucks. Ongoing projects include the Cinematic Theatre Project, Downtown Underground, Community Competition Pool, and West Mesa Industrial Park.

Airport Precision Approach Path Indicator Infrastructure increased by approximately \$412 thousand due to the Airfield Electrical Vault Expansion. Infrastructure increased by \$48 thousand from the installation of cable at the Downtown stage and completion of a Public Safety Radio combiner project.

Parks Improvement increased by approximately \$437 thousand which included Young Park playground equipment, Veterans Memorial plaques and bricks, Women Veterans Monument improvements, La Entrada Monument construction and various park improvements.

Roads increased by approximately \$13 million which included the Parkhill Estates Subdivision, Mission Espada, sidewalks, lighting, Traffic Safety Management control, etc.

The City spent approximately \$5.2 million for equipment purchases such as vehicles for Las Cruces Police and Fire Departments, and Parks & Recreation. Decreases in machinery and equipment were due to the retirement of items sent to auction.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 4: CAPITAL ASSETS (Continued)

Business Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
<i>Capital assets not being depreciated</i>				
Land and land rights	\$ 15,443,482	\$ -	\$ -	\$ 15,443,482
Construction in progresss	560,960	38,714	-	599,674
Total capital assets not being depreciated	16,004,442	38,714	-	16,043,156
<i>Other capital assets</i>				
Buildings and building improvements	11,151,331	308,946	-	11,460,277
Land improvements	335,172	-	-	335,172
Distribution and collection system	80,836,929	1,575,008	-	82,411,937
Utilities transmission	266,372,140	25,022,118	(317,373)	291,076,885
Machinery and equipment	30,588,064	4,565,772	(917,077)	34,236,759
Total other capital assets at historic cost	389,283,636	31,471,844	(1,234,450)	419,521,030
<i>Less accumulated depreciation for</i>				
Buildings and building improvements	(4,260,607)	(370,347)	-	(4,630,954)
Land improvements	(244,845)	(5,259)	-	(250,104)
Distribution and collection system	(41,243,892)	(1,441,180)	-	(42,685,072)
Utilities transmission	(93,954,898)	(6,734,188)	317,373	(100,371,713)
Machinery and equipment	(18,491,269)	(2,884,883)	527,671	(20,848,481)
Total accumulated depreciation	(158,195,511)	(11,435,857)	845,044	(168,786,324)
Total other capital assets at historic cost, net	231,088,125	20,035,987	(389,406)	250,734,706
Business type activities capital assets, net	\$ 247,092,567	\$ 20,074,701	\$ (389,406)	\$ 266,777,862

The Utilities transmission increased by approximately \$26 million primarily due to Gas infrastructure additions and donated Subdivisions as well as adjustment costs for interest expense.

Machinery and equipment increased by \$4.3 million due to various purchases from Gas, Water, Wastewater, transit, and Solid Waste.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to business-type funds as follows:

		Business Type Activities
Gas	\$	2,378,321
Water		3,182,953
Wastewater		3,936,817
Solid waste		1,371,012
Other		566,754
Total depreciation expense	\$	11,435,857

NOTE 5: RECEIVABLES AND PAYABLES

Governmental activities receivables were as follows at June 30, 2018:

	General Fund	Debt Service	Telshor Facility	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	\$ 1,276,935	\$ -	\$ 723	\$ 5,031,458	\$ 10,470	\$ 6,319,586
Dockets	5,259,958	-	-	-	-	5,259,958
Interest	-	-	94,105	3,005,910	-	3,100,015
Contracts	-	-	-	4,152,965	-	4,152,965
Special assessments	-	8,420,964	-	5,364,874	-	13,785,838
Less: allowance for doubtful accounts	(5,392,900)	-	-	(3,272,487)	(2,400)	(8,667,787)
Total governmental receivables	\$ 1,143,993	\$ 8,420,964	\$ 94,828	\$ 14,282,720	\$ 8,070	\$ 23,950,575

Governmental Activities

Special assessments receivables of \$4,974,340 and related interest receivable of \$2,672,841 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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 5: RECEIVABLES AND PAYABLES (Continued)

Business-type activities receivables were as follows at June 30, 2018:

	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivables, Net
Gas	\$ 2,249,197	\$ (741,902)	\$ 1,507,295
Water	3,168,149	(392,780)	2,775,369
Waste water	1,417,410	(39,861)	1,377,549
Solid waste	1,690,819	(53,203)	1,637,616
Other enterprise funds	175,955	(4,100)	171,855
Total business-type activities	\$ 8,701,530	\$ (1,231,846)	\$ 7,469,684

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.

Governmental activities accounts payable and accrued liabilities at June 30, 2018 were as follows:

	Vendors	Accrued Salaries and Benefits	Accrued Taxes	Total Accounts Payables and Accrued Liabilities
<i>Governmental activities</i>				
General Fund	\$ 1,297,228	\$ 1,780,396	\$ 38,190	\$ 3,115,814
Debt Service	-	-	-	-
Telshor Facility	106,194	-	-	106,194
Other governmental	3,547,038	48,850	-	3,595,888
Internal service funds	222,653	27,947	-	250,600
Total governmental activities	\$ 5,173,113	\$ 1,857,193	\$ 38,190	\$ 7,068,496

Business-type activities accounts payable and accrued liabilities at June 30, 2018 were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Payables and Accrued Liabilities
<i>Business-type activities</i>					
Gas	\$ 2,524,710	\$ 94,131	\$ 28,991	\$ 75,329	\$ 2,723,161
Water	5,918,759	94,550	182,977	82,081	6,278,367
Waste water	1,483,215	83,518	79,530	45,049	1,691,312
Solid waste	188,035	46,036	4,946	58,131	297,148
Other enterprise funds	38,403	55,928	-	-	94,331
Total business-type activities	\$ 10,153,122	\$ 374,163	\$ 296,444	\$ 260,590	\$ 11,084,319

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 6: INTERFUND ASSETS, LIABILITIES AND TRANSFERS

Primary Government

Governmental interfund receivable and interfund payables as of June 30, 2018 were as follows:

	Interfund Receivables	Interfund Payable	Total
Governmental activities			
<i>General Fund</i>			
Nonmajor governmental funds	\$ 2,878,509	\$ -	\$ 2,878,509
<i>Nonmajor governmental funds</i>			
General Fund	-	(2,493,564)	(2,493,564)
Total governmental activities	\$ 2,878,509	\$ (2,493,564)	\$ 384,945

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 expenditure are followed by grant reimbursements. Grant funding is generally used for senior programs, certain police activities, and capital grant for equipment, roadways flood controls, and airport improvements.

Business-type Activities

Business-type activities interfund receivable and interfund payables as of June 30, 2018 were as follows:

	Interfund Receivables	Interfund Payable	Total
Business-type activities			
<i>Major enterprise funds</i>			
Water Development Fund	\$ -	\$ (3,311,311)	\$ (3,311,311)
Wastewater Development Fund	3,311,311	-	3,311,311
<i>Nonmajor enterprise funds</i>			
General Fund	-	384,945	384,945
Total business-type activities	\$ 3,311,311	\$ (2,926,366)	\$ 384,945

The business-type activities interfund balance reflect long-term advance 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 Financial Statements

June 30, 2018

NOTE 6: INTERFUND ASSETS, LIABILITIES AND TRANSFERS (Continued)

Interfund transfers for the fiscal year ended June 30, 2018 consisted of the following:

Transfers From	Transfers To	Amount 2018	2017	Purpose
BETWEEN GOVERNMENTAL AND BUSINESS-TYPE COLUMNS:				
Operating or Debt Subsidy				
General Fund	Transit Funds	\$ 2,136,615	\$ 1,252,200	Operating subsidy for transit fund
Gasoline Tax Fund	Transit Funds	837,700	680,853	Operating subsidy for transit fund
General Fund	Theatre Funds	120,000	-	Operating subsidy for transit fund
Revenue Allocation:				
Environmental gross receipts tax fund	Wastewater fund	1,592,537	685,525	Transfer share of tax revenue
Environmental gross receipts tax fund	Water fund	-	474,111	Transfer share of tax revenue
BETWEEN FUNDS WITHIN GOVERNMENTAL OR BUSINESS-TYPE COLUMNS				
Operating or Debt Subsidy:				
General fund	Debt service funds	8,422,958	8,300,949	Debt Service for subsidy from pledged revenues
General fund	Nonmajor governmental fun	1,470,000	290,000	Transfer to prisoner care and affordable housing
General Fund	Internal service funds	6,965,000	625,000	Funding for City fleet and insurance funds
Debt service funds	Debt service funds	14,580	11,400	Transfer excess reserves to debt service funds
Debt service funds	General fund	169	-	Transfer excess debt service funds to general fund
Debt service funds	Nonmajor governmental fun	305	-	Transfer excess debt service funds to general fund
Nonmajor governmental funds	Debt service funds	5,313,739	4,502,299	Debt service subsidy from pledged revenues
Nonmajor governmental funds	General fund	2,627,381	2,054,126	Transfers for administrative and engineering costs
Internal service funds	General fund	-	2,930,849	Move services to general fund, administrative fees
Telshor Facility fund	General fund	448,024	-	Funding for general operations and vehicle acquisition
Nonmajor governmental funds	Nonmajor governmental fun	5,085,837	-	Transfers between nonmajor governmental funds
Capital Contributions:				
Nonmajor governmental funds	Nonmajor governmental fun	2,678,460	6,748,887	Transfer to capital projects
General fund	Nonmajor governmental fun	6,100,000	363,532	Transfer to capital improvement reserves
Revenue Allocation:				
Telshor Facility fund	Nonmajor governmental fun	872,429	395,000	Recurring allocation of special revenue
Environmental gross receipts tax fund	Nonmajor governmental fun	481,378	388,733	Transfer share of tax revenue
Gasoline Tax Fund	Nonmajor governmental fun	228,100	-	Transfer share of tax revenue

Transfers are used for (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 Financial Statements

June 30, 2018

NOTE 7: LONG-TERM LIABILITIES

Primary Government

Changes in long-term liabilities are as follows:

Governmental Activities	Primary Government				Amount Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
Tax revenue bonds	\$ 107,405,000	\$ 1,620,500	\$ 9,180,500	\$ 99,845,000	\$ 8,330,000
Unamortized premium/discount					
on sales tax revenue bonds	6,185,597	-	451,049	5,734,548	451,049
Notes payable	15,325,802	-	2,768,470	12,557,332	2,271,323
Pollution remediation	5,411,308	1,948,550	-	7,359,858	-
Claims and judgments	6,548,467	686,593	117,310	7,117,750	2,377,918
Compensated absences	3,793,685	5,484,431	5,446,857	3,831,259	748,273
	<u>144,669,859</u>	<u>9,740,074</u>	<u>17,964,186</u>	<u>136,445,747</u>	<u>14,178,563</u>
Business-type Activities					
Utility revenue bonds	77,230,000	22,180,000	4,965,000	94,445,000	5,200,000
Unamortized discount / premium					
on utility revenue bonds	4,437,839	920,706	306,444	5,052,101	337,134
Notes payable	2,409,118	5,135,000	829,353	6,714,765	741,704
Landfill closure and post-closure costs (Note 9)	864,000	-	36,000	828,000	44,000
Compensated absences	1,132,570	1,467,609	1,517,707	1,082,472	216,494
	<u>86,073,527</u>	<u>29,703,315</u>	<u>7,654,504</u>	<u>108,122,338</u>	<u>6,539,332</u>
Total long-term liabilities	\$ 230,743,386	\$ 39,443,389	\$ 25,618,690	\$ 244,568,085	\$ 20,717,895

Net pension liability and net other postemployment benefit obligations have typically been liquidated in the fund to which the employees are assigned. For governmental activities, most pension liability and postemployment benefit obligations have been liquidated in the general fund. 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 Financial Statements

June 30, 2018

NOTE 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 \$14.6 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$555,000 and \$185,000, respectively. Interest payments were \$63,600 and \$23,250, 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 \$39.5 million in 2018. For the current year, principal and interest paid was \$650,000 and \$937,956, 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 \$37.4 million in 2018. Series 2011B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2018, such pledged revenues totaled \$7.3 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$910,000 and \$100,000, respectively. Interest payments were \$223,225 and \$12,969, 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 \$37.4 million in 2018. For the current year, principal and interest paid was \$750,000 and \$214,350 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 \$7.3 million. Series 2014B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2018, such pledged revenues totaled \$7.3 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$400,000 and \$150,000 respectively. Interest payments were \$154,719 and \$25,200 respectively.

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 \$37.4 million in 2018. For the current year, principal and interest paid was \$645,000 and \$549,888 respectively.

Notes to Financial Statements

June 30, 2018

NOTE 7: LONG-TERM LIABILITIES (Continued)

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 \$10.1 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$815,000 and \$150,000 respectively. Interest payments were \$788,225 and \$145,779, 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 \$37.4 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 \$500,000 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 2018, such pledged revenues totaled \$7.3 million. Principal and interest payments on the Series 2016 bonds in the current year were \$665,000 and \$189,950 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 \$37.4 million. Principal and interest payments on the bonds in the current year were \$1,085,000 and \$461,228 respectively.

In 2018, the City entered into a Bond Purchase Agreement with the City of Las Cruces Tax Increment Development District (TIDD) and purchased the City of Las Cruces Tax Increment Development District Taxable Short-Term Tax Increment Revenue Bond Series 2018 in the amount of \$1,620,500. This was issued for downtown public improvements and revitalization of the downtown area. The Series 2018 bonds are secured through the State of New Mexico, Dona Ana County and the City's contributions of 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 TIDD repaid the City, principal and interest payments on the bond the next day after the was bond issued in the amount of \$1,620,500 and \$44.40 respectively.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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	2021	\$ 12,255,000	\$ 1,565,000	2.5-3.0
Gross receipts tax refunding	Flood control refunding	9/28/2010	2021	4,390,000	590,000	2.5-3.0
Gross receipts tax refunding	Convention center refunding	9/28/2010	2037	24,330,000	19,780,000	2.0-5.0
Gross receipts tax revenue	Facilities and improve streets	7/19/2011	2023	9,640,000	5,070,000	3.0-4.0
Gross receipts tax revenue	Flood control	7/19/2011	2021	1,530,000	295,000	2.0-3.625
Gross receipts tax revenue	Facilities and improve streets	7/29/2014	2026	10,000,000	6,495,000	2.0-4.0
Gross receipts tax revenue	Street improvement	7/29/2014	2028	8,000,000	4,455,000	2.0-4.0
Gross receipts tax revenue	Flood control	7/29/2014	2024	1,500,000	840,000	2.0-3.0
Gross receipts tax refunding	City Hall refunding	3/11/2015	2035	19,195,000	15,590,000	2.25-4.0
Gross receipts tax revenue	Facilities and improve streets	11/27/2015	2035	23,075,000	20,255,000	3.0-5.0
Gross receipts tax revenue	Economic Development	10/27/2015	2035	4,020,000	3,640,000	3.0-4.125
Gross receipts tax revenue	Streets in assessment district	4/5/2016	2031	8,585,000	8,085,000	3.1-3.75
Gross receipts tax revenue	Flood control	8/24/2016	2028	5,000,000	3,700,000	2.0-5.0
Gross receipts tax revenue	Facilities and improve streets	6/22/2017	2029	10,570,000	9,485,000	3.0-5.0
				\$ 142,090,000	\$ 99,845,000	

Future debt service requirements for governmental activities revenue bonds are:

Year Ending June 30,	Principal	Interest	Total
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	2,842,644	9,422,644
2023	6,855,000	2,571,094	9,426,094
2024-2028	28,540,000	9,280,183	37,820,183
2029-2033	21,915,000	4,618,785	26,533,785
2034-2037	11,630,000	960,588	12,590,588
		\$ 99,845,000	\$ 130,585,518

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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, 2018, 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.

As of June 30, 2018, one Industrial Revenue bond is outstanding to F&A Dairy Products, with an aggregate principal amount payable of \$5,000,000.

F&A Dairy Products, Inc.	\$	5,000,000
	\$	5,000,000

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the federal government on every fifth anniversary of each bond issue. The City periodically engages an independent consultant to determine whether the City has an arbitrage liability. No arbitrage liability is reported in the financial statements as of June 30, 2018.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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	\$ 750,000	3.25-5.50
2010 NMFA Note	Fire apparatus	7/30/2010	2020	938,875	331,603	0.59-3.34
2010 NMFA Note	Griggs Walnut	1/18/2008	2032	1,478,799	1,121,575	2.000
2010 HUD Loan	Facilities	7/21/2010	2030	2,000,000	1,503,000	2.000
2011 NMFA Note	Fire apparatus	11/18/2011	2019	964,250	132,606	0.230-1.83
2014 NMFA Note	SCSWA projects	6/20/2014	2023	2,780,000	1,575,000	0.250-3.310
2014 NMFA Note	Fire apparatus	12/12/2014	2022	443,325	241,563	0.210-1.860
2016 NMFA Note	Various heavy equipment	2/24/2017	2023	3,203,527	2,576,985	1.050-2.050
2016 NMFA Note	Street improvements	6/9/2017	2030	5,115,000	4,325,000	.9400-2.5900
				\$ 21,923,666	\$ 12,557,332	

The 2010 NMFA-Fire apparatus loan is secured through maturity by fire protection fund revenues which totaled \$914,466 in 2018. The 2010 NMFA Griggs Walnut Plume note is secured by the 1995 environmental gross receipts tax revenues which totaled \$1,886,966 in 2018. The 2010 HUD loan is secured by property. The 2011 Gas Tax Refunding loan is secured by gasoline tax revenues which totaled \$1,578,469 in 2018. 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 \$7.5 million in 2018.

The remaining notes payable in the table above are secured through maturity by the state-shared gross receipts tax which totaled \$37.3 million in 2018.

Principal and interest paid on the outstanding notes in the current year was \$2,742,345 and \$350,032 respectively.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 7: LONG-TERM LIABILITIES (Continued)

Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,120,479	147,032	1,267,511
2024-2028	3,184,420	443,152	3,627,572
2029-2032	1,269,765	58,295	1,328,060
	<u>\$ 12,557,332</u>	<u>\$ 1,575,227</u>	<u>\$ 14,132,559</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.

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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 7: LONG-TERM LIABILITIES (Continued)

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.

In 2018, the City issued 2.1 million in joint utility improvement revenue bonds subordinate lien (Energy Performance Contract), Series 2018. The proceeds of these bonds were used to expand and improve the City’s joint utility system and pay all issuance costs. The requirement for a reserve account was satisfied with surety bond insurance.

Joint utility revenue bonds are summarized as follows as of June 30, 2018:

Purpose	Issue Date	Due Date	Original Issued	Outstanding	Interest Rates %
Series 2010 refunding bond	9/14/2010	2027	\$ 24,840,000	\$ 19,680,000	2.0-4.0
Series 2014 refunding bond	8/26/2014	2025	7,125,000	4,745,000	2.0-4.0
Series 2014B system improvement bond	8/26/2014	2034	3,425,000	2,915,000	3.0-5.0
Series 2015 refunding and rehabilitation bond	5/12/2014	2035	16,895,000	13,620,000	2.0-5.0
Series 2015A improvement bond	12/16/2015	2035	17,065,000	15,855,000	2.375-5.0
Series 2016 improvement revenue bond	10/19/2016	2036	16,375,000	15,450,000	2.125-5.0
Series 2018 improvement revenue bond	2/22/2018	2038	22,180,000	22,180,000	2.0-4.0
			\$ 107,905,000	\$ 94,445,000	

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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
2019	\$ 5,200,000	\$ 3,390,444	\$ 8,590,444
2020	5,530,000	3,224,894	8,754,894
2021	5,830,000	3,038,644	8,868,644
2022	6,355,000	2,802,444	9,157,444
2023	6,715,000	2,549,257	9,264,257
2024-2028	30,195,000	8,737,408	38,932,408
2029-2033	18,895,000	4,650,593	23,545,593
2034-2038	15,725,000	1,409,980	17,134,980
	<u>\$ 94,445,000</u>	<u>\$ 29,803,663</u>	<u>\$ 124,248,663</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, 2018 exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate funds.

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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 7: LONG-TERM LIABILITIES (Continued)

Bond covenants require reporting of the number of utility customers served, which were as follows for the year ended June 30, 2018:

	Water	Wastewater	Gas	Solid Waste
Residential	32,389	31,104	37,810	32,651
Commercial/other	4,465	3,421	3,093	2,729
Total	36,854	34,525	40,903	35,380

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	\$ -	1.9-3.85
2011 NMFA Note	Solid Waste Vehicles	12/16/2011	2019	1,016,561	143,722	0.32-2.11
2015 NMFA Note	Solid Waste Equipment	1/9/2015	2022	2,775,819	1,546,043	0.21-2.01
2017 NMFA Note	Joint Utility Improvement Loan	12/1/2017	2037	5,135,000	5,025,000	.95-3.48
				\$ 10,636,135	\$ 6,714,765	

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

Year ending June 30,	Principal	Interest	Total
2019	\$ 741,704	\$ 155,151	\$ 896,855
2020	607,858	144,955	752,813
2021	613,945	136,325	750,270
2022	626,258	126,200	752,458
2023	235,000	114,550	349,550
2024-2028	1,225,000	507,822	1,732,822
2029-2033	1,385,000	347,959	1,732,959
2034-2037	1,280,000	111,277	1,391,277
\$ 6,714,765		\$ 1,644,238	\$ 8,359,003

Notes to Financial Statements

June 30, 2018

NOTE 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 \$828,000 as of the year ended June 30, 2018. 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, 2018. The Foothills landfill is at 100% capacity and closed.

In 2014, 10 acres were closed and are no longer available for waste acceptance. Currently there is a total of 390 acres available which has an estimated life of 89.6 years. Of the total cells, design has been completed for the eastern 200 acres and 190 acres have been utilized for disposal.

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 Financial Statements

June 30, 2018

NOTE 9: POLLUTION REMEDIATION OBLIGATION – CHANGE IN ACCOUNTING ESTIMATE

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
	<u>\$ 13,780,213</u>	<u>\$ 6,890,106</u>

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, 2018, all \$243,000 was applied to design and engineering costs. Construction on the project completed and remediation operations began August 2012.

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. The City periodically uses consultants to evaluate the site and potential liability.

On January 4, 2018, the City received a Unilateral Administrative Order from the EPA. The City is still in litigation regarding the liability. As of June 30, 2018, the City's outstanding pollution remediation obligation with this Order was estimated at \$7,359,858. This resulted in a change in estimate of \$1,948,551 in the current year.

Notes to Financial Statements

June 30, 2018

NOTE 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 755 active participants in the plan as of June 30, 2018.

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.

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN

General Information about the OPEB

Plan description. Employees of the City are provided with OPEB through the Retiree Health Care Fund ("the Fund")—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority ("NMRHCA"). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act ("the Act") of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN (Continued)

Employees covered by benefit terms. At June 30, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	160,035
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	97,349

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$1,281,538 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2017, the City reported a liability of \$67,586,634 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2018, the City’s proportion was 1.49262 percent.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN (Continued)

For the year ended June 30, 2018, the recognized OPEB expense of \$2,689,171. At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 11,816,662
Net difference between projected and actual earnings on pension plan investments	-	972,280
City's contributions subsequent to the measurement date	1,300,015	-
Difference between expected and actual experience	-	2,593,616
Total	\$ 1,300,015	\$ 15,382,558

Deferred outflows of resources totaling \$1,300,015 represent the City's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (3,270,439)
2020	(3,270,439)
2021	(3,270,439)
2022	(3,270,439)
2023	(2,300,802)
Total	\$ (15,382,558)

Notes to Financial Statements

June 30, 2018

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN (Continued)

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	4.1%
U.S. equity - large cap	9.1
Non U.S. - emerging markets	12.2
Non U.S. - developed equities	9.8
Private equity	13.8
Credit and structured finance	7.3
Real estate	6.9
Absolute return	6.1
U.S. equity - small/mid cap	9.1

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
\$ 81,981,534	\$ 67,586,634	\$ 56,292,541

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 11: NEW MEXICO RETIREE HEALTH CARE PLAN (Continued)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend</u> <u>Rates</u>	<u>1% Increase</u>
<u>\$ 57,487,087</u>	<u>\$ 67,586,634</u>	<u>\$ 75,461,784</u>

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability. At June 30, 2018, the City did not have a payable due to NMRHCA for the year ended June 30, 2018.

Notes to Financial Statements

June 30, 2018

NOTE 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.

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, 2017 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 Financial Statements

June 30, 2018

NOTE 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 28 through 29 of the PERA FY17 annual audit report at <http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2017-Final.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 \$8,137,021 and employer paid member benefits that were “picked up” by the employer were \$3,080,056 for the year ended June 30, 2018. These contributions of 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, 2017, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date 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, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 were included in the total contributions for a specific employer.

Regular and any adjustment contributions that applied to fiscal year ended June 30, 2017 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 Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

For PERA Fund Division: General Municipal, at June 30, 2018, the City of Las Cruces reported a liability of \$63,198,637 for its proportionate share of the net pension liability. At June 30, 2018, the Municipal's proportion was 4.9709 percent, which was slightly lower from its proportional measured as of June 30, 2017.

For the year ended June 30, 2018, the City of Las Cruces recognized PERA Fund Division Municipal's pension expense of \$8,003,034, which excludes the City's fiduciary funds and discretely presented component units. At June 30, 2018, 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:

City of Las Cruces- Municipal	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 2,665,042	\$ 597,192
Differences between expected and actual experience	2,270,799	2,924,874
Net difference between projected and actual earnings on pension plan investment	4,741,260	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	132,234	370,947
City of Las Cruces contributions subsequent to the measurement date	3,863,833	-
Total	\$ 13,673,169	\$ 3,893,014

The City made contributions subsequent to the measurement date June 30, 2017 in the amount of \$3,863,833. 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, 2018. 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:	
2019	\$ 1,479,080
2020	1,479,080
2021	1,479,080
2022	1,479,080

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

For PERA Fund Division: Police, at June 30, 2018, the City of Las Cruces reported a liability of \$26,855,302 for its proportionate share of the net pension liability. At June 30, 2018, the Police proportion was 4.8996 percent, which was lower from its proportion measured as of June 30, 2016, of 4.9064 percent.

For the year ended June 30, 2018, the City of Las Cruces recognized PERA Fund Division Police's pension expense of \$3,941,662. At June 30, 2018, 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:

City of Las Cruces- Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 1,573,707	\$ 625,268
Differences between expected and actual experience	1,606,465	5,024,017
Net difference between projected and actual earnings on pension plan investment	2,130,215	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	397,075
City of Las Cruces contributions subsequent to the measurement date	2,016,017	-
Total	\$ 7,326,404	\$ 6,046,360

The City made contributions subsequent to the measurement date June 30, 2017 in the amount of \$2,016,017. 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, 2018. 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:

2019	\$	(183,993)
2020		(183,993)
2021		(183,993)
2022		(183,994)

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

For PERA Fund Division: Fire, at June 30, 2018, the City of Las Cruces reported a liability of \$35,014,102 for its proportionate share of the net pension liability. At June 30, 2018, the Fire proportion was 6.1198 percent, which was higher from its proportion measured as of June 30, 2016, of 5.7888 percent.

For the year ended June 30, 2018, the City of Las Cruces recognized PERA Fund Division Fire's pension expense of \$3,484,054. At June 30, 2018, 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:

City of Las Cruces- Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 1,384,247	\$ 219,522
Differences between expected and actual experience	1,143,279	4,384,343
Net difference between projected and actual earnings on pension plan investment	1,314,396	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,541,048	206,176
City of Las Cruces contributions subsequent to the measurement date	1,837,467	-
Total	\$ 7,220,437	\$ 4,810,041

The City made contributions subsequent to the measurement date June 30, 2017 in the amount of \$1,837,467. 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, 2018. 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:	
2019	\$ 143,232
2020	143,232
2021	143,232
2022	143,232

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

For the SCSWA at June 30, 2018, a liability of \$3,575,873 was recorded for its proportionate share of the net pension liability. At June 30, 2018, the SCSWA's proportion was 3.65 percent, which was lower from its proportion measured of June 30, 2017.

For the year ended June 30, 2018, SCSWA recognized pension expense of \$292,053. At June 30, 2018, SCSWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCSWA	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 347,524	\$ 77,875
Differences between expected and actual experience	296,116	443,548
Net difference between projected and actual earnings on pension plan investment	618,434	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,244	48,372
SCSWA contributions subsequent to the measurement date	229,022	-
Total	\$ 1,279,317	\$ 569,795

SCSWA made contributions subsequent to the measurement date June 30, 2017 in the amount of \$229,022. 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, 2018. 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:	
2019	\$ 177,380
2020	177,380
2021	177,380
2022	177,380

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

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, 2017. These assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial Assumptions:	
· Investment rate of return	7.51% annual rate, net of investment expense
· Projected benefit payment	100 years
· Payroll Growth	2.75% for first 9 years, then 3.25% annual rate
· Projected salary increases	2.75% to 14.00% annual rate
· Includes inflation at	2.25% annual rate first 9 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, 2016 (economic)

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	43.50%	7.39%
Risk Reduction & Mitigation	21.50%	1.79%
Credit Oriented Fixed Income	15.00%	5.77%
Real Assets to include Real Estate Equity	20.00%	7.35%
Total	<u>100.0%</u>	

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

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 7.51% 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 (6.51%) or one percentage point higher (8.51%) than the single discount rate.

PERA Fund Division – Municipal	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Las Cruces' proportionate share of the net pension liability	\$ 54,783,372	\$ 63,198,637	\$ 71,613,901
PERA Fund Division – Police	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Las Cruces' proportionate share of the net pension liability	\$ 23,595,923	\$ 27,220,489	\$ 30,845,055
PERA Fund Division – Fire	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Las Cruces' proportionate share of the net pension liability	\$ 30,351,772	\$ 35,014,102	\$ 39,676,432

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS (Continued)

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 (6.51%) or one percentage point higher (8.51%) than the single discount rate.

PERA Fund Division – SCSWA	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Las Cruces' proportionate share of the net pension liability	\$ 3,099,725	\$ 3,575,873	\$ 4,052,021

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY17 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

NOTE 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 we 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 Financial Statements

June 30, 2018

NOTE 13: RISK MANAGEMENT (Continued)

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

	2018		2017	
	Programs		Program Costs	
	Costs (Benefits)	Premiums	(Benefits)	Premiums
Health Program	\$ 13,701,583	\$ (13,675,427)	\$ 11,755,224	\$ (12,403,638)
Workers Compensation	1,417,396	(284,710)	815,053	(232,909)
Liability Insurance	2,478,402	-	2,639,987	(190,579)
Unemployment Insurance	(46,659)	(35,000)	57,422	(35,001)
Total	\$ 17,550,722	\$ (13,995,137)	\$ 15,267,686	\$ (12,862,127)

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. The City currently has one significant case, that is, one remaining alleged wrongful death case. The City believes that the reserve funds will more than cover any potential liability from this case. As of June 30, 2018, litigation is still pending on remaining claim.

Changes in the insurance fund's claims liability were:

	2018	2017
Claims liabilities, beginning of year	\$ 6,548,467	\$ 6,548,467
Current year claims and changes in estimates	17,304,237	15,267,687
Payment of claims liabilities	(17,304,237)	(15,267,687)
Claims liabilities, end of year	\$ 6,548,467	\$ 6,548,467

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 14: DEVELOPMENT IMPACT FEES

Development impact fee activity for the year ended June 30, 2018 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	\$ 1,213,321
Investment income	51,900
Expenditures	(71,970)
Net Parks Impact Fees	\$ 1,193,251
Public Safety Impact Fees	
Impact fees collected	\$ 552,262
Investment income	21,245
Expenditures	(35,444)
Net Public Safety Impact Fees	\$ 538,063
Water Impact Fees	
Impact fees collected	\$ 1,114,786
Investment income	11,311
Expenditures	(1,013,772)
Net Water Impact Fees	\$ 112,326
Wastewater Impact Fees	
Impact fees collected	\$ 1,355,306
Investment income	87,064
Expenditures	(553,749)
Net Wastewater Impact Fees	\$ 888,621
Total Impact Fees	
Collections	\$ 4,235,675
Investment income	171,520
Expenditures	(1,674,935)
Net Impact Fees	\$ 2,732,261

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 15: TELSHOR FACILITY LEASE MEMORIAL MEDICAL CENTER/PROVINCE HOSPITAL (TELSHOR FACILITY)

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

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

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

	Total	City Portion
Total lease amount	\$ 150,000,000	\$ 75,000,000
Less		
Hospital liabilities assumed by PHC	9,247,375	4,623,688
Amounts deposited into escrow to cover medical malpractice and other contingencies	14,445,892	7,222,946
Payment of outstanding hospital bonds	50,038,987	25,019,494
Payment of hospital pension liabilities	24,100,000	12,050,000
Closing costs	1,000	500
Cash paid by PHC to the City and County	\$ 52,166,746	\$ 26,083,373

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

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

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

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 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 FY18.

NOTE 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 FY18 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 FY18, the City paid \$124,617 to Spectra.

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 \$61,667 in FY18.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 16: LAS CRUCES CONVENTION CENTER (Continued)

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.

NOTE 17: MAJOR CONSTRUCTION COMMITMENTS

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Joint Utilities					
Gas Infrastructure Rehabilitation SCADA	Gas Capital Improvements	\$ 51,123	\$ -	\$ 51,123	Gas Utility Rates
Gas Infrastructure Rehabilitation	Gas Capital Improvements	132,217	-	132,217	Gas Utility Rates
Gas Infrastructure Rehabilitation	Gas Capital Improvements	974,592	-	974,592	Gas Utility Rates
Gas Infrastructure Reconstruction Projects	Gas15A Bond Projects	1,027,268	225,100	802,168	2015 Joint Utility Bond
Gas Infrastructure Itron AMI	Gas 2018 JU Project	5,400,320	1,665,142	3,735,178	2018 Joint Utility Bond
Water New Quality Lab Building	Water15 Bond Projects	899,287	369,295	529,992	2015 Joint Utility Bond
Water Infrastructure Reconstruction Projects	Water15A Bond Projects	1,437,079	256,619	1,180,460	2015 Joint Utility Bond
Water 17 Project Infrastructure Rehabilitation	Water 2017 JU Improvement Rev Bond	94,175	-	94,175	2017 Joint Utility Bond
Water Infrastructure Itron AMI	Water 2018 JU Improvement Rev Bond	16,323,680	5,157,191	11,166,489	2018 Joint Utility Bond
Water Infrastructure Rehabilitation	Water Capital Improvements	69,553	13,810	55,743	Water Utility Rates
Water Infrastructure Rehabilitation	Water Capital Improvements	289,500	-	289,500	Water Utility Rates
Wastewater Infrastructure Development	Wastewater Development	3,145,816	1,880,749	1,265,068	Wastewater Utility Rates
Wastewater JHWWTF New Water Quality Lab Building	WW15 Bond Projects	201,392	-	201,392	2015 Joint Utility Bond
Wastewater JHWWTF New Water Quality Lab Building	WW15 Bond Projects	1,935,975	328,274	1,607,701	2015 Joint Utility Bond
Wastewater 15A Infrastructure Reconstruction Projects	WW15A Bond Projects	1,151,466	59,761	1,091,705	2016 Joint Utility Bond
Wastewater Infrastructure Reconstruction Projects	Wastewater Capital Improvement	855,374	253,588	601,786	2017 Joint Utility Bond
Wastewater 14 Infrastructure Reconstruction Projects	WW14 Bond Projects	320,477	11,347	309,129	2015 Joint Utility Bond
Total		\$ 34,309,293	\$ 10,220,876	\$ 24,088,417	

NOTE 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.

NOTE 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, Dona Ana County, and the City contribute 75% of the incremental gross receipts tax is collected in the district. Additionally, both City and County contribute 75% of the incremental property tax assessed in the district.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 19: DOWNTOWN TAX INCREMENT DEVELOPMENT DISTRICT (TIDD) (Continued)

The tax revenues that go to the TIDD are used for downtown public improvements and revitalization of the downtown area. The major project to be supported by TIDD funds is the two-way conversion of Church and Water Street. Smaller projects include sound system upgrades for the Rio Grande Theatre and the installation of Soofa benches downtown.

NOTE 20: AFFILIATED ORGANIZATIONS AND JOINT POWERS AGREEMENTS

The City of Las Cruces (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

Mesilla Valley Regional Dispatch Authority (MVRDA) was formed through a Joint Powers Agreement (JPA) between the City, Dona Ana County (County), the Village of Hatch, the Town of Mesilla, the City of Sunland Park and the City of Anthony. The JPA provides for a governing board for the MVRDA. The MVRDA is governed by a Board that consists of thirteen members including an elected official of the City, appointed by the City Council; a member of the County Board of Commissioners, appointed by the Commission; the City Manager; the County Manager; the City Police Chief; the County Sheriff; the City Fire Chief; the County Fire Chief; one member appointed by the Board of Trustees for the Town of Mesilla; one member appointed by the Board of Trustees for the Village of Hatch; one member appointed by the City Council for the City of Sunland Park; one member appointed by the City Council for the City of Anthony; and one member shall be appointed by a majority vote of the MVRDA Board.

The JPA outlines financial contributions of all member of the JPA. The amount of contributions to the MVRDA budget for Mesilla, Hatch, Sunland, and Anthony shall be determined by the MVRDA Board on an annual basis as part of the process for a budget proposal to the City and County. The contributions shall be based on the number of calls expected for responses within Mesilla, Hatch, Sunland and Anthony, and not based upon a percentage of the MVRDA budget. The remaining contribution requirements are accessed to the City and County via a 53%, 47% split respectively. The Joint Powers Agreement provides that if the agreement is terminated, all real or personal property contributed by the parties shall be returned to the respective party that contributed such property and any all surplus real or personal property or any surplus money accrued by MVRDA pursuant to the JPA shall be returned to the City, County, Hatch, Mesilla, Sunland and Anthony, in proportion to the most recent budgetary contribution percentages applicable.

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, 2018. Requests for copies of financial statements can be made to the City's Chief Administrative Officer.

Metro Narcotics Agency

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

Notes to Financial Statements

June 30, 2018

NOTE 20: AFFILIATED ORGANIZATIONS AND JOINT POWERS AGREEMENTS (Continued)

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, 2018. Request for copies of financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

Metropolitan Planning Organization

The City is a participant in the Mesilla Valley Metropolitan Planning Organization (MPO). The MPO is established by a Joint Powers Agreement (JPA) between the City of Las Cruces, Dona Ana County, and the Town of Mesilla (most recently updated in 2013). The MPO is governed by a committee of ten; three each appointed by the City, County, and Town, plus the District One Engineer from the New Mexico Department of Transportation (NMDOT). The committee was constituted for the purpose of establishing, overseeing, and directing transportation related policy for the Las Cruces Urbanized Area and is required for the purposes of using federal transportation funding in the area.

The parties agree that some of the expense of the transportation process will be provided for by federal transportation planning funds from the United States Department of Transportation (USDOT) Federal Highway Administration (FHWA) Section 112 funds and the Federal Transit Administration (FTA) Section 5303 funds, as administered and distributed by the NMDOT. Expenses not so provided shall be assumed by participating agencies according the Financial Contributions section of the JPA.

The parties may terminate the JPA by giving written notice at least ninety days prior to the effective date of termination.

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.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 20: AFFILIATED ORGANIZATIONS AND JOINT POWERS AGREEMENTS (Continued)

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 2018, the City of Las Cruces and Dona Ana County paid approximately \$2.8 million and \$982,898, respectively, to SCSWA for solid waste services provided.

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 and 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 JPA. During fiscal year 2018, ASCMV received \$901,787 from the City and \$901,787 from 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, 2018. Request for copies of financial statements can be made to the City's Chief Administrative Officer.

NOTE 21: TAX ABATEMENTS

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.

Notes to Financial Statements

June 30, 2018

NOTE 21: TAX ABATEMENTS (Continued)

For the fiscal year ended June 30, 2018, the City abated property taxes totaling \$73,664 under the Community Development Incentive Act. A property tax abatement of 100% of the Commercial / Personal property tax for ten years was given to Silicon Ranch Corporation for constructing and operating a new photovoltaic generating facility in the City.

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 2018 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, 2018, the City abated gross receipts taxes totaling \$636,380 and property taxes totaling \$21,640.

NOTE 22: SUBSEQUENT EVENTS

The City is in the process of receiving an Infrastructure Loan through private placement with the New Mexico Finance Authority in the amount of \$1,419,664.00. The targeted closing date is July 27, 2018. The loan will have a net effective interest rate of 2.22% and a final maturity date of June 1, 2025. This loan will be secured by the 2nd increment of 0.25% Municipal Gross Receipts Tax. This loan is designated for the acquisition of fire protection equipment.

The City is in the process of receiving a Public Project Revolving Fund Infrastructure Loan through private placement with the New Mexico Finance Authority in the amount of \$9,600,000.00. The targeted closing date is September 28, 2018. This loan will have a net effective interest rate of 2.38% and a final maturity date of June 1, 2027. This loan will be secured by the Hold Harmless Gross Receipts Tax. This loan is designated for the construction of a Permanent Pool Enclosure for City Pool.

The City is in the process of receiving a Public Project Revolving Fund Infrastructure Loan through private placement with the New Mexico Finance Authority in the amount of \$2,575,000. The targeted closing date is November 21, 2018. This loan will be secured by the Gasoline Tax Revenues. The loan will have a net effective interest rate of 2.60 and a final maturity date of June 1, 2025. This loan is designated for acquisition of heavy street equipment.

City of Las Cruces

Notes to Financial Statements

June 30, 2018

NOTE 22: SUBSEQUENT EVENTS (Continued)

The City approved a General Obligation Bond measure on August 21, 2018. The City is in the process of issuing a General Obligation Bond for approximately half of the total approved amount of \$35,600,000. The following 4 questions were voted on and approved during the August 2018 election: 1.) Shall the City issue general obligation bonds, payable from property taxes, in an amount up to \$16,900,000 to construct improvements to parks including sports fields and other related facilities? 2.) Shall the City issue general obligation bonds, payable from property taxes, in an amount up to \$9,800,000 to construct a new animal shelter facility and related improvements? 3.) Shall the City issue general obligation bonds, payable from property taxes, in an amount up to \$6,200,000 to construct replacement fire station facilities for Fire Station 3, including acquisition of necessary land? 4.) Shall the City issue general obligation bonds, payable from property taxes, in an amount up to \$2,700,000 to construct and improve recreational walking, jogging, and biking trails, including acquisition of necessary land? The targeted closing date is March 2019.

NOTE 23: RESTATEMENT TO PRIOR PERIOD

The objective of a net position restatement is to accurately reflect prior period's net position and improve the relevancy and usefulness of financial information. The City restated net position in the amount of (\$84,684,015) related to the implementation of GASB Statement No. 75 to recognize the beginning effect on prior year net position of the OPEB Liability. In addition, the City restated net position in the amount \$2,556,687 related to unbilled utility billing receivable. The effect of the restatement is as follows:

	Governmental Activities	Business-Type Activities	Total
Net position - beginning of year , as originally stated	\$ 380,687,292	\$ 225,396,342	\$ 606,083,634
Restatement - OPEB	(65,869,925)	(16,321,455)	(82,191,380)
Restatement - unbilled utility receivable	-	2,528,954	2,528,954
Net Position, Beginning of year, as restated	\$ 314,817,367	\$ 211,603,841	\$ 526,421,208



Required Supplementary Information

City of Las Cruces

Schedule of the City's Proportionate Share of the Net Pension Liability Public Employees Retirement Association (PERA)

June 30, 2018

	2018	2017	2016	2015
City of Las Cruces proportion of the net pension liability (asset)				
Municipal	4.97%	5.01%	5.03%	4.64%
Police	4.90%	4.91%	5.01%	5.10%
Fire	6.12%	5.79%	5.87%	5.72%
City of Las Cruces proportionate share of the net pension liability (asset)				
Municipal	\$ 63,198,637	\$ 73,329,081	\$ 49,796,563	\$ 36,171,147
Police	27,220,489	36,200,879	23,390,154	16,640,441
Fire	35,014,102	38,617,182	29,442,649	23,884,004
City of Las Cruces covered payroll				
Municipal	\$ 44,588,361	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Police	11,625,976	11,333,930	10,991,888	11,050,695
Fire	8,487,146	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 payroll				
Municipal	141.74%	170.80%	128.91%	96.65%
Police	234.14%	319.40%	212.79%	150.58%
Fire	412.55%	520.62%	437.25%	356.78%
Plan fiduciary net position as a percentage of the total pension liability				
	73.74%	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.

See independent auditors' report.
See notes to required supplementary information.

City of Las Cruces

Schedule of the City's Contributions Public Employees Retirement Association (PERA)

June 30, 2018

	2018	2017	2016	2015
Municipal				
Contractually obligated contribution	\$ 4,260,265	\$ 4,008,076	\$ 3,983,174	\$ 6,016,189
Contributions in related to the contractually required contribution	4,260,265	4,008,076	3,983,174	6,016,189
Contribution deficiency (excess)	-	-	-	-
City of Las Cruces covered-employee payroll	\$ 44,610,105	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Contributions as a percentage of covered-employee payroll	9.55%	9.34%	10.31%	16.07%
Police				
Contractually obligated contribution	\$ 1,957,872	\$ 1,340,980	\$ 2,180,472	\$ 1,740,991
Contributions in related to the contractually required contribution	1,957,872	1,340,980	2,180,472	1,740,991
Contribution deficiency (excess)	-	-	-	-
City of Las Cruces covered-employee payroll	\$ 10,359,111	\$ 11,333,930	\$ 10,991,888	\$ 11,050,695
Contributions as a percentage of covered-employee payroll	18.90%	11.83%	19.84%	15.75%
Fire				
Contractually obligated contribution	\$ 1,837,467	\$ 1,094,091	\$ 1,659,724	\$ 1,323,824
Contributions in related to the contractually required contribution	1,837,467	1,094,091	1,659,724	1,323,824
Contribution deficiency (excess)	-	-	-	-
City of Las Cruces covered-employee payroll	\$ 8,487,145	\$ 7,417,574	\$ 6,733,578	\$ 6,694,291
Contributions as a percentage of covered-employee payroll	21.65%	14.75%	24.65%	19.78%

*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.

See independent auditors' report.
See notes to required supplementary information.

City of Las Cruces

Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Act Plan New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2018
City of Las Cruces' proportion of the net OPEB liability	1.49262%
City of Las Cruces' proportionate share of the net OPEB liability	\$ 67,640,543
City of Las Cruces' covered-employee payroll	\$ 41,631,772
City of Las Cruces' proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	162.47%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

* 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.

City of Las Cruces

Schedule of Employer Contributions New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2018
Contractually required contributions	\$ 1,300,015
Contributions in relation to the contractually required contribution	(1,300,015)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>
City of Las Cruces' covered-employee payroll	\$ 41,631,772
Contributions as a percentage of covered-employee payroll	3.00%

* 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.

Notes to Required Supplementary Information

June 30, 2018

Public Employees Retirement Association (PERA)

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY17 CAFR available at <https://www.saonm.org>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at <http://www.nmpera.org/>.

New Mexico Retiree Health Care Authority (NMRHCA) Plan

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY17 audit available at http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NM_RHCA_Audited_FS_6.30.17.pdf.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2017 report is available at http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NMRHCA_5507316_Final_per_Auditor_update_Final_Report_11.21.17.pdf. See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.



Combining Financial Statements

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Special Revenue		
	Community Development	Court Awarded Funds	Fire
Assets			
Pooled cash and investments	\$ -	\$ 10,602	\$ -
Restricted cash and investments	311,209	-	651,998
Receivables, net	4,258,760	-	-
Due from other governmental units	-	-	-
Total assets	\$ 4,569,969	\$ 10,602	\$ 651,998
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ 60,446	\$ 41,371	\$ 50,815
Due to other funds	268,902	81,551	-
Accrued liabilities	5,369	-	-
Unearned revenue	4,152,929	-	359,264
Total liabilities	4,487,646	122,922	410,079
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	-	-	241,919
Public works	-	-	-
Housing and community development	82,323	-	-
Debt service	-	-	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	-	-	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	-	(112,320)	-
Total fund balances	82,323	(112,320)	241,919
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,569,969	\$ 10,602	\$ 651,998

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue

Police Protection	Emergency Medical Services	Traffic	Safe Traffic Operations Program	Court Automation	Prisoner Care
\$ -	\$ -	\$ -	\$ 51,998	\$ -	\$ -
182,298	1,452	73,332	-	473,635	921,293
269	-	-	-	-	-
64,699	-	-	-	-	-
\$ 247,266	\$ 1,452	\$ 73,332	\$ 51,998	\$ 473,635	\$ 921,293
\$ 8,547	\$ -	\$ -	\$ -	\$ -	\$ 713,936
-	-	-	-	-	-
768	-	-	-	-	-
26,242	540	-	-	-	-
35,557	540	-	-	-	713,936
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
211,709	912	73,332	51,998	473,635	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	207,357
-	-	-	-	-	-
-	-	-	-	-	-
211,709	912	73,332	51,998	473,635	207,357
\$ 247,266	\$ 1,452	\$ 73,332	\$ 51,998	\$ 473,635	\$ 921,293

See independent auditors' report.

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Special Revenue		
	Juvenile Recreation	Convention & Visitors Bureau	DWI Prevention
Assets			
Pooled cash and investments	\$ -	\$ -	\$ -
Restricted cash and investments	69,693	2,426,320	10,493
Receivables, net	-	512,634	-
Due from other governmental units	-	-	-
Total assets	\$ 69,693	\$ 2,938,954	\$ 10,493
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ -	\$ 42,275	\$ -
Due to other funds	-	-	-
Accrued liabilities	-	12,784	-
Unearned revenue	-	-	-
Total liabilities	-	55,059	-
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	69,693	-	10,493
Public works	-	-	-
Housing and community development	-	-	-
Debt service	-	-	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	-	2,883,895	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	-	-	-
Total fund balances	69,693	2,883,895	10,493
Total liabilities, deferred inflows of resources, and fund balances	\$ 69,693	\$ 2,938,954	\$ 10,493

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue

Judicial Education	Environmental Gross Receipts Tax	Healthcare Services from MMC Lease	Special Revenue Grants	Gasoline Tax Street Maintenance Fund	Keep Las Cruces Beautiful
\$ -	\$ -	\$ 615,592	\$ -	\$ -	\$ -
1,127	1,661	-	-	3,267,708	-
-	-	-	336,972	-	-
-	331,085	-	220,885	270,289	12,962
<u>\$ 1,127</u>	<u>\$ 332,746</u>	<u>\$ 615,592</u>	<u>\$ 557,857</u>	<u>\$ 3,537,997</u>	<u>\$ 12,962</u>
\$ -	\$ -	\$ 48,542	\$ 23,648	\$ 1,608	\$ -
-	-	-	488,303	-	12,321
-	-	-	4,267	4,668	-
-	-	-	40,183	-	286
-	-	48,542	556,401	6,276	12,607
-	-	-	-	-	-
-	-	-	-	-	-
1,127	-	-	-	-	-
-	-	-	-	3,531,721	-
-	-	-	-	-	-
-	332,746	-	-	-	-
-	-	-	-	-	355
-	-	-	-	-	-
-	-	-	-	-	-
-	-	567,050	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,456	-	-
-	-	-	-	-	-
<u>1,127</u>	<u>332,746</u>	<u>567,050</u>	<u>1,456</u>	<u>3,531,721</u>	<u>355</u>
<u>\$ 1,127</u>	<u>\$ 332,746</u>	<u>\$ 615,592</u>	<u>\$ 557,857</u>	<u>\$ 3,537,997</u>	<u>\$ 12,962</u>

See independent auditors' report.

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Special Revenue		
	Older Americans Act Program	Affordable Housing Trust	Alarm F & F
Assets			
Pooled cash and investments	\$ -	\$ -	\$ -
Restricted cash and investments	-	527,100	1,944
Receivables, net	52,715	-	-
Due from other governmental units	94,201	-	-
Total assets	\$ 146,916	\$ 527,100	\$ 1,944
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ 28,739	\$ -	\$ 1,200
Due to other funds	111,482	-	-
Accrued liabilities	6,697	-	-
Unearned revenue	-	-	-
Total liabilities	146,918	-	1,200
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	-	-	744
Public works	-	-	-
Housing and community development	-	527,100	-
Debt service	-	-	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	-	-	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	(2)	-	-
Total fund balances	(2)	527,100	744
Total liabilities, deferred inflows of resources, and fund balances	\$ 146,916	\$ 527,100	\$ 1,944

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue					
Street Maintenance	Special Revenue Flood Control	Special Assessments/ Northrise Morningstar	Downtown Revitalization	Valley View Heske Garden	Griggs Walnut Plume
\$ -	\$ -	\$ 23,227	\$ -	\$ -	\$ -
2,637,859	2,516,214	-	51,746	167,476	3,320,179
-	-	723,603	100	-	82,842
1,321,795	246,438	-	-	-	-
<u>\$ 3,959,654</u>	<u>\$ 2,762,652</u>	<u>\$ 746,830</u>	<u>\$ 51,846</u>	<u>\$ 167,476</u>	<u>\$ 3,403,021</u>
\$ 250,628	\$ 134,478	\$ -	\$ 5,833	\$ -	\$ 9,521
-	-	-	-	-	-
5,098	9,199	-	-	-	-
-	-	-	-	-	-
<u>255,726</u>	<u>143,677</u>	<u>-</u>	<u>5,833</u>	<u>-</u>	<u>9,521</u>
-	179,980	723,603	-	-	-
-	179,980	723,603	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,703,928	2,438,995	-	-	-	3,393,500
-	-	-	-	-	-
-	-	-	-	167,476	-
-	-	-	-	-	-
-	-	-	46,013	-	-
-	-	-	-	-	-
-	-	23,227	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,703,928</u>	<u>2,438,995</u>	<u>23,227</u>	<u>46,013</u>	<u>167,476</u>	<u>3,393,500</u>
<u>\$ 3,959,654</u>	<u>\$ 2,762,652</u>	<u>\$ 746,830</u>	<u>\$ 51,846</u>	<u>\$ 167,476</u>	<u>\$ 3,403,021</u>

See independent auditors' report.

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Special Revenue		
	TIDD Dedicated Revenues	Las Cruces Convention Center	Public Safety Impact Fee
Assets			
Pooled cash and investments	\$ -	\$ 71,735	\$ -
Restricted cash and investments	3,157,916	-	1,419,835
Receivables, net	300	119,130	7,536
Due from other governmental units	477,365	-	-
Total assets	\$ 3,635,581	\$ 190,865	\$ 1,427,371
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ 12,332	\$ -	\$ 4,974
Due to other funds	-	-	-
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	12,332	-	4,974
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	-	-	1,422,397
Public works	-	-	-
Housing and community development	-	-	-
Debt service	-	190,865	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	3,623,249	-	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	-	-	-
Total fund balances	3,623,249	190,865	1,422,397
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,635,581	\$ 190,865	\$ 1,427,371

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue	Capital Projects				
Sonoma Ranch	Public Parks	Street Improvement	Capital Grants Projects	Sales Tax-Street Maintenance	
\$ -	\$ 3,347,239	\$ 1,086,611	\$ -	\$ 5,722,672	
-	-	-	-	-	
7,647,181	-	-	490,764	45,000	
-	-	-	1,461,406	-	
<u>\$ 7,647,181</u>	<u>\$ 3,347,239</u>	<u>\$ 1,086,611</u>	<u>\$ 1,952,170</u>	<u>\$ 5,767,672</u>	
\$ -	\$ -	\$ -	\$ 472,329	\$ 523,963	
81,334	-	-	981,705	-	
-	-	-	-	-	
-	-	-	418,094	69,261	
<u>81,334</u>	<u>-</u>	<u>-</u>	<u>1,872,128</u>	<u>593,224</u>	
7,647,181	-	-	-	-	
<u>7,647,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	1,086,611	80,042	5,174,448	
-	-	-	-	-	
-	-	-	-	-	
-	3,347,239	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
(81,334)	-	-	-	-	
<u>(81,334)</u>	<u>3,347,239</u>	<u>1,086,611</u>	<u>80,042</u>	<u>5,174,448</u>	
<u>\$ 7,647,181</u>	<u>\$ 3,347,239</u>	<u>\$ 1,086,611</u>	<u>\$ 1,952,170</u>	<u>\$ 5,767,672</u>	

See independent auditors' report.

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Capital Projects		
	VAD Street Project	Flood Control	Completed Debt Projects
Assets			
Pooled cash and investments	\$ 6,297,608	\$ 2,919,078	\$ -
Restricted cash and investments	-	-	-
Receivables, net	-	4,914	-
Due from other governmental units	-	-	-
Total assets	\$ 6,297,608	\$ 2,923,992	\$ -
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ 1,061	\$ 121,869	\$ -
Due to other funds	-	-	184,563
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	1,061	121,869	184,563
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	-	-	-
Public works	6,296,547	2,802,123	-
Housing and community development	-	-	-
Debt service	-	-	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	-	-	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	-	-	(184,563)
Total fund balances	6,296,547	2,802,123	(184,563)
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,297,608	\$ 2,923,992	\$ -

(Continued)

See independent auditors' report.

City of Las Cruces

Combining Balance Sheet – *Nonmajor Governmental Funds*

June 30, 2018

	Capital Projects		
	Convention Center	2015A HHS	2015B HHS
Assets			
Pooled cash and investments	\$ -	\$ 12,940,435	\$ 3,931,368
Restricted cash and investments	-	-	-
Receivables, net	-	-	-
Due from other governmental units	-	-	-
Total assets	\$ -	\$ 12,940,435	\$ 3,931,368
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts and contracts payable	\$ -	\$ 170,764	\$ 56,307
Due to other funds	144,289	-	-
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	144,289	170,764	56,307
Deferred Inflows of resources			
Deferred special assessment receipts	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable:			
Restricted for:			
Required Reserve	-	-	-
Public safety programs	-	-	-
Public works	-	12,769,671	3,875,061
Housing and community development	-	-	-
Debt service	-	-	-
Parks and recreation	-	-	-
Quality of Life	-	-	-
Economic Development	-	-	-
Committed for:			
Health related programs	-	-	-
Debt Service	-	-	-
Public safety programs	-	-	-
Public works	-	-	-
Unassigned	(144,289)	-	-
Total fund balances	(144,289)	12,769,671	3,875,061
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 12,940,435	\$ 3,931,368

(Concluded)

See independent auditors' report.

City of Las Cruces

Capital Projects

2017 NMFA	TIDD Street Projects	Community Investment Projects	Total
\$ -	\$ 4,196,066	\$ 5,814,840	\$ 54,568,073
5,048,180	1,620,500	-	38,245,481
-	-	-	14,282,720
-	-	-	4,501,125
<u>\$ 5,048,180</u>	<u>\$ 5,816,566</u>	<u>\$ 5,814,840</u>	<u>\$ 111,597,399</u>
\$ 46,703	\$ 400,599	\$ 94,500	\$ 3,547,038
-	-	-	2,493,564
-	-	-	48,850
-	-	-	5,066,799
<u>46,703</u>	<u>400,599</u>	<u>94,500</u>	<u>11,156,251</u>
-	-	-	8,550,764
-	-	-	8,550,764
-	-	-	-
-	-	-	2,557,959
5,001,477	5,415,967	5,720,340	77,866,138
-	-	-	609,423
-	-	-	523,611
-	-	-	3,515,070
-	-	-	-
-	-	-	6,553,157
-	-	-	567,050
-	-	-	23,227
-	-	-	207,357
-	-	-	1,456
-	-	-	(534,064)
<u>5,001,477</u>	<u>5,415,967</u>	<u>5,720,340</u>	<u>91,890,384</u>
<u>\$ 5,048,180</u>	<u>\$ 5,816,566</u>	<u>\$ 5,814,840</u>	<u>\$ 111,597,399</u>

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Special Revenue		
	Community Development	Court Awarded Funds	Fire
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	5,881	-	-
Fees and fines	-	-	-
Investment income (loss)	18,414	(823)	2,268
Intergovernmental			
Federal	1,144,421	-	-
State	-	-	914,466
Local	-	-	-
Other	136,835	-	-
Total revenues	1,305,551	(823)	916,734
Expenditures			
Current			
General government	-	-	-
Police	-	212,923	-
Fire	-	-	627,764
Community development	1,073,827	-	-
Quality of Life	-	-	-
Economic development	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	183,236	30,710	286,836
Principal payment	-	-	-
Interest and other charges	-	-	-
Total expenditures	1,257,063	243,633	914,600
Revenues over (under) expenditures	48,488	(244,456)	2,134
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	48,488	(244,456)	2,134
Fund balance - beginning of year	33,835	132,136	239,785
Fund balance - end of year	\$ 82,323	\$ (112,320)	\$ 241,919

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue

Police Protection	Emergency Medical Services	Traffic	Safe Traffic Operations Program	Court Automation	Prisoner Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
62,737	-	20,375	-	86,191	172,795
(996)	(200)	(243)	-	8,836	(1,063)
269	-	-	-	-	-
147,857	19,992	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,041	-
209,867	19,792	20,132	-	122,068	171,732
1,554	-	-	-	-	-
248,168	-	17,241	-	90,926	1,583,745
-	19,992	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,243	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
293,965	19,992	17,241	-	90,926	1,583,745
(84,098)	(200)	2,891	-	31,142	(1,412,013)
-	-	-	-	-	-
41,203	-	-	-	-	-
-	-	-	-	-	1,400,000
-	-	-	-	-	-
41,203	-	-	-	-	1,400,000
(42,895)	(200)	2,891	-	31,142	(12,013)
254,604	1,112	70,441	51,998	442,493	219,370
\$ 211,709	\$ 912	\$ 73,332	\$ 51,998	\$ 473,635	\$ 207,357

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Special Revenue		
	Juvenile Recreation	Convention & Visitors Bureau	DWI Prevention
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	2,185,039	-
State-shared	8,750	-	-
Charges for services	-	-	-
Fees and fines	-	-	2,481
Investment income (loss)	(238)	(8,044)	196
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Other	-	427	-
Total revenues	8,512	2,177,422	2,677
Expenditures			
Current			
General government	-	-	-
Police	-	-	2,431
Fire	-	-	-
Community development	-	-	-
Quality of Life	-	-	-
Economic development	-	2,055,338	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	96,074	-
Principal payment	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	2,151,412	2,431
Revenues over (under) expenditures	8,512	26,010	246
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	-	-
Transfers out	-	(68,861)	-
Total other financing sources (uses)	-	(68,861)	-
Net change in fund balance	8,512	(42,851)	246
Fund balance - beginning of year	61,181	2,926,746	10,247
Fund balance - end of year	\$ 69,693	\$ 2,883,895	\$ 10,493

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue

Judicial Education	Environmental Gross Receipts Tax	Healthcare Services from MMC Lease	Special Revenue Grants	Gasoline Tax Street Maintenance Fund	Keep Las Cruces Beautiful
\$ -	\$ 1,886,966	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,578,469	-
25,379	-	-	-	-	-
150	-	996	-	(2,636)	-
-	-	-	617,448	-	-
-	-	-	929,741	-	21,715
-	-	-	11,181	-	-
-	-	-	-	-	-
25,529	1,886,966	996	1,558,370	1,575,833	21,715
-	61,458	375,759	-	-	-
32,353	-	-	762,694	-	-
-	-	-	10,417	-	-
-	-	-	322,831	-	-
-	-	-	89,328	-	-
-	-	-	-	-	-
-	-	-	-	374,291	-
-	-	-	373,100	-	21,564
-	-	-	-	60,900	-
-	-	-	-	-	-
-	-	-	-	-	-
32,353	61,458	375,759	1,558,370	435,191	21,564
(6,824)	1,825,508	(374,763)	-	1,140,642	151
-	-	-	-	-	-
-	-	-	-	-	-
-	-	872,429	-	2,775,187	-
-	(2,073,915)	-	-	(1,065,800)	-
-	(2,073,915)	872,429	-	1,709,387	-
(6,824)	(248,407)	497,666	-	2,850,029	151
7,951	581,153	69,384	1,456	681,692	204
\$ 1,127	\$ 332,746	\$ 567,050	\$ 1,456	\$ 3,531,721	\$ 355

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Special Revenue		
	Older	Affordable	
	Americans Act Program	Housing Trust	Alarm F & F
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	252,365
Investment income (loss)	-	-	271
Intergovernmental			
Federal	175,505	-	-
State	690,332	-	-
Local	-	-	-
Other	203,952	-	-
Total revenues	1,069,789	-	252,636
Expenditures			
Current			
General government	-	-	252,365
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Quality of Life	1,069,791	-	-
Economic development	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Principal payment	-	-	-
Interest and other charges	-	-	-
Total expenditures	1,069,791	-	252,365
Revenues over (under) expenditures	(2)	-	271
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(2)	-	271
Fund balance - beginning of year	-	527,100	473
Fund balance - end of year	\$ (2)	\$ 527,100	\$ 744

(Continued)

See independent auditors' report.

City of Las Cruces

Special Revenue						
Street Maintenance	Special Revenue Flood Control	Special Assessments/ Northrise Morningstar	Downtown Revitalization	Valley View Heske Garden	Griggs Walnut Plume	
\$ 7,548,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,560,390	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	118,140
-	-	-	-	-	-	-
7,156	(5,408)	58,956	(248)	(541)	-	(11,960)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	82,842
-	-	111,912	(200)	-	-	-
<u>7,555,580</u>	<u>4,554,982</u>	<u>170,868</u>	<u>(448)</u>	<u>(541)</u>	<u>-</u>	<u>189,022</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	75,000	-	-	-
1,773,143	1,455,523	-	-	-	-	506,846
-	12,421	-	-	5,429	-	-
-	81,018	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,773,143</u>	<u>1,548,962</u>	<u>-</u>	<u>75,000</u>	<u>5,429</u>	<u>-</u>	<u>506,846</u>
<u>5,782,437</u>	<u>3,006,020</u>	<u>170,868</u>	<u>(75,448)</u>	<u>(5,970)</u>	<u>-</u>	<u>(317,824)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,900,629	731,071	-	70,000	-	-	388,733
(5,882,850)	(2,955,761)	(2,774,882)	-	-	-	-
<u>(3,982,221)</u>	<u>(2,224,690)</u>	<u>(2,774,882)</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>388,733</u>
1,800,216	781,330	(2,604,014)	(5,448)	(5,970)	-	70,909
1,903,712	1,657,665	2,627,241	51,461	173,446	-	3,322,591
<u>\$ 3,703,928</u>	<u>\$ 2,438,995</u>	<u>\$ 23,227</u>	<u>\$ 46,013</u>	<u>\$ 167,476</u>	<u>\$ -</u>	<u>\$ 3,393,500</u>

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Special Revenue		
	TIDD Dedicated Revenues	Las Cruces Convention Center	Public Safety Impact Fee
Revenues			
Taxes			
Gross receipts	\$ 991,428	\$ -	\$ -
Property	33,340	-	-
Lodgers	-	-	-
State-shared	2,561,991	-	-
Charges for services	-	-	-
Fees and fines	-	1,278,958	-
Investment income (loss)	(3,397)	24	(3,337)
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Other	1,150	-	552,262
Total revenues	3,584,512	1,278,982	548,925
Expenditures			
Current			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Quality of Life	-	-	-
Economic development	135,768	-	-
Public works	-	-	-
Parks and Rec	-	-	-
Capital outlay	-	-	35,444
Principal payment	1,620,500	-	-
Interest and other charges	44	-	-
Total expenditures	1,756,312	-	35,444
Revenues over (under) expenditures	1,828,200	1,278,982	513,481
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	-	-
Transfers out	(98,460)	(1,293,000)	-
Total other financing sources (uses)	(98,460)	(1,293,000)	-
Net change in fund balance	1,729,740	(14,018)	513,481
Fund balance - beginning of year	1,893,509	204,883	908,916
Fund balance - end of year	\$ 3,623,249	\$ 190,865	\$ 1,422,397

(Continued)

See independent auditors' report.

City of Las Cruces

<u>Special Revenue</u>	<u>Capital Projects</u>			
<u>Sonoma Ranch</u>	<u>Public Parks</u>	<u>Street Improvement</u>	<u>Capital Grants Projects</u>	<u>Sales Tax-Street Maintenance</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,213,321	-	-	-
(8,119)	(10,446)	(2,965)	-	(4,300)
-	-	-	444,054	-
-	-	-	2,701,953	-
-	-	-	49,220	-
-	-	36,426	-	517,480
(8,119)	1,202,875	33,461	3,195,227	513,180
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	56,286	-
-	-	2,140	287,952	-
-	4,176	-	-	-
-	67,794	-	2,823,996	3,628,960
-	-	-	-	-
-	-	-	-	-
-	71,970	2,140	3,168,234	3,628,960
(8,119)	1,130,905	31,321	26,993	(3,115,780)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,200,000
(2,631,603)	-	-	-	-
(2,631,603)	-	-	-	2,200,000
(2,639,722)	1,130,905	31,321	26,993	(915,780)
2,558,388	2,216,334	1,055,290	53,049	6,090,228
\$ (81,334)	\$ 3,347,239	\$ 1,086,611	\$ 80,042	\$ 5,174,448

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Capital Projects		
	VAD Street Project	Flood Control	Completed Debt Projects
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	33,185	(8,012)	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Other	-	26,698	-
Total revenues	33,185	18,686	-
Expenditures			
Current			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Quality of Life	-	-	-
Economic development	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	1,077,579	1,514,871	-
Principal payment	-	-	-
Interest and other charges	-	-	-
Total expenditures	1,077,579	1,514,871	-
Revenues over (under) expenditures	(1,044,394)	(1,496,185)	-
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	380,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	380,000	-
Net change in fund balance	(1,044,394)	(1,116,185)	-
Fund balance - beginning of year	7,340,941	3,918,308	(184,563)
Fund balance - end of year	\$ 6,296,547	\$ 2,802,123	\$ (184,563)

(Continued)

See independent auditors' report.

City of Las Cruces

Capital Projects

2016 Flood	2003 Sales Tax Facilities & Parks	State Equipment Acquisition	2003 Sales Tax Street Light	2005 GRT Public Improvements	2017 FAC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,805	-	10,429	-	-	172,514
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,805	-	10,429	-	-	172,514
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	62	-	-	-	-
-	-	-	-	-	-
280,752	535,548	706,854	-	-	208,276
-	-	-	-	-	-
-	-	-	-	-	-
280,752	535,610	706,854	-	-	208,276
(272,947)	(535,610)	(696,425)	-	-	(35,762)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(272,947)	(535,610)	(696,425)	-	-	(35,762)
5,009,434	590,910	968,024	(5,929)	(5,627)	11,548,083
\$ 4,736,487	\$ 55,300	\$ 271,599	\$ (5,929)	\$ (5,627)	\$ 11,512,321

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – **Nonmajor Governmental Funds** For the Year Ended June 30, 2018

	Capital Projects		
	Convention Center	2015A HHS	2015B HHS
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Property	-	-	-
Lodgers	-	-	-
State-shared	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment income (loss)	-	31,413	6,021
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Other	-	-	-
Total revenues	-	31,413	6,021
Expenditures			
Current			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Community development	-	-	-
Quality of Life	-	-	-
Economic development	-	-	40,345
Public works	-	122,804	-
Parks and recreation	-	-	-
Capital outlay	-	2,181,677	90,444
Principal payment	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	2,304,481	130,789
Revenues over (under) expenditures	-	(2,273,068)	(124,768)
Other financing sources (uses)			
Issuance of debt	-	-	-
Sale of Capital Assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	(2,273,068)	(124,768)
Fund balance - beginning of year	(144,289)	15,042,739	3,999,829
Fund balance - end of year	\$ (144,289)	\$ 12,769,671	\$ 3,875,061

(Concluded)

See independent auditors' report.

City of Las Cruces

Capital Projects

2017 NMFA	TIDD Street Projects	Community Investment Projects	Total
\$ -	\$ -	\$ -	\$ 10,426,818
-	-	-	4,593,730
-	-	-	2,185,039
-	-	-	4,149,210
-	-	-	124,021
-	-	-	3,114,602
61,284	119,698	66,287	532,927
-	-	-	2,381,697
-	-	-	5,426,056
-	-	-	143,243
-	-	-	1,613,983
61,284	119,698	66,287	34,691,326
-	-	-	691,136
-	-	-	2,950,481
-	-	-	658,173
-	-	-	1,396,658
-	-	-	1,159,119
-	-	-	2,362,737
-	-	-	4,522,761
-	-	-	416,690
79,827	4,150,404	445,947	18,611,390
-	-	-	1,620,500
-	-	-	44
79,827	4,150,404	445,947	34,389,689
(18,543)	(4,030,706)	(379,660)	301,637
-	1,620,500	-	1,620,500
-	-	-	41,203
-	98,460	6,100,000	16,916,509
-	-	-	(18,845,132)
-	1,718,960	6,100,000	(266,920)
(18,543)	(2,311,746)	5,720,340	34,717
5,020,020	7,727,713	-	91,855,667
\$ 5,001,477	\$ 5,415,967	\$ 5,720,340	\$ 91,890,384

See independent auditors' report.

City of Las Cruces

Combining Statement of Net Position – *Nonmajor Enterprise Funds*

June 30, 2018

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Assets				
Current assets				
Pooled cash and investments	\$ -	\$ -	\$ 72,132	\$ 72,132
Accounts receivable, net of allowance for uncollectible accounts	171,855	-	-	171,855
Due from other governments	1,292,730	-	-	1,292,730
Total current assets	1,464,585	-	72,132	1,536,717
Noncurrent assets				
Other assets	-	51,377	-	51,377
Capital assets	13,575,915	345,729	-	13,921,644
Less: accumulated depreciation	(6,262,423)	(333,366)	-	(6,595,789)
Net capital assets	7,313,492	12,363	-	7,325,855
Total noncurrent assets	7,313,492	63,740	-	7,377,232
Total assets	\$ 8,778,077	\$ 63,740	\$ 72,132	\$ 8,913,949
Deferred outflows of resources				
Deferred charges related to pensions	\$ 1,285,308	\$ -	\$ (14,112)	\$ 1,271,196
Deferred charges related to OPEB	40,003	-	1,036	41,039
Total deferred outflows of resources	1,325,311	-	(13,076)	1,312,235
Liabilities				
Current liabilities				
Accounts and contracts payable	38,386	-	17	38,403
Due to other funds	384,945	-	-	384,945
Accrued liabilities	53,422	-	2,506	55,928
Deferred revenue	-	-	-	-
Current portion of noncurrent liabilities	31,643	-	1,612	33,255
Total current liabilities	508,396	-	4,135	512,531
Noncurrent liabilities				
Net pension liability	3,185,574	-	(12,126)	3,173,448
Net OPEB liability	2,081,387	-	53,924	2,135,311
Compensated absences	126,574	-	6,447	133,021
Total noncurrent liabilities	5,393,535	-	48,245	5,441,780
Total liabilities	5,901,931	-	52,380	5,954,311
Deferred Inflows of Resources				
Deferred inflows related to pensions	322,867	-	9,774	332,641
Deferred inflows related to pensions - OPEB	473,719	-	12,273	485,992
Total Deferred Inflows related of Resources	796,586	-	22,047	818,633
Net Position				
Net investment in capital assets	7,313,492	12,363	-	7,325,855
Unrestricted	(3,908,621)	51,377	(15,371)	(3,872,615)
Total net position	\$ 3,404,871	\$ 63,740	\$ (15,371)	\$ 3,453,240

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds For the Year Ended June 30, 2018

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Operating Revenues				
Sales/charges	\$ 687,749	\$ -	\$ 50	\$ 687,799
Rental/Lease Income	-	-	31,189	31,189
Other	7,279	-	18,783	26,062
Total operating revenues	695,028	-	50,022	745,050
Operating Expenses				
Personnel services	2,636,891	-	85,154	2,722,045
Supplies	83,789	-	242	84,031
Utilities	40,496	-	5,135	45,631
Professional services	301,739	-	17,086	318,825
Motor pool charges	432,957	-	-	432,957
Motor fuel	585,146	-	-	585,146
Repairs and maintenance	90,484	-	-	90,484
Depreciation and amortization	562,061	4,693	-	566,754
Insurance	-	-	-	-
Pension Expense	372,713	-	11,760	384,473
Pension Expense - OPEB	82,749	-	2,144	84,893
Other	58,032	-	-	58,032
Total operating expenses	5,247,057	4,693	121,521	5,373,271
Operating income (loss)	(4,552,029)	(4,693)	(71,499)	(4,628,221)
Nonoperating Revenues (Expenses)				
Investment income	491	-	181	672
Gain on Sale of Assets	5,077	-	-	5,077
Grants	2,093,195	-	-	2,093,195
Total nonoperating revenue (expenses)	2,098,763	-	181	2,098,944
Income (loss) before transfers	(2,453,266)	(4,693)	(71,318)	(2,529,277)
Transfers in	2,974,315	-	120,000	3,094,315
Transfers out	-	-	-	-
Increase in fund net assets	521,049	(4,693)	48,682	565,038
Net position, beginning of year	5,356,178	68,433	-	5,424,611
Restatement - OPEB	(2,472,356)	-	(64,053)	(2,536,409)
Net position, beginning of year - restated	2,883,822	68,433	(64,053)	2,888,202
Total net position, end of year	\$ 3,404,871	\$ 63,740	\$ (15,371)	\$ 3,453,240

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows – *Nonmajor Enterprise Funds*

For the Year Ended June 30, 2018

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Cash flows from operating activities				
Cash received from customers	\$ 705,441	\$ -	\$ 31,239	\$ 736,680
Cash paid to suppliers	(1,993,736)	-	(36,350)	(2,030,086)
Cash paid to employees	(2,028,536)	-	(61,721)	(2,090,257)
Internal activity—payments to other funds	-	-	-	-
Other receipts	7,279	-	18,783	26,062
Net cash used by operating activities	(3,309,552)	-	(48,049)	(3,357,601)
Cash flows from noncapital financing activities				
Operating Grants	2,093,195	-	-	2,093,195
Transfers in	2,974,315	-	120,000	3,094,315
Transfers out	(49,980)	-	-	(49,980)
Net cash provided by noncapital financing activities	5,017,530	-	120,000	5,137,530
Cash flows from capital financing activities				
Sale (purchase) of capital assets	(1,060,939)	-	-	(1,060,939)
Capital Grants	-	-	-	-
Net cash used by capital financing activities	(1,060,939)	-	-	(1,060,939)
Cash flows from investing activities				
Interest Received	5,568	-	181	5,749
Net cash provided by investing activities	5,568	-	181	5,749
Net increase (decrease) in pooled cash and investments	652,607	-	72,132	724,739
Pooled cash and investments, beginning of year	(652,607)	-	-	(652,607)
Pooled cash and investments, end of year	\$ -	\$ -	\$ 72,132	\$ 72,132

(Continued)

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows – *Nonmajor Enterprise Funds*

For the Year Ended June 30, 2018

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Reconciliation of operating income to net cash used by operating activities				
Operating Income (Loss)	\$ (4,552,029)	\$ (4,693)	\$ (71,499)	\$ (4,628,221)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	562,061	4,693	-	566,754
Pension Expense	-	-	-	-
Employer pension contributions	-	-	-	-
Change in assets and liabilities				
Accounts receivable	17,692	-	-	17,692
Due from/ (to) other funds	384,945	-	36,144	421,089
Deferred revenue	415,460	-	17	415,477
Deferred amounts relate to pensions	(135,392)	-	-	(135,392)
Accounts and contracts payable	4,389	-	10,566	14,955
Wages payable and accrued liabilities	(6,678)	-	(23,277)	(29,955)
Total adjustments	1,242,477	4,693	23,450	1,270,620
Net cash used by operating activities	(3,309,552)	-	(48,049)	(3,357,601)
Cash and investments at June 30 consisted of:				
Current assets				
Cash and investments	-	-	72,132	72,132
Noncurrent assets				
Restricted cash and investments	-	-	-	-
Total cash and investments, June 30	\$ -	\$ -	\$ 72,132	\$ 72,132

(Concluded)

See independent auditors' report.

City of Las Cruces

Combining Statement of Net Position – *Internal Service Funds*

June 30, 2018

	Internal Services	Self Insurance	Totals
Assets			
Current assets			
Pooled cash and investments	\$ 114,277	\$ 13,211,691	\$ 13,325,968
Accounts receivable, net of allowance for uncollectible accounts	-	8,070	8,070
Due from other governments	-	-	-
Inventories	388,425	-	388,425
Total current assets	502,702	13,219,761	13,722,463
Capital assets	2,440,036	26,828	2,466,864
Less accumulated depreciation	(2,220,263)	(26,828)	(2,247,091)
Capital assets, net	219,773	-	219,773
Total assets	722,475	13,219,761	13,942,236
Deferred outflows of resources			
Deferred outflows related to other postemployment benefits			
	19,544	1,815	21,359
Deferred outflows related to pensions	572,686	81,142	653,828
Total deferred outflows of resources	592,230	82,957	675,187
Liabilities			
Current liabilities			
Accounts and contracts payable	109,187	457,891	567,078
Accrued liabilities	26,215	1,731	27,946
Current portion of noncurrent liabilities	11,694	2,366,224	2,377,918
Total current liabilities	147,096	2,825,846	2,972,942
Noncurrent liabilities			
Compensated absences	46,778	2,219	48,997
Estimated liability for insurance claims	-	4,750,835	4,750,835
Net liability, other postemployment benefits	1,016,901	94,440	1,111,341
Net pension liability	1,416,346	221,583	1,637,929
Total noncurrent liabilities	2,480,025	5,069,077	7,549,102
Total liabilities	2,627,121	7,894,923	10,522,044
Deferred Inflows of Resources			
Deferred inflows related to other post employment benefits			
	231,444	21,484	252,928
Deferred inflows related to pensions	137,455	19,386	156,841
Total Deferred Inflows related of Resources	368,899	40,870	409,769
Net Position			
Net investment in capital assets	219,773	-	219,773
Unrestricted	(1,901,088)	5,366,925	3,465,837
Total net position	\$ (1,681,315)	\$ 5,366,925	\$ 3,685,610

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds

For the Year Ended June 30, 2018

	Internal Services	Self Insurance	Totals
Operating Revenues			
Motor pool charges	\$ 2,442,431	\$ -	\$ 2,442,431
Rental charges and other	192,290	257,201	449,491
Charges for insurance	-	13,995,137	13,995,137
Total operating revenues	2,634,721	14,252,338	16,887,059
Cost of services	(2,844,206)	-	(2,844,206)
Gross margin	(209,485)	14,252,338	14,042,853
Operating Expenses			
Personnel services	1,404,976	123,554	1,528,530
Supplies	117,942	223,886	341,828
Utilities	29,079	-	29,079
Professional services	963,800	258,305	1,222,105
Repairs and maintenance	82,624	-	82,624
Rent	24,592	-	24,592
Depreciation	33,648	-	33,648
Claims and judgments	-	17,550,722	17,550,722
Pension expense	92,043	9,773	101,816
Other postemployment benefits expense	40,429	3,755	44,184
Other	12,565	1,264	13,829
Total operating expenses	2,801,698	18,171,259	20,972,957
Operating income (loss)	(3,011,183)	(3,918,921)	(6,930,104)
Nonoperating Revenues (Expenses)			
Investment income (loss)	1,158	(33,826)	(32,668)
Loss on sale of capital assets	-	-	-
Total nonoperating revenue (expenses)	1,158	(33,826)	(32,668)
Income (loss) before transfers	(3,010,025)	(3,952,747)	(6,962,772)
Transfers in	3,165,000	3,800,000	6,965,000
Transfers out	-	-	-
Increase (decrease) in fund net assets	154,975	(152,747)	2,228
Net assets, beginning of year	(628,375)	5,631,851	5,003,476
Restatement GASB75, other postemployment benefits	(1,207,915)	(112,179)	(1,320,094)
Net position, beginning of year restated	(1,836,290)	5,519,672	3,683,382
Net assets, end of year	\$ (1,681,315)	\$ 5,366,925	\$ 3,685,610

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows – *Internal Service Funds*

For the Year Ended June 30, 2018

	Internal Services	Self Insurance	Totals
Cash flows from operating activities			
Cash received from customers	\$ 2,637,122	\$ 14,252,338	\$ 16,889,460
Cash paid to suppliers	(4,239,956)	(484,918)	(4,724,874)
Cash paid to employees	(1,404,976)	(123,554)	(1,528,531)
Claims paid	-	(18,359,836)	(18,359,836)
Other receipts	-	-	-
Net cash provided (used) by operating activities	(3,007,810)	(4,715,970)	(7,723,780)
Cash flows from noncapital financing activities			
Transfers in	3,165,000	3,800,000	6,965,000
Net cash provided (used) by noncapital financing activities	3,165,000	3,800,000	6,965,000
Cash flows from capital and related financing activities			
Transfer of capital assets	(120,330)	-	(120,330)
Net cash used by capital and related financing activities	(120,330)	-	(120,330)
Cash flows from investing activities			
Interest received	1,158	(33,826)	(32,668)
Net cash provided by investing activities	1,158	(33,826)	(32,668)
Net increase (decrease) in cash and cash equivalents	38,018	(949,796)	(911,778)
Cash and cash equivalents, beginning of year	76,259	14,161,487	14,237,746
Cash and cash equivalents, end of year	\$ 114,277	\$ 13,211,691	\$ 13,325,968

(Continued)

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows – *Internal Service Funds*

For the Year Ended June 30, 2018

	Internal Services	Self Insurance		Totals
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (3,011,183)	\$ (3,918,921)	\$	(6,930,104)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	33,648	-		33,648
Pension Expense	-	-		-
Employer pension contributions	-	-		-
Capital asset allocation				
Change in assets and liabilities				
Accounts receivables	2,400	-		2,400
Due from/(to) other funds	-	-		-
Inventories	(5,587)	-		(5,587)
Due from governmental agencies	-	-		-
Accounts and contracts payable	(116,283)	(1,377,704)		(1,493,987)
Estimated liability for insurance claims	-	568,592		568,592
Deferred charges	-	-		-
Deferred charges related to pensions	112,929	11,712		124,641
Net pension liability	-	-		-
Wages payable and accrued liabilities	(23,734)	352		(23,382)
Total adjustments	3,373	(797,048)		(793,675)
<hr/>				
Net cash provided (used) by operating activities	\$ (3,007,810)	\$ (4,715,970)	\$	(7,723,780)
<hr/>				
Cash and investments at June 30 consisted of:				
Current assets				
Cash and investments	\$ 114,277	\$ 13,211,691	\$	13,325,968
<hr/>				
Total cash and investments, June 30	\$ 114,277	\$ 13,211,691	\$	13,325,968
<hr/>				

(Concluded)

See independent auditors' report.

City of Las Cruces

Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Mesilla Valley Regional Dispatch Authority				
Assets				
Pooled cash and investments	\$ 1,035,409	\$ 4,148,799	\$ 3,744,302	\$ 1,439,906
Accounts receivable	21,992	4,852	26,844	-
Receivable from other government agencies	164,838	1,874,330	2,006,405	32,763
Capital Assets, net	415,664	8,962	58,650	365,976
Deferred outflows	814,629	87,589	362,439	539,779
Total Assets	\$ 2,452,532	\$ 6,124,532	\$ 6,198,640	\$ 2,378,424
Liabilities				
Accounts and contracts payable	\$ 5,693	\$ 498,950	\$ 497,916	\$ 6,727
Accrued wages payable	134,638	988,788	996,255	127,171
Net pension liability	1,807,953	369,770	647,861	1,529,862
OPEB liability	-	1,791,595	-	1,791,595
Deferred inflows	26,259	714,853	153,545	587,567
Funds held for others	477,989	1,760,576	3,903,063	(1,664,498)
Total Liabilities	\$ 2,452,532	\$ 6,124,532	\$ 6,198,640	\$ 2,378,424
Metro Narcotics Fund				
Assets				
Pooled cash and investments	\$ 629,055	\$ 573,932	\$ 954,020	\$ 248,967
Accounts receivable	5,000	25,000	30,000	-
Receivable from other government agencies	41,158	244,904	265,000	21,062
Capital assets, net	177,262	110,406	59,816	227,852
Total Assets	\$ 852,475	\$ 954,242	\$ 1,308,836	\$ 497,881
Liabilities				
Accounts and contracts payable	\$ 157,894	\$ 587,107	\$ 741,296	\$ 3,705
Accrued wages payable	2,125	27,103	25,328	3,900
Funds held for others	692,456	340,032	542,212	490,276
Total Liabilities	\$ 852,475	\$ 954,242	\$ 1,308,836	\$ 497,881

(Continued)

See independent auditors' report.

City of Las Cruces

Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Branigan Estate Fund				
Assets				
Pooled cash and investments	\$ 2,074,930	\$ 115,072	\$ 401,651	\$ 1,788,351
Accounts receivable	78,375	47,170	-	125,545
Total Assets	\$ 2,153,305	\$ 162,242	\$ 401,651	\$ 1,913,896
Liabilities				
Accounts and contracts payable	\$ 1,057	\$ 117,920	\$ 40,211	\$ 78,766
Revenue collected in advance	78,375	-	78,375	-
Funds held for others	2,073,873	44,322	283,065	1,835,130
Total Liabilities	\$ 2,153,305	\$ 162,242	\$ 401,651	\$ 1,913,896
Gifts and Memorials Fund				
Assets				
Pooled cash and investments	\$ 823,731	\$ 306,587	\$ 923,978	\$ 206,340
Accounts receivable	1,500	-	500	1,000
Total Assets	\$ 825,231	\$ 306,587	\$ 924,478	\$ 207,340
Liabilities				
Accounts and contracts payable	\$ 1,304	\$ 22,403	\$ 22,957	\$ 750
Revenue collected in advance	6,000	660	1,320	5,340
Funds held for others	817,927	283,524	900,201	201,250
Total Liabilities	\$ 825,231	\$ 306,587	\$ 924,478	\$ 207,340

(Continued)

See independent auditors' report.

City of Las Cruces

Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Veteran's Memorial Wall				
Assets				
Pooled cash and investments	\$ 21,845	\$ 1,725	\$ 1,610	\$ 21,960
Accounts receivable	-	-	-	-
Receivable from other governments	-	-	-	-
Total Assets	\$ 21,845	\$ 1,725	\$ 1,610	\$ 21,960
Liabilities				
Accounts and contracts payable	\$ -	\$ 475	\$ 475	\$ -
Funds held for others	21,845	1,250	1,135	21,960
Total Liabilities	\$ 21,845	\$ 1,725	\$ 1,610	\$ 21,960
Animal Services of Mesilla Valley				
Assets				
Pooled cash and investments	\$ 948,713	\$ 3,923,135	\$ 3,435,995	\$ 1,435,853
Accounts receivable	17,695	5,360	23,055	-
Receivable from other government agencies	150,351	934,257	1,084,516	92
Capital assets, net	303,637	-	37,646	265,991
Deferred outflows	379,467	99,625	186,865	292,227
Total Assets	\$ 1,799,863	\$ 4,962,377	\$ 4,768,077	\$ 1,994,163
-				
Liabilities				
Accounts and contracts payable	\$ 89,421	\$ 1,003,666	\$ 1,065,821	\$ 27,266
Accrued wages payable	88,792	554,882	445,687	197,987
Net pension liability	1,250,971	325,947	476,277	1,100,641
OPEB liability	-	849,114	-	849,114
Deferred inflows	23,866	317,510	74,060	267,316
Funds held for others	346,813	1,911,258	2,706,232	(448,161)
Total Liabilities	\$ 1,799,863	\$ 4,962,377	\$ 4,768,077	\$ 1,994,163

(Continued)

See independent auditors' report.

City of Las Cruces

Statement of Changes in Assets and Liabilities – Agency Funds

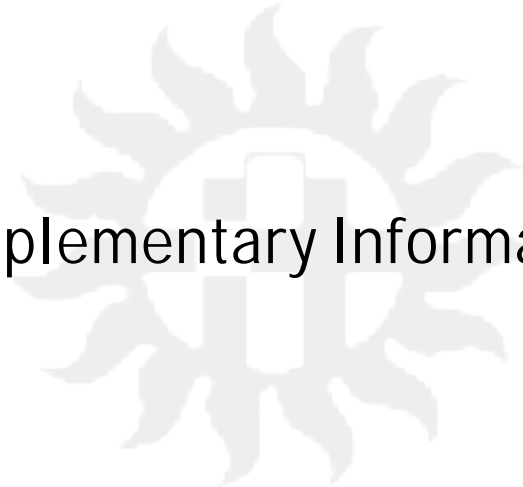
For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
High Intensive Drug Trafficking Area				
Assets				
Pooled cash and investments	\$ (151,705)	\$ 1,614,168	\$ 1,726,056	\$ (263,593)
Accounts receivable	-	-	-	-
Receivable from other government agencies	198,361	1,694,455	1,652,614	240,202
Deferred outflows	376,094	46,100	208,880	213,314
Total Assets	\$ 422,750	\$ 3,354,723	\$ 3,587,550	\$ 189,923
Liabilities				
Accounts and contracts payable	\$ 34,433	\$ 972,059	\$ 1,000,196	\$ 6,296
Accrued wages payable	12,667	242,301	252,843	2,125
Net pension liability	511,551	194,616	340,980	365,187
OPEB liability	-	292,728	-	292,728
Deferred inflows	6,361	148,904	80,813	74,452
Funds held for others	(142,262)	1,504,115	1,912,718	(550,865)
Total Liabilities	\$ 422,750	\$ 3,354,723	\$ 3,587,550	\$ 189,923
Total - All Fiduciary Funds				
Assets				
Pooled cash and investments	\$ 5,381,978	\$ 10,683,418	\$ 11,187,612	\$ 4,877,784
Accounts receivable	124,562	82,382	80,399	126,545
Receivable from other government agencies	554,708	4,747,946	5,008,535	294,119
Capital Assets, net	896,563	119,368	156,112	859,819
Deferred outflows	1,570,190	233,314	758,184	1,045,320
Total Assets	\$ 8,528,001	\$ 15,866,428	\$ 17,190,842	\$ 7,203,587
Liabilities				
Accounts and contracts payable	\$ 289,802	\$ 3,202,580	\$ 3,368,872	\$ 123,510
Accrued wages payable	238,222	1,813,074	1,720,113	331,183
Net pension liability	3,570,475	890,333	1,465,118	2,995,690
OPEB liability	-	2,933,437	-	2,933,437
Deferred inflows	56,486	1,181,267	308,418	929,335
Revenue collected in advance	84,375	660	79,695	5,340
Funds held for others	4,288,641	5,845,077	10,248,626	(114,908)
Total Liabilities	\$ 8,528,001	\$ 15,866,428	\$ 17,190,842	\$ 7,203,587

(Concluded)

See independent auditors' report.

This page intentionally left blank.



Supplementary Information

City of Las Cruces

Schedule of Insurance in Force

June 30, 2018

Insurer	Deductible/SIR
Old Republic Insurance Company	None
National Union Fire Insurance Company	\$50,000
Midwest Employers Casualty Company	\$750,000
Ironshore Indemnity Inc	\$1,000 each claim for loss or damage separately occurring
Hallmark Specialty Insurance Company	N/A
Indian Harbor Insurance Company	\$1,500,000 Each Law Enforcement Occurrence

(Continued)

See independent auditors' report.

City of Las Cruces

Amount of Coverage	Risks Covered
\$10,000 to \$10,000,000 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 Hangerkeepers Limit Any One Occurrence \$10M	Airport Liability-fire damage, malpractice, hangar keepers, non-owned aircraft
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 \$10M All Lines of Coverage	Crime-Employee dishonesty, forgery, theft, robbery, fraud, outside the premises
Statutory Limits \$1,000,000	Excess Workers Comp and Employers Liability
\$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, \$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	Museum Collection and Temporary Loans Policy
\$2,000,000 Each Occurrence, \$2,000,000 Aggregate	Excess Public Entity Liability
\$3,000,000 Each Law Enforcement Occurrence Limit, \$3,000,000 Policy Aggregate	Police Professional Liability

See independent auditors' report.

City of Las Cruces

Schedule of Insurance in Force

June 30, 2018

Insurer	Deductible/SIR
Ironshore Specialty Insurance Company	\$250,000 Each Pollution Condition
Various 017471589/04 (Dec 04)	\$10,000 Each Occurrence Limit
Self insured	N/A
CCMSI-TPA manages Workers' comp claims	N/A

(Concluded)

See independent auditors' report.

City of Las Cruces

Amount of Coverage	Risks Covered
\$3,000,000 Aggregate \$25,000 Crisis Management Coverage Sublimit	Public Officials Liability
\$400,000,000 Occurrence Limit	Property
Actual expense up to maximum allowable under State Tort Claims Act	General Liability, defense of civil rights litigation, foreign jurisdiction coverage
Actual expense per NM Fee Schedule	Workers' Compensation

See independent auditors' report.

This page intentionally left blank.

City of Las Cruces

Schedule of Pledged Collateral

June 30, 2018

DEPOSITS

Institution/Security	CUSIP #	Maturity Date	Safe Keeping Location	Market Value
Wells Fargo Bank, NA			BNY Mellon	
FMAC FGPC 3.500% 07/01/2045	3128MJWQ9	7/01/2045		\$ 128,757
FNMA FNMS 3.500% 09/01/47	31418CPE8	9/01/2047		70,776,646
				\$ 70,905,403

Summary of Collateralization

Wells Fargo Bank

Ending bank balance	\$ 64,596,307
Less: FDIC insurance	(500,000)
Total uninsured public funds	\$ 64,096,307
Pledged collateral held by the pledging bank's trust department in the City's name	\$ 70,905,403
100% collateral requirement	64,096,307
Pledged collateral in excess of requirement	\$ 6,809,096
Uninsured and uncollateralized	\$ -

See independent auditors' report.

City of Las Cruces

Schedule of Special Appropriations

June 30, 2018

Appropriation Number	Appropriation Description	Original Appropriation	Amended Appropriation
* 15-0754	La Clinica Cervantes Complex Equip	\$ 643,000	\$ 531,183
* 14-1913	Traffic Signal Mgmt Control Ctr	725,000	635,689
* 14-1914	Women's Veterans Monument	406,500	403,118
** 15-1122	Cinematic Infrastructure	555,000	555,000
	15-0501 Septic System Remediation	170,000	170,000
	15-0761 Amador Hotel Improvements	195,000	195,000
	15-0762 Cinematic Infrastructure	402,000	402,000
	15-0763 Cmty Competition Pool	220,000	220,000
	15-0764 St. Lukes Health Facility -- Comm of Hope	505,000	505,000
	15-0765 Downtown Electrical Infrastructure	25,000	25,000
	15-0767 Jardin Homeless Daycare Ctr Improve	50,000	50,000
	15-0768 MV Animal Service Ctr Phase I	40,000	40,000
	16-A2001 LC Senior Centers Improvements	80,000	80,000
	16-A2421 LC Amador Hotel Hazardous Abatement	100,000	100,000
	16-A2422 LC Behavioral Health Record Program	280,735	280,735
	16-A2426 Klein Park Improve	100,000	100,000
	16-A2562 Harrelson St ROW & Rd Improvements	300,000	300,000
	16-A2563 Las Cruces Ave. Improvements	75,000	75,000
	16-A2564 LC ROW/Roads/Flood Control	766,000	766,000
	16-A2566 University Ave. Pedestrian Crosswalk	260,000	260,000
	18-C4049 La Clinica Cervantes Complex Equip	183,018	183,018
	18-C4052 Traffic Signal Mgmt Control Ctr	89,311	64,255
	18-C4053 Women's Veterans Monument	3,382	3,382

* These Appropriations were reauthorized in 2018 in appropriations 18-C4049, 18-C4052 & 18-C4053.

** This Appropriation was reauthorized in Fiscal Year 2019.

City of Las Cruces

Appropriation Expiration	Expended as of June 30, 2018	Outstanding Encumbrances	Unencumbered Amount
4/30/2018	\$ 531,183	\$ -	\$ -
6/30/2018	635,689	-	-
6/30/2018	403,118	-	-
6/30/2018	43,964	-	511,036
6/30/2019	136,540	-	33,460
6/30/2019	98,766	-	96,234
6/30/2019	5,470	-	396,530
6/30/2019	13,539	-	206,461
6/30/2019	418,870	-	86,130
6/30/2019	2,589	-	22,411
6/30/2019	47,271	-	2,729
6/30/2019	22,305	-	17,695
6/30/2020	69,655	-	10,345
6/30/2020	26,494	-	73,506
6/30/2020	261,458	-	19,277
6/30/2020	1,933	-	98,067
6/30/2020	76,702	-	223,298
6/30/2020	-	-	75,000
6/30/2020	565,470	-	200,530
6/30/2020	18,665	-	241,335
6/30/2020	71,201	-	111,817
6/30/2020	-	-	64,255
6/30/2020	-	-	3,382

See independent auditors' report.

City of Las Cruces

Schedule of Deposit Accounts and Investments

June 30, 2018

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconcile Balance	On Deposit 6/30/2018
DEPOSIT ACCOUNTS						
<i>Wells Fargo Bank</i>						
Community Development	Checking		-	243,890	243,890	\$ 244,991
Community Development Home Rehab	Checking		-	61,098	61,098	61,098
Community Development Home Program	Checking		-	6,221	6,221	6,221
Metro Narcotics Agency	Savings		-	95,674	95,674	95,674
2006 Water Projects	Savings		131,034	-	131,034	131,034
Revenue Bonds Proceeds	Savings		-	48,954,817	48,954,817	48,954,817
Treasury Fund - Operating	Checking		15,088,030	-	15,088,030	15,082,563
Payroll Direct Deposit Account	Checking		(442,559)	-	(442,559)	-
Accounts Payable	Checking		(1,292,910)	-	(1,292,910)	-
On Demand	Checking		4,277	-	4,277	19,910
Depository	Checking		116,024	-	116,024	-
Credit Card	Checking		24,466	-	24,466	-
Electronic	Checking		54,917	-	54,917	-
TOTAL DEPOSIT ACCOUNTS			\$ 13,683,279	\$ 49,361,700	\$ 63,044,979	\$ 64,596,308

INVESTMENTS

<i>Wells Fargo Bank</i>						
Stagecoach Sweep Repo	Sweep	2	10,376,615	-	10,376,615	-
<i>First Tennessee</i>						
FFCB 1.45 6/3/2019	Investment	2	1,982,480	-	1,982,480	-
FFCB 2.09 9/8/2026	Investment	2	-	9,184,000	9,184,000	-
FFCB 2.24 11/10/2027-16	Investment	2	4,593,100	-	4,593,100	-
FFCB 2.24 7/6/2027-17	Investment	2	2,758,350	-	2,758,350	-
FHLB 0 11/30/2018	Investment	2	3,965,960	-	3,965,960	-
FHLB 0 7/19/2018	Investment	2	-	2,997,360	2,997,360	-
FHLB 0 8/1/2018	Investment	3	-	7,987,200	7,987,200	-
FHLB 1.25 9/5/2018	Investment	2	-	998,660	998,660	-
FHLB 2.05 9/29/2026-18	Investment	2	-	3,644,440	3,644,440	-
FHLB 2.2 10/13/2026-17	Investment	2	-	1,386,947	1,386,947	-
FHLB 2.2 10/13/2026-17	Investment	2	922	-	922	-
FHLB 2.2 10/13/2026-17	Investment	2	-	903,848	903,848	-
FHLB 2.35 12/27/2024-16	Investment	2	-	947,710	947,710	-
FHLB 2.35 12/27/2024-16	Investment	2	775,399	-	775,399	-
FHLB Step 1/30/2023-18	Investment	2	-	990,160	990,160	-
FHLB Step 5/9/2031-16	Investment	2	7,060,050	-	7,060,050	-
FHLB Step 9/15/2027-18	Investment	2	9,694,500	-	9,694,500	-
FHLMC Step 2/23/2031-16	Investment	2	10,162,900	-	10,162,900	-
FHLMC Step 4/20/2032-17	Investment	2	4,817,150	-	4,817,150	-
FHLMC Step 5/23/2031-16	Investment	2	16,848,135	-	16,848,135	-
FHLMC Step 5/23/2031-16	Investment	2	11,359,080	-	11,359,080	-
FNMA Step 2/10/2031-17	Investment	2	3,909,320	-	3,909,320	-
FNMA Step 2/20/2031-17	Investment	2	7,678,400	-	7,678,400	-
FNMA Step 2/24/2031-17	Investment	2	7,806,000	-	7,806,000	-
FNMA Step 3/10/2031-17	Investment	2	14,138,080	-	14,138,080	-
FNMA Step 4/7/2031-17	Investment	2	15,066,880	-	15,066,880	-
T-Bill 0 8/9/2018	Investment	2	-	998,080	998,080	-
T-Bill 0 9/20/2018	Investment	2	3,983,320	-	3,983,320	-
T-Note 0.75 10/31/2018	Investment	2	-	995,860	995,860	-

(Continued)

See independent auditors' report.

City of Las Cruces

Schedule of Deposit Accounts and Investments

June 30, 2018

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit 6/30/2018
<i>Stifel Nicolaus</i>						
FHLB 1.375 5/28/2019	Investment	2	3,964,600	-	3,964,600	-
T-NOTE .75 /93/2018	Investment	2	-	4,984,800	4,984,800	-
T-NOTE .75 /93/2018	Investment	2	-	4,984,800	4,984,800	-
<i>NM State Investment Council</i>						
Large Cap Active Equity Pool	Investment	1	-	6,904,987	6,904,987	-
Large Cap Index Equity Pool	Investment	2	-	4,678,282	4,678,282	-
Non-U.S. Developed Equity Pool	Investment	1	-	1,253,590	1,253,590	-
Mid/Small Cap Equity Pool	Investment	1	-	6,754,822	6,754,822	-
TOTAL INVESTMENTS			\$ 140,941,241	\$ 60,595,546	\$ 201,536,787	\$ 43,281
TOTAL DEPOSITS AND INVESTMENTS			154,624,520	109,957,246	264,581,766	-
<i>Other Cash:</i>						
Petty Cash & Change Funds	Cash		-	15,727	15,727	-
<i>New Mexico Finance Authority</i>						
JB DW-1974	Debt Service		-	38	38	-
2008 JB PP-2186	Debt Service		-	171,746	171,746	-
JB PP-2248	Debt Service		-	185	185	-
RPL-2472	Debt Service		-	59	59	-
ZD PP-2618	Debt Service		-	46	46	-
ZD PP-2634	Debt Service		-	102,186	102,186	-
ZD PP-2711	Debt Service		-	110	110	-
ZS PP-3116	Debt Service		-	279,629	279,629	-
D. MST PP-3228	Debt Service		-	21	21	-
D. MST PP-3252	Program Funds		-	81,516	81,516	-
PP-3661 VAF Loan	Debt Service		-	399,337	399,337	-
PP-3712	Debt Service		-	5,074,384	5,074,384	-
2018 A PPRF JU	Debt Service		-	5,055,873	5,055,873	-
2018 TIDD SPNG BD	TIDD			1,620,500	1,620,500	-
<i>Accrued Interest Receivable</i>						
Accrued Interest - Pooled Investments	Accrued Int		645,271	-	645,271	-
TOTAL CASH AND INVESTMENTS			155,269,791	122,758,603	278,028,394	-

(Concluded)

See independent auditors' report.

City of Las Cruces

Schedule of Joint Powers Agreements

June 30, 2018

Participants	Responsible Party for Operations	Description
City of Las Cruces	ASCMV	Provide financing, operation, and maintenance of the Center
Dona Ana County	ASCMV	Provide financing, operation, and maintenance of the Center
City of Anthony	ASCMV	Provide assistance with off-site animal shelter services
City of Sunland Park	ASCMV	Provide assistance with off-site animal shelter services
White Sands Missile Range	ASCMV	Provide assistance with off-site animal shelter services
Village of Hatch	ASCMV	Provide assistance with off-site animal shelter services
New Mexico Municipal Energy Acquisition Authority (NMMEAA)	City of Gallup	Cooperative Acquisition of Long-Term Energy Supplies by and among the City of Las Cruces, the City of Gallup, and the Incorporated County of Los Alamos
Dona Ana County	Both Parties	Griggs Walnut Groundwater Joint Superfund Site
New Mexico State University	Both Parties	Supplemental Agreement Concerning the Delivery and Sale of Water by NMSU to the City of Las Cruces
New Mexico State University	CLC	Energy-Positive Urban Wastewater Treatment and Nutrient Recovery
Dona Ana County/ Town of Mesilla/ City of Las Cruces	CLC	Metropolitan Planning Organization - transportation planning
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

(Continued)

See independent auditors' report.

City of Las Cruces

Beginning Date	Ending Date	Project Amount	FY 2018 Revenue	Audit Responsibility
1/29/2008	Perpetual	50%	\$ 901,787	City of Las Cruces
1/29/2008	Perpetual	50%	\$ 901,787	City of Las Cruces
3/13/2014	3/13/2018	\$35 per animal	\$ 4,585	City of Las Cruces
11/1/2015	10/31/2017	\$50 per animal	\$ 600	City of Las Cruces
10/20/2014	60 day notice	\$35 per animal	\$ -	City of Las Cruces
10/20/2014	60 day notice	\$35 per animal	\$ 175	City of Las Cruces
11/1/2009	indefinite	indefinite	\$ 635,096	Moss Adams
11/22/2004	not specified	not specified	\$ 200,982	Both Parties
3/12/2007	12/31/2018	not specified	\$ -	Both Parties
2/1/2015	11/30/16 with option to renew	not specified	\$ -	City of Las Cruces
7/1/2013	90 days notice	Proportionally to the required local match for Section 112 Planning Funds	\$ 16,812	City of Las Cruces
6/13/2013	Perpetual	not specified	\$ 35,394	Both Parties

See independent auditors' report.

City of Las Cruces

Schedule of Joint Powers Agreements

June 30, 2018

Participants	Responsible Party for Operations	Description
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
Immigration and Customs Enforcement	LCPD	The reimbursement of certain overtime expenses and other law enforcement expenses pursuant to 31 USC 9703
Federal Bureau of Investigation (FBI)	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders
Dona Ana County	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders
City of Las Cruces	Metro	Investigate/prosecute avenues by which to convict and incarcerate dangerous offenders
City of Las Cruces	MVRDA	Operate a combined communications center
Dona Ana County	MVRDA	Operate a combined communications center
Town of Mesilla	MVRDA	Operate a combined communications center
Village of Hatch	MVRDA	Operate a combined communications center
City of Sunland Park	MVRDA	Operate a combined communications center
City of Anthony	MVRDA	Operate a combined communications center
City of Las Cruces	SCSWA	Designing, constructing, financing, operating, and maintaining regional solid waste landfills and related facilities
Dona Ana County	SCSWA	Designing, constructing, financing, operating, and maintaining regional solid waste landfills and related facilities
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

(Concluded)

See independent auditors' report.

City of Las Cruces

Beginning Date	Ending Date	Project Amount	FY 2018 Revenue	Audit Responsibility
9/7/2010	9/30/2016	not specified	\$ 10,144	United States Marshals Service
6/11/2010	Perpetual	not specified	\$ 20,541	Immigration and Customs Enforcement
6/12/2013	30 days notice	\$ 20,000.00	\$ 2,261	City of Las Cruces
10/1/2001	Perpetual	\$ 225,543.00	\$ 225,543	City of Las Cruces
10/1/2001	Perpetual	\$ 225,543.00	\$ 225,543	City of Las Cruces
9/5/2006	Perpetual	\$ 1,740,625	\$ 1,740,625	City of Las Cruces
9/5/2006	Perpetual	\$ 1,543,573	\$ 1,543,573	City of Las Cruces
9/5/2006	Perpetual	\$ 49,250	\$ 49,250	City of Las Cruces
9/5/2006	Perpetual	\$ 47,780	\$ 47,780	City of Las Cruces
9/5/2006	Perpetual	\$ 164,701	\$ 164,700	City of Las Cruces
11/1/2011	Perpetual	\$ 69,027	\$ 69,027	City of Las Cruces
12/13/1994	Perpetual	1/16% Municipal Environmental Services Gross Receipts Tax (tax revenue)	\$ 2,816,437	City of Las Cruces
12/13/1994	Perpetual	1/8% County Environmental Services Gross Receipts Tax (tax revenue)	\$ 982,898	City of Las Cruces
7/1/2017	6/30/2018	\$ 25,000.00	\$ 25,000	USGS

See independent auditors' report.

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

City of Las Cruces

Statistical Section Table of Contents

June 30, 2018

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

<i>Financial Trends</i>	186-201
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	202-211
These schedules contain information to help the reader assess the City's most significant local revenue sources: the sales tax.	
<i>Debt Capacity</i>	212-219
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.	
<i>Demographic and Economic Information</i>	221-223
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	224-237
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)

	2009	2010	2011	2012
Governmental activities				
**Net investment in capital assets	\$ 199,706	\$ 258,566	\$ 276,355	\$ 251,703
Restricted	32,625	33,168	34,983	58,634
Unrestricted	82,891	57,690	64,435	76,973
*Subtotal governmental activities net position	315,222	349,424	375,773	387,310
Business-type activities				
**Net investment in capital assets	126,330	140,672	152,923	153,707
Restricted	30,498	22,870	21,757	18,590
Unrestricted	43,807	39,193	38,198	42,696
*Subtotal business-type activities net position	200,635	202,735	212,878	214,993
Primary government				
**Net investment in capital assets	326,036	399,238	429,278	405,410
Restricted	63,123	56,038	56,740	77,224
Unrestricted	126,698	96,883	102,633	119,669
*Total primary government net position	\$ 515,857	\$ 552,159	\$ 588,651	\$ 602,303

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

** In 2013 "Investment in capital assets, net of related debt" changed to "Net investment in capital assets". GASB Statement No. 63.

City of Las Cruces

2013	2014	2015	2016	2017	2018
\$ 277,394	\$ 275,761	\$ 190,995	\$ 300,431	\$ 292,055	\$ 276,032
58,994	62,860	80,631	116,782	133,723	139,744
70,628	83,720	84,682	(41,017)	(45,091)	(98,842)
407,016	422,341	356,309	376,197	380,687	316,934
155,584	158,115	166,565	178,330	185,978	160,997
15,846	13,718	26,407	29,918	28,393	47,500
46,459	49,433	22,007	13,301	11,025	4,200
217,890	221,266	214,978	221,549	225,396	212,697
432,979	433,876	357,560	504,567	478,033	437,029
74,841	76,578	107,038	146,700	162,116	187,244
117,087	133,153	106,689	(53,866)	(34,066)	(94,642)
\$ 624,906	\$ 643,607	\$ 571,287	\$ 597,401	\$ 606,083	\$ 529,631

See independent auditors' report.

City of Las Cruces

Changes in Net Position (in 000's) Last Ten Fiscal Years (Unaudited)

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 30,359	\$ 16,101	\$ 16,667	\$ 18,105
Facilities	9,518	13,629	13,242	-
Police	26,944	26,886	26,628	26,719
Fire	10,611	11,155	11,339	11,984
Community development	4,574	7,586	5,830	4,743
Quality of Life	-	-	-	9,033
Public services	11,524	10,506	9,833	-
Public works	11,083	19,728	20,285	26,085
Information technology	-	-	3,245	2,948
Transportation	-	-	-	4,045
Economic Development	-	-	-	-
Parks and recreation	-	-	-	9,214
Interest on long-term debt	4,307	4,564	3,862	3,844
Subtotal governmental activities expenses	108,920	110,155	110,931	116,720
Business-type activities				
Gas	25,095	25,834	25,500	24,045
Water	14,787	14,474	13,997	14,194
Wastewater	10,878	11,217	11,212	11,832
Solid waste	10,534	10,431	10,151	11,145
Transit	4,167	4,310	4,363	4,370
Other	107	-	-	-
Interest on long-term debt	-	-	-	-
Subtotal business-type activities expenses	65,568	66,266	65,223	65,586
Total primary government expenses	174,488	176,421	176,154	182,306

(Continued)

See independent auditors' report.

City of Las Cruces

	2013	2014	2015	2016	2017	2018
\$	13,125	\$ 16,476	\$ 17,465	\$ 29,352	\$ 31,464	\$ 28,650
	-	-	-	-	-	-
	27,744	28,115	26,926	26,783	27,973	28,806
	12,408	12,733	13,828	14,247	14,618	17,738
	4,394	4,593	4,859	5,214	4,953	6,228
	9,011	9,315	9,273	9,553	9,489	7,358
	-	-	-	-	-	-
	20,184	21,168	21,885	21,483	25,792	29,862
	3,638	3,341	3,416	-	-	-
	10,448	8,159	8,161	8,042	2,906	956
	-	-	-	-	6,239	5,851
	8,482	9,120	9,798	10,325	10,458	12,026
	3,469	3,158	3,071	3,613	4,117	4,439
	112,903	116,178	118,683	128,612	138,009	141,914
	24,105	10,957	10,776	11,273	14,082	12,433
	14,607	14,306	15,009	15,994	18,703	18,741
	12,383	12,536	13,246	14,318	17,216	15,072
	11,399	11,438	10,942	11,627	11,386	13,612
	4,450	4,632	4,393	4,625	5,249	5,373
	-	-	-	-	-	-
	-	-	-	-	-	-
	66,944	53,869	54,366	57,837	66,636	65,231
	179,847	170,047	173,049	186,449	204,645	207,145

See independent auditors' report.

City of Las Cruces

Changes in Net Position (in 000's) Last Ten Fiscal Years (Unaudited)

	2009	2010	2011	2012
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 3,184	\$ 3,736	\$ 4,793	\$ 1,793
Facilities	340	340	987	-
Police	4,639	3,544	3,405	4,282
Fire	-	1	146	1,889
Community development	2,618	2,615	2,889	790
Quality of Life	1,920	610	409	1,363
Public works	1,986	1,491	2,711	2,444
Information Technology	-	-	929	487
Transportation	-	-	-	534
Economic Development	-	-	-	-
Parks and recreation	-	-	-	1,435
Operating Grants and Contributions				
General Government	29	1,701	102	973
Facilities	-	-	-	-
Police	955	839	1,269	1,668
Fire	381	392	308	736
Community development	1,369	4,768	320	308
Quality of Life	1,221	1,290	789	531
Public works	(23)	2,909	7,290	952
Information Technology	-	-	-	190
Transportation	-	-	-	208
Economic Development	-	-	-	-
Parks and recreation	-	-	-	559
Capital Grants and Contributions				
General Government	3,350	15,129	4,226	-
Facilities	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	2,905	3,943
Quality of Life	-	-	-	-
Economic Development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	11,515	10,857	2,524	650
Subtotal governmental activities revenues	33,484	50,222	36,002	25,735

(Continued)

See independent auditors' report.

City of Las Cruces

	2013	2014	2015	2016	2017	2018
\$	1,871	\$ 1,905	\$ 1,463	\$ 11,406	\$ 3,838	\$ 6,357
	-	-	-	-	-	-
	4,441	4,523	3,472	4,008	4,094	464
	1,971	2,007	1,541	2,242	2,288	5
	4,560	807	869	587	574	1,479
	1,378	1,404	1,077	947	935	93
	1,468	1,495	1,147	934	2,000	1,455
	604	615	472	-	-	-
	1,617	1,647	1,264	850	-	-
	-	-	-	-	671	92
	1,334	1,358	1,043	1,630	1,614	2,113
	898	915	702	260	238	112
	-	-	-	-	-	-
	1,549	1,578	1,211	453	470	911
	688	700	537	110	131	945
	258	263	202	341	305	1,486
	481	490	376	598	582	961
	512	521	400	464	402	2,222
	211	215	165	-	-	-
	564	574	441	353	345	-
	-	-	-	-	67	-
	465	474	364	67	-	395
	3,155	549	5,672	3,682	5,070	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	7,257	7,390	372	258	351	-
	-	-	-	-	-	224
	-	-	-	-	-	568
	-	-	-	-	-	167
	476	485	-	-	-	-
	35,759	29,915	22,789	29,190	23,976	20,049

See independent auditors' report.

City of Las Cruces

Changes in Net Position (in 000's) Last Ten Fiscal Years (Unaudited)

	2009	2010	2011	2012
Business-type activities:				
Charges for services				
Gas	\$ 23,880	\$ 24,693	\$ 24,498	\$ 24,150
Water	13,182	13,231	14,501	15,379
Waste water	10,793	10,822	10,897	11,599
Solid waste	9,710	10,204	10,361	11,050
Transit	-	564	640	660
Other	420	-	-	-
Operating Grants and Contributions				
Gas	-	-	-	-
Water	-	8	-	1
Waste water	-	-	-	-
Solid waste	-	-	-	-
Transit	-	1,368	1,614	1,765
Other	2,789	-	-	-
Capital Grants and Contributions				
Gas	333	50	4,570	-
Water	1,968	1,069	2,548	-
Waste water	2,383	531	2,034	-
Solid waste	-	-	-	-
Transit	-	626	58	-
Other	-	-	-	-
Subtotal business-type activities revenues	65,458	63,166	71,721	64,604
Total primary government revenues	98,942	113,388	107,723	90,339
Net (Expense)/Revenue				
Governmental activities	(75,436)	(59,933)	(74,929)	(90,985)
Business-type activities	(110)	(3,100)	6,498	(982)
Total primary government net expense	(75,546)	(63,033)	(68,431)	(91,967)

(Continued)

See independent auditors' report.

City of Las Cruces

	2013	2014	2015	2016	2017	2018
\$	24,243	\$ 10,932	\$ 10,736	\$ 10,873	\$ 13,841	\$ 11,093
	15,388	14,701	15,207	15,706	19,961	18,192
	12,004	11,970	11,570	11,767	15,173	12,729
	11,735	11,589	11,818	13,525	13,169	13,804
	637	737	620	768	864	745
	-	-	-	-	-	-
	-	-	-	-	-	-
	241	-	-	1,537	463	-
	-	-	-	1,256	628	-
	-	-	-	-	-	-
	3,185	2,459	2,253	2,325	2,154	-
	-	-	-	-	-	-
	97	-	33	73	91	-
	602	-	139	168	102	-
	590	-	122	87	74	1,364
	-	-	-	-	-	-
	-	-	-	-	-	2,093
	-	-	-	-	-	-
	68,723	52,388	52,498	58,085	66,520	60,020
	104,482	82,303	75,287	87,275	90,496	80,069
	(77,144)	(86,263)	(95,894)	(99,422)	(114,033)	(121,865)
	1,780	(1,481)	(1,868)	248	(116)	(5,211)
	(75,365)	(87,744)	(97,762)	(99,174)	(114,149)	(127,076)

See independent auditors' report.

City of Las Cruces

Changes in Net Position (in 000's) Last Ten Fiscal Years (Unaudited)

	2009	2010	2011	2012
*General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Gross receipts	\$ 88,372	\$ 75,230	\$ 76,793	\$ 82,112
Property	-	13,216	13,904	13,281
Franchise	-	2,739	2,952	2,743
Investment income (loss)	(1,720)	3,569	3,462	4,172
Hospital net assets received	-	-	-	-
Telshor Facility income	278	139	5,473	-
Other	-	2,683	2,878	-
Donated capital assets	-	-	443	1,044
Licenses and permits	-	-	-	-
Fees, fines, franchise fees	-	-	-	-
Other	3,091	-	-	-
Gain(loss) on disposal of fixed assets/sale of investme	-	-	-	-
Transfers	(4,232)	(3,442)	(3,697)	(830)
Total governmental activities	85,789	94,134	102,208	102,522
Business-type activities:				
Investment income	1,597	1,302	306	2,258
Other	698	457	10	38
Donated capital assets	-	-	-	-
Gain(loss) on disposal of capital assets/sale of investn	-	-	(443)	46
Capital contributions	-	-	-	-
Transfers	4,232	3,442	3,697	830
Total business-type activities	6,527	5,201	3,570	3,172
Total primary government	\$ 92,316	\$ 99,335	\$ 105,778	\$ 105,694
*Change in Net Position				
Governmental activities	\$ 10,353	\$ 34,201	\$ 27,279	\$ 11,537
Business-type activities	6,417	2,101	10,068	2,190
Total primary Government	\$ 16,770	\$ 36,302	\$ 37,347	\$ 13,727

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

Note: FY 2017 Name change from Community and Cultural Services to Quality of Life

Note: FY 2017 Transportation split into two separate departments/ Transportation and Economic Development

(Concluded)

See independent auditors' report.

City of Las Cruces

2013	2014	2015	2016	2017	2018
\$ 83,312	\$ 81,882	\$ 93,684	\$ 99,614	\$ 99,866	\$ 95,656
13,972	14,265	14,461	14,841	15,085	17,178
2,691	2,701	2,438	2,873	2,809	2,185
(545)	5,892	5,515	4,805	4,416	2,941
-	-	-	-	-	-
-	-	-	-	-	-
365	11	-	-	-	4,681
-	-	-	-	-	628
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,346
-	-	-	-	-	-
(2,945)	(3,161)	(2,943)	(3,168)	(3,308)	(4,686)
-	-	-	-	-	(1,948)
96,850	101,590	113,156	118,965	118,868	123,981
(1,827)	1,465	2,797	2,714	119	(55)
-	-	-	-	-	-
-	-	-	-	-	1,545
-	-	-	441	536	127
-	231	-	-	-	-
2,945	3,161	2,943	3,168	3,308	4,686
1,118	4,857	5,740	6,323	3,964	6,303
\$ 97,968	\$ 106,447	\$ 118,896	\$ 125,288	\$ 122,831	\$ 130,284
\$ 19,706	\$ 15,327	\$ 17,262	\$ 19,543	\$ 4,835	\$ 2,116
2,898	3,376	3,872	6,571	3,847	1,092
\$ 22,603	\$ 18,703	\$ 21,134	\$ 26,114	\$ 8,682	\$ 3,208

See independent auditors' report.

City of Las Cruces

Fund Balances – Governmental Funds Last Ten Fiscal Years* (Unaudited)

	2011	2012	2013
General Fund			
Non-spendable	\$ 1,330,306	\$ 1,531,425	\$ 1,732,121
Restricted	853,513	43,994	109,896
Committed	5,809,607	5,142,436	6,120,361
Assigned	4,185,702	4,817,723	6,634,296
Unassigned	21,718,500	25,898,101	20,665,163
General fund subtotal	33,897,628	37,433,679	35,261,837
All Other Governmental Funds			
Restricted	34,129,396	58,590,185	58,884,597
Committed	33,900,122	21,284,190	19,566,873
Assigned	-	-	-
Unassigned	-	(5,166)	-
All other governmental funds subtotal	68,029,518	79,869,209	78,451,470
	\$ 101,927,146	\$ 117,302,888	\$ 113,713,307

Notes:

* The requirement for statistical data is ten years. GASB 54 was implement in 2011, therefore, only data from 2011-2018 are shown.

Prior years data is available upon request.

City of Las Cruces

2014	2015	2016	2017	2018
\$ 1,607,029	\$ 1,431,060	\$ 1,820,976	\$ 1,747,278	\$ 1,561,384
26,654	87,037	49,695	1,729,164	1,450,700
7,464,550	5,937,791	8,034,176	8,252,569	16,756,075
4,651,973	3,063,748	5,831,716	4,479,163	4,006,428
22,243,480	31,379,100	34,727,631	39,784,069	24,601,860
35,993,686	41,898,736	50,464,194	55,992,243	48,376,447
61,250,466	80,544,450	116,732,589	131,993,717	138,294,135
16,309,303	20,512,371	11,010,857	5,475,839	799,090
-	-	-	-	-
(3,102)	-	(205,952)	(190,492)	(534,064)
77,556,667	101,056,821	127,537,494	137,279,064	138,559,161
\$ 113,550,353	\$ 142,955,557	\$ 178,001,688	\$ 193,271,307	\$ 186,935,608

See independent auditors' report.

City of Las Cruces

Changes in Fund Balances – Governmental Funds

Last Ten Fiscal Years

(Unaudited)

	2009	2010	2011	2012
Revenues				
Taxes	\$ 88,372,353	\$ 91,184,536	\$ 93,649,128	\$ 95,393,242
Charges for services	2,038,227	1,639,472	1,693,974	2,748,831
Fees and fines	2,975,920	3,313,826	3,242,061	3,094,954
Franchise fees	2,772,546	2,683,038	2,877,685	2,742,676
Investment income	(1,909,490)	3,371,641	3,413,172	3,561,376
Licenses and permits	1,340,840	1,240,495	1,358,315	1,278,941
Operating grants and contributions	-	-	-	-
Grants and contracts	-	-	-	-
Special assessment	-	-	-	-
Intergovernmental	13,083,996	35,021,604	12,021,639	10,717,386
Other	7,805,665	6,780,990	9,661,224	8,601,347
Contributions from other governments	-	-	-	-
Total revenues	116,480,057	145,235,602	127,917,198	128,138,753
Expenditures				
Current				
General government	15,763,301	15,499,329	14,007,817	14,943,693
Facilities	9,475,716	12,899,522	12,419,508	-
Development services	-	-	-	-
Police	26,930,951	25,629,244	25,131,037	25,616,229
Fire	10,611,882	10,461,299	10,704,845	11,300,825
Community development	4,574,265	7,541,002	5,797,178	4,724,846
Quality of Life	11,527,609	9,085,863	8,331,342	8,153,572
Public works	11,037,538	10,260,104	10,401,815	14,620,521
Information Technology	-	-	2,795,580	2,913,463
Transportation	-	-	-	3,192,467
Economic Development	-	-	-	-
Parks and recreation	-	-	-	8,582,487
Capital outlay	52,120,555	60,876,060	25,235,059	16,511,279
Debt service				
Principal	8,298,537	7,554,567	48,897,966	13,058,688
Interest and other charges	4,307,153	4,194,303	4,244,129	4,040,062
Bond issuance costs	-	-	-	-
Total expenditures	154,647,507	164,001,293	167,966,276	127,658,132
Excess of rev over (under) exp	(38,167,450)	(18,765,691)	(40,049,078)	480,621

(Continued)

See independent auditors' report.

City of Las Cruces

2013	2014	2015	2016	2017	2018
\$ 97,283,814	\$ 96,147,228	\$ 108,144,911	\$ 114,455,163	\$ 114,950,696	\$ 119,074,693
2,621,870	2,978,651	2,871,940	2,957,652	3,036,531	2,978,759
4,223,526	3,601,721	2,960,103	3,238,041	2,208,315	3,709,207
2,691,014	2,700,727	2,438,470	2,873,464	2,809,073	3,898,194
181,900	5,502,991	4,632,666	4,021,081	4,428,153	2,974,495
1,266,098	1,090,909	1,072,697	1,577,456	1,655,125	1,471,630
-	-	-	-	-	-
-	-	-	-	-	-
1,846,289	-	-	-	-	-
13,359,243	6,219,035	7,265,804	6,784,524	8,335,866	7,991,414
6,168,354	8,237,485	8,798,356	7,211,763	8,203,588	7,202,817
-	-	-	-	-	-
129,642,108	126,478,747	138,184,947	143,119,144	145,627,347	149,301,209
15,244,156	15,309,810	15,540,303	21,270,277	19,370,272	20,865,804
-	-	-	-	-	-
-	-	-	-	-	-
26,298,016	26,682,809	25,964,438	25,031,978	25,467,920	25,064,845
11,670,358	11,960,199	13,231,354	13,190,791	13,613,317	15,179,537
4,384,737	4,590,232	4,855,907	5,210,672	4,952,654	5,006,504
8,161,447	8,470,577	8,408,291	8,669,918	8,533,485	7,001,487
11,027,114	9,516,062	10,113,065	7,842,112	13,523,292	16,549,341
3,575,895	3,261,809	3,307,482	-	-	-
7,227,168	7,124,350	7,050,236	6,748,867	1,941,788	-
-	-	-	-	4,156,253	5,673,052
7,910,542	8,487,589	9,096,141	9,516,112	9,498,709	10,593,811
20,881,103	16,053,786	16,407,438	30,391,233	34,117,241	23,478,521
8,843,242	9,313,208	9,418,765	10,705,464	9,697,955	11,922,845
3,391,926	3,158,108	3,485,553	3,592,138	4,097,624	4,438,917
-	100,850	612,093	625,648	464,919	-
128,615,704	124,029,389	127,491,066	142,795,210	149,435,429	145,774,664
1,026,404	2,449,358	10,693,881	323,934	(3,808,082)	3,526,545

See independent auditors' report.

City of Las Cruces

Changes in Fund Balances – Governmental Funds

Last Ten Fiscal Years

(Unaudited)

	2009	2010	2011	2012
Other Financing Sources (Uses)				
Issuance of debt	\$ 9,749,434	\$ 187,874	\$ 46,400,106	\$ 17,462,973
Bond premium (discount)	-	-	-	536,733
Debt issuance costs	-	-	-	-
Hospital netposition received	-	-	-	-
Capital leases	-	-	-	-
Proceeds of notes payable	-	-	-	-
Gain on capital assets	587,667	28,308	575,764	812,621
Escrow refund	-	-	4,097,607	-
Payment to agency	-	-	-	-
Transfers in	21,088,190	19,719,483	26,035,390	22,493,222
Transfers out	(25,797,583)	(24,029,943)	(31,065,247)	(26,410,428)
Total other financing sources (uses)	5,627,708	(4,094,278)	46,043,620	14,895,121
Net change in fund balances	\$ (32,539,742)	\$ (22,859,969)	\$ 5,994,542	\$ 15,375,742

Debt service as a percentage of non-capital expenditures	12.30%	11.39%	37.23%	15.38%
--	--------	--------	--------	--------

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.

Note: FY 2017 Transportation split into two separate departments/ Transportation and Economic Development

Note: FY 2017 Name change from Community and Cultural Services to Quality of Life

(Concluded)

City of Las Cruces

2013	2014	2015	2016	2017	2018
\$ 44,638	\$ 2,780,000	\$ 44,042,825	\$ 35,680,000	\$ 23,888,528	\$ 1,620,500
-	-	1,834,877	1,152,703	1,656,248	-
-	-	(241,825)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,043,557	251,515	122,895	1,197,843	101,462	169,108
-	(1,590,000)	(19,545,000)	-	-	-
-	(1,680,000)	-	-	-	-
20,070,575	20,982,459	21,933,451	34,732,300	24,900,335	33,743,360
(25,774,755)	(23,356,286)	(29,677,725)	(38,040,649)	(31,468,872)	(45,395,212)
(4,615,985)	(2,612,312)	18,469,498	34,722,197	19,077,701	(9,862,244)
<u>\$ (3,589,581)</u>	<u>\$ (162,954)</u>	<u>\$ 29,163,379</u>	<u>\$ 35,046,131</u>	<u>\$ 15,269,619</u>	<u>\$ (6,335,699)</u>
11.36%	11.64%	12.17%	12.79%	12.01%	13.38%

See independent auditors' report.

City of Las Cruces

Taxable and Assessed Value of Property

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property		Personal Property	
	Taxable Value	Assessed Value	Taxable Value	Assessed Value
2009	\$ 1,997,809,308	\$ 5,730,625,452	\$ 87,600,824	\$ 262,802,472
2010	\$ 2,106,691,015	\$ 6,320,073,045	\$ 57,474,536	\$ 172,423,608
2011	\$ 2,177,020,916	\$ 6,531,062,748	\$ 58,320,048	\$ 174,960,144
2012	\$ 2,151,439,907	\$ 6,454,319,721	\$ 54,925,488	\$ 164,776,464
2013	\$ 2,125,289,873	\$ 6,375,869,619	\$ 59,624,489	\$ 178,873,467
2014	\$ 2,155,885,195	\$ 6,467,655,585	\$ 61,581,848	\$ 184,745,544
2015	\$ 2,183,225,521	\$ 6,549,676,563	\$ (60,724,499)	\$ (182,173,497)
2016	\$ 4,334,489,601	\$ 13,003,468,803	\$ (108,098,881)	\$ (324,296,643)
2017	\$ 4,454,534,347	\$ 13,363,603,041	\$ (110,661,888)	\$ (331,985,664)
2018	\$ 4,585,789,325	\$ 13,757,367,975	\$ (114,328,947)	\$ (342,986,841)

Source: Doña Ana County Property Abstract

City of Las Cruces

Exemptions Real/Personal Property	Total		Ratio of Total Taxable Value To Total Assessed Value
	Taxable Value	Assessed Value	
\$ 176,456,635	\$ 1,908,953,497	\$ 5,726,860,491	33%
\$ 196,456,064	\$ 1,967,709,487	\$ 5,903,128,461	33%
\$ 203,413,980	\$ 2,031,926,984	\$ 6,095,780,952	33%
\$ 202,125,710	\$ 2,004,239,685	\$ 6,012,719,055	33%
\$ 200,707,966	\$ 1,984,206,396	\$ 5,952,619,188	33%
\$ 208,357,576	\$ 2,009,109,467	\$ 6,027,328,401	33%
\$ 209,457,558	\$ 1,913,043,464	\$ 5,739,130,392	33%
\$ 541,083,663	\$ 3,685,307,057	\$ 11,055,921,171	33%
\$ 535,801,047	\$ 3,808,071,412	\$ 11,424,214,236	33%
\$ 547,399,798	\$ 3,924,060,580	\$ 11,772,181,740	33%

See independent auditors' report.

This page intentionally left blank.

City of Las Cruces

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

Residential						
Fiscal Year	City	State	County	School District	Other	Total Residential
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
2018	8.770	1.360	9.245	9.940	2.000	31.315

Non-Residential						
Fiscal Year	City	State	County	School District	Other	Total Non-Residential
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
2018	9.126	1.360	11.958	10.102	2.000	34.546

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

See independent auditors' report.

City of Las Cruces

Principal Property Taxpayers

June 30, 2018

Last Ten Fiscal Years

(Unaudited)

Taxpayer	Type of Business	2018			2017		
		Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
EL PASO ELECTRIC COMPANY	ELECTRICITY	81,851,555	1.84%	1	75,051,914	1.89%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	54,590,000	1.23%	2	54,590,000	1.38%	2
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	35,960,393	0.81%	3	35,960,393	0.91%	3
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	35,248,800	0.79%	4	35,248,800	0.89%	4
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	26,020,745	0.59%	5	22,277,725	0.56%	7
HTA-REGIONAL MEDICAL CENTER MOB LLC	MEDICAL CENTER	17,854,468	0.40%	6			
COPPERSTONE LLC	REAL ESTATE	17,829,900	0.40%	7	17,829,900	0.45%	5
CLEAR SKY CAPITAL CASAS DE SOLEDAD APARTMENTS LP	APARTMENTS	16,047,870	0.36%	8	15,580,539	0.39%	8
BURREL COLLEGE OF OSTEOPATHIC MEDICINE	MEDICAL COLLEGE	15,122,352	0.34%	9			
CASA BANDERA OWNERS LLC	REAL ESTATE	14,572,955	0.33%	10	14,148,500	0.36%	10
SUNE SPS1 LLC	ELECTRICITY						
QWEST CORPORATION	COMMUNICATIONS				22,031,097	0.55%	6
DUKE REALITY LAS CRUCES MOB LLC	REAL ESTATE						
LAS CRUCES MADISON OWNERSHIP CO. LLC	REAL ESTATE						
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS	14,559,990		11	14,781,437	0.37%	9
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						
SAM'S EAST, INC.	DISCOUNT STORES						
ANTHEM PARK PLACE LP	BUSINESS COMPLEX						
WAL-MART STORES, INC.	DISCOUNT STORES						
LAS CRUCES INVESTCO LLC	REAL ESTATE						
			7.08%			7.75%	

Source: Doña Ana County Property Abstract - County Assessors Office

(Continued)

See independent auditors' report.

City of Las Cruces

FY2016			FY2015			FY2014		
Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
78,255,738	1.97%	1	96,539,781	4.59%	1	88,614,513	4.27%	1
54,590,000	1.38%	2	65,093,288	3.10%	2	68,342,933	3.29%	2
54,042,000	1.36%	3	50,676,800	2.41%	3	50,853,900	2.45%	3
35,248,800	0.89%	4	35,116,500	1.67%	4	32,181,500	1.55%	5
21,760,209	0.55%	7	21,612,820	1.03%	8	23,280,858	1.12%	6
25,604,957	0.64%	5	23,522,866	1.12%	6	23,258,900	1.12%	7
15,126,762	0.38%	8						
14,148,500	0.36%	10						
			31,984,810	1.52%	5	36,200,000	1.74%	4
			22,407,480	0.56%	6	22,328,470	1.08%	8
14,871,437	0.37%	9	15,646,000	0.74%	9			
						16,442,600	0.79%	9
			14,689,139	0.70%	10	14,345,600	0.69%	10
	8.46%			17.26%			18.10%	

See independent auditors' report.

City of Las Cruces

Principal Property Taxpayers

June 30, 2018

Last Ten Fiscal Years

(Unaudited)

Taxpayer	Type of Business	FY2013			FY2012		
		Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
EL PASO ELECTRIC COMPANY	ELECTRICITY	83,788,517	4.09%	1	83,900,940	4.19%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	67,806,108	3.31%	2	68,328,088	3.41%	2
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	66,381,142	3.24%	3	66,824,652	3.33%	3
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	32,181,500	1.57%	5	31,562,620	1.57%	4
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	24,909,411	1.22%	6	25,781,160	1.29%	6
HTA-REGIONAL MEDICAL CENTER MOB LLC	MEDICAL CENTER						
COPPERSTONE LLC	REAL ESTATE	17,869,700	0.87%	8			
CLEAR SKY CAPITAL CASAS DE SOLEDAD APARTMENTS LP	APARTMENTS						
BURREL COLLEGE OF OSTEOPATHIC MEDICINE	MEDICAL COLLEGE						
CASA BANDERA OWNERS LLC	REAL ESTATE				14,303,200	0.71%	9
SUNE SPS1 LLC	ELECTRICITY	40,632,555	1.99%	4	18,908,564	0.94%	7
QWEST CORPORATION	COMMUNICATIONS	23,149,114	1.13%	7	26,808,806	1.34%	5
DUKE REALITY 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	14,277,800	0.71%	10
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS						
LAS CRUCES - TMB LLC	REAL ESTATE				14,780,000	0.74%	8
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						
SAM'S EAST, INC.	DISCOUNT STORES						
ANTHEM PARK PLACE LP	BUSINESS COMPLEX						
WAL-MART STORES, INC.	DISCOUNT STORES						
LAS CRUCES INVESTCO LLC	REAL ESTATE						
			18.87%			18.24%	

(Concluded)

See independent auditors' report.

City of Las Cruces

FY2011			FY 2010			FY 2009		
Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
75,082,228	3.70%	1	74,944,703	3.81%	1	67,831,036	3.72%	1
65,207,949	3.21%	3	56,276,100	2.86%	3	18,758,700	1.03%	4
67,263,063	3.31%	2	74,406,896	3.78%	2	17,287,000	0.95%	6
31,160,200	1.53%	5	31,422,000	1.60%	5			
27,078,136	1.33%	6	24,878,595	1.26%	6			
14,450,000	0.71%	9	15,454,200	0.79%	8			
39,753,714	1.96%	4	39,251,670	1.99%	4	19,977,512	1.10%	3
14,277,800	0.70%	10	15,833,100	0.80%	7	9,171,319	0.50%	9
15,300,000	0.75%	7	15,300,000	0.78%	9			
			13,160,400	0.67%	10			
						34,621,991	1.90%	2
						17,964,050	0.99%	5
						12,938,360	0.71%	8
						13,413,383	0.74%	7
						8,309,100	0.46%	10
15,131,252	0.74%	8						
17.94%			18.34%			12.09%		

See independent auditors' report.

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	
		Amount	Percentage of Levy
2009	\$ 11,806,587	\$ 11,249,267	95.3%
2010	12,713,979	12,103,053	95.2%
2011	13,128,983	12,566,172	95.7%
2012	13,345,937	12,823,300	96.1%
2013	13,802,013	13,312,600	96.5%
2014	14,200,416	13,740,560	96.8%
2015	14,434,851	13,982,535	96.9%
2016	14,878,291	14,361,584	96.5%
2017	15,112,697	14,614,744	96.7%
2018	15,636,367	15,177,065	97.1%

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

See independent auditors' report.

City of Las Cruces

Collections in		Total Collections To Date		
Subsequent Years		Amount	Percentage of Levy	
\$	25,002	\$	11,781,585	99.8%
	46,031		12,667,948	99.6%
	72,289		13,056,694	99.4%
	204,850		13,141,087	98.5%
	489,413		13,312,600	96.5%
	459,856		13,740,560	96.8%
	452,316		13,982,535	96.9%
	516,707		14,361,584	96.5%
	497,689		14,614,744	96.7%
	459,302		15,177,065	97.1%

See independent auditors' report.

City of Las Cruces

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities	
	Sales Tax Revenue Bonds	Unamortized Premium on Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Utility Revenue Bonds	
2009	\$ 48,950,000	\$ 346,679	\$ 49,003,451	\$ 324,909	\$ 44,635,000	
2010	44,145,000	298,717	46,441,758	81,822	41,225,000	
2011	73,335,000	2,400,558	12,521,411	-	61,980,000	
2012	73,385,000	2,761,500	16,875,696	-	58,060,000	
2013	67,580,000	2,585,708	13,882,092	-	54,015,000	
2014	59,350,000	2,409,916	13,988,884	-	49,865,000	
2015	72,015,000	4,041,329	11,576,819	-	53,050,000	
2016	99,935,000	4,884,608	8,605,230	-	65,445,000	
2017	107,405,000	6,185,598	15,325,802	-	77,230,000	
2018	99,845,000	5,734,548	12,557,332	-	94,445,000	

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

Business-Type Activities

Unamortized Discount on Utility Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income *	Per Capita *
\$ 27,375	\$ 65,147	\$ 27,486,462	\$ 170,839,023	7.84%	1,824
30,003	-	27,046,304	159,268,604	2.73%	1,700
677,189	-	1,904,310	152,818,468	2.63%	1,561
639,532	-	2,558,421	154,280,149	2.47%	1,548
601,874	-	2,101,541	140,766,215	6.98%	1,400
563,895	-	1,632,909	127,810,604	5.96%	1,261
2,658,905	-	3,812,635	147,154,688	6.76%	1,451
3,584,671	-	3,116,172	185,570,681	8.69%	1,826
4,437,833	-	2,409,118	212,993,351	9.46%	2,093
5,052,101	-	6,714,765	224,348,746	9.99%	2,206

See independent auditors' report.

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)

Fiscal Year	Population	Taxable Value	General Obligation Bonded Debt Outstanding	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Taxable Value	Net Bonded Debt Per Capita
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
2018	101,712	2,366,310,906	-	-	-	N/A	N/A

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

See independent auditors' report.

City of Las Cruces

Computation of Direct and Overlapping Debt

June 30, 2018

(Unaudited)

Jurisdiction	Total General Debt Outstanding As of 6/30/2018	Percentage Applicable to City of Las Cruces	City of Las Cruces Share of Debt
Direct:			
City of Las Cruces	\$ 118,136,880	100.00%	\$ 118,136,880
Overlapping :			
Doña Ana County	18,623,171	49.27%	9,176,516
Las Cruces School District	168,540,078	73.02%	123,065,172
Doña Ana Community College	12,098,500	35.26%	4,265,580
Total Overlapping	199,261,749		136,507,268
Total Direct And Overlapping			
General Obligation Bonded Debt	\$ 317,398,629		\$ 254,644,148

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

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

City of Las Cruces

Computation of Legal Debt Margin

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

	FY2018
Taxable Valuation	\$ 2,743,453,922
Legal Debt Limit- 4% of Assessed Valuation	109,738,157
Amount of Long-Term Debt Subject To Legal Debt Limit: General Obligation Debt Outstanding	-
Legal Debt Margin	\$ 109,738,157

	Fiscal Year		
	2009	2010	2011
Debt Limit	\$ 72,854,107	\$ 76,865,558	\$ 81,277,079
Total net debt applicable to limit	-	-	-
Total debt margin	\$ 72,854,107	\$ 76,865,558	\$ 81,277,079
Total debt applicable to the limit as a percentage of debt limit	N/A	N/A	N/A

Source: Dona Ana County Property Abstract

See independent auditors' report.

2012	2013	2014	2015	2016	2017
\$ 80,169,587	\$ 81,854,871	\$ 83,042,750	\$ 84,118,006	\$ 87,269,650	\$ 91,530,479
-	-	-	-	-	-
\$ 80,169,587	\$ 81,854,871	\$ 83,042,750	\$ 84,118,006	\$ 87,269,650	\$ 91,530,479
N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

City of Las Cruces

Pledged-Revenue Bond/Note Coverage

Last Ten Fiscal Years

(Unaudited)

June 30, 2018

Fiscal Year	Gross Receipts Tax Revenue Bonds/Notes				Utility Revenue Bonds/Notes	
	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses
		Principal	Interest			
2009	49,211,512	7,084,187	3,931,990	4.47	49,128,121	(37,200,205)
2010	50,704,723	6,529,567	3,844,737	4.89	49,784,558	(40,199,369)
2011	50,412,206	7,131,321	2,828,948	5.06	50,182,474	(39,425,465)
2012	51,730,477	7,215,472	3,370,997	4.89	53,126,546	(38,499,027)
2013	52,346,775	7,388,465	3,117,693	4.98	50,029,024	(39,763,811)
2014	51,493,059	7,783,439	2,912,096	4.81	53,720,996	(41,796,543)
2015	54,072,107	8,146,612	3,301,885	4.72	52,530,690	(39,502,461)
2016	57,727,707	9,425,619	3,421,436	4.49	50,270,828	(39,207,284)
2017	57,222,365	9,229,689	3,971,998	4.33	59,888,381	(48,525,008)
2018	59,512,313	6,595,000	3,154,837	6.10	50,730,216	(42,682,321)

Fiscal Year	Gas Tax Notes				Pledged Revenues
	Pledged Revenues	Debt Service		Coverage	
		Principal	Interest		
2009	1,500,597	345,000	176,398	2.88	359,453
2010	1,523,173	365,000	159,148	2.91	371,065
2011	1,537,530	385,000	140,533	2.93	285,715
2012	1,541,617	410,000	9,338	3.68	628,710
2013	1,546,274	405,000	13,703	3.69	418,242
2014	1,476,335	405,000	12,042	3.54	689,916
2015	1,393,296	410,000	9,288	3.32	609,873
2016	1,547,856	415,000	5,229	3.68	725,117
2017	1,403,313	-	-	-	742,698
2018	1,578,469	-	-	-	914,466

Fiscal Year	Hold Harmless Gross Receipts Tax Revenue Bonds/Notes				Solid Waste Revenue Notes	
	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses
		Principal	Interest			
2009	-	-	-	-	10,267,228	(9,733,870)
2010	-	-	-	-	10,204,248	(9,578,086)
2011	-	-	-	-	10,360,956	(9,202,975)
2012	-	-	-	-	11,049,646	(10,366,503)
2013	-	-	-	-	11,735,393	(10,563,465)
2014	-	-	-	-	11,589,136	(10,680,237)
2015	8,740,534	-	-	-	11,740,390	(9,977,161)
2016	9,470,898	1,300,000	596,438	4.99	13,525,241	(10,485,014)
2017	9,683,178	935,000	963,504	5.10	13,169,287	(9,743,474)
2018	10,134,041	935,000	963,504	5.34	13,667,022	(12,106,446)

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

See independent auditors' report.

City of Las Cruces

Utility Revenue Bonds/Notes (Continued)

Net Available Revenue	Debt Service		Coverage
	Principal	Interest	
11,927,916	2,967,453	3,342,628	1.89
9,585,189	3,556,476	2,765,451	1.52
10,757,009	4,085,000	2,101,594	1.74
14,627,519	3,920,000	2,205,491	2.39
10,265,213	4,045,000	2,075,941	1.68
11,924,453	4,150,000	1,953,660	1.95
13,028,229	4,420,000	1,796,217	2.10
11,063,544	4,670,000	2,101,424	1.63
11,363,373	4,590,000	2,650,452	1.57
8,047,895	5,075,000	2,779,052	1.02

Environmental Gross Receipts Tax Bonds

Pledged Revenues	Debt Service		Coverage
	Principal	Interest	
1,519,556	640,000	198,766	1.81
1,559,777	660,000	179,566	1.86
1,555,093	680,000	159,766	1.85
1,585,138	705,000	149,567	1.85
1,605,605	751,279	137,985	1.81
1,578,684	813,594	121,142	1.69
1,655,597	534,866	71,740	2.73
1,773,442	521,163	71,717	2.99
1,756,683	207,486	68,255	6.37
1,825,508	208,836	65,814	6.65

Fire Protection Fund

Debt Service		
Principal	Interest	Coverage
201,746	76,637	1.29
208,969	51,045	1.43
219,316	65,387	1.00
227,216	61,790	2.18
235,498	53,522	1.45
244,175	44,854	2.39
256,287	35,754	2.09
268,682	28,332	2.44
157,655	19,922	4.18
162,544	15,634	5.13

Lodger's Tax and Convention Center Fees Bonds/Notes

Pledged Revenues	Debt Service		Coverage
	Principal	Interest	
2,796,277	678,338	1,184,922	1.50
2,872,180	703,976	1,159,349	1.54
3,057,756	365,000	704,831	2.86
3,297,396	550,000	1,036,894	2.08
3,169,736	565,000	1,023,144	2.00
3,004,138	580,000	1,009,019	1.89
3,143,164	595,000	991,619	1.98
3,351,562	615,000	973,769	2.11
3,304,443	630,000	956,856	2.08
3,463,997	650,000	937,956	2.18

Solid Waste Revenue Notes (Continued)

Net Available Revenue	Debt Service		Coverage
	Principal	Interest	
533,358	229,627	72,597	1.76
626,162	293,682	86,309	1.65
1,157,981	302,457	77,522	3.05
683,143	362,450	72,549	1.57
1,171,928	456,880	69,828	2.23
908,899	468,632	58,065	1.73
1,763,229	596,093	56,472	2.70
3,040,227	696,463	64,114	4.00
3,425,813	707,054	56,185	4.49
1,560,576	719,353	43,885	2.04

See independent auditors' report.

This page intentionally left blank.

City of Las Cruces

Demographic Data

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
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%
2018	101,712	2,244,784	22,070	32.1	24,999	5.2%

Sources:

U.S. Census Bureau

Las Cruces Public Schools

Data USA_ Median Age

See independent auditors' report.

City of Las Cruces

Principal Employers

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

2018	2017
New Mexico State University	New Mexico State University
White Sands Missile Range	White Sands Missile Range
Las Cruces Public Schools	Las Cruces Public Schools
NASA	NASA
City of Las Cruces	City of Las Cruces
Memorial Medical Center	Memorial Medical Center
Wal-Mart	Wal-Mart
Allied Signal Aerospace	Allied Signal Aerospace
Excel Agent Services	Excel Agent Services
National Aeronautics & Space	National Aeronautics & Space
2013	2012
New Mexico State University	New Mexico State University
Las Cruces Public Schools	Las Cruces Public Schools
City of Las Cruces	City of Las Cruces
Memorial Medical Center	Memorial Medical Center
Wal-Mart	Doña Ana Branch Community College
Mountain View Regional Medical Center	Doña Ana County
Doña Ana County	Mountain View Regional Medical Center
Doña Ana Branch Community College	Wal-Mart
Coordinated Care Corp.	Coordinated Care Corp.
National Aeronautics & Space	National Aeronautics & Space

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: Las Cruces City Data: Economy

See independent auditors' report.

City of Las Cruces

2016	2015	2014
New Mexico State University	New Mexico State University	New Mexico State University
Las Cruces Public Schools	Las Cruces Public Schools	Las Cruces Public Schools
Peak Behavioral Health Services	City of Las Cruces	City of Las Cruces
Memorial Medical Center	Memorial Medical Center	Memorial Medical Center
Wal-Mart	Wal-Mart	Wal-Mart
Mountain View Regional Medical Center	Mountain View Regional Medical Center	Mountain View Regional Medical Center
Doña Ana County Administration	Doña Ana County	Doña Ana County
Doña Ana Branch Community College	Doña Ana Branch Community College	Doña Ana Branch Community College
Addus Health Care	Addus Healthcare (formerly Coordinated)	Coordinated Care Corp.
National Aeronautics & Space	National Aeronautics & Space	National Aeronautics & Space
2011	2010	2009
New Mexico State University	Border Foods Inc.	Border Foods Inc.
Las Cruces Public Schools	Doña Ana Branch Community College	Doña Ana Branch Community College
Memorial Medical Center	Doña Ana County	Doña Ana County
Coordinated Care Corp.	Las Cruces Public Schools	Las Cruces Public Schools
Doña Ana Branch Community College	Memorial Medical Center	Memorial Medical Center
Wal-Mart	Mountain View Regional Medical Center	Mountain View Regional Medical Center
Doña Ana County	National Aeronautics & Space	National Aeronautics & Space
Mountain View Regional Medical Center	New Mexico State University	New Mexico State University
City of Las Cruces	Tyson Prepared Foods	Tyson Prepared Foods
National Aeronautics & Space	Wal-Mart	Wal-Mart

See independent auditors' report.

City of Las Cruces

City Government Employees by Function/Program

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/program										
General Government										
City Administration	15	18	22	28	21	20	23	24	25	56
Financial Services	59	58	58	42	42	38	42	42	46	43
Human Resources	14	15	14	15	15	15	15	13	14	17
Legal	35	22	26	22	25	25	25	28	36	26
Risk Management**	7	7	9	0	0	0	0	0	4	0
Facilities**										
Administration**	12	10	10	0	0	0	0	0	0	0
Airport Operations**	4	4	4	0	0	0	0	0	0	0
Building Services**	35	34	37	0	0	0	0	0	0	0
Fleet Services**	23	27	31	0	0	0	0	0	0	0
Parks**	58	72	70	0	0	0	0	0	0	0
Police										
Administration	56	64	65	52	64	61	61	66	79	75
Officers	209	213	241	209	202	192	198	184	224	260
Fire										
Administration	13	13	11	13	14	13	13	13	16	17
Firefighters and Officers	108	104	116	122	123	122	118	118	134	148
Community Development										
Administration	21	21	19	11	17	16	16	16	16	4
Neighborhood Development	16	16	21	17	13	5	6	7	14	17
Permits and Inspections	22	23	21	23	25	24	19	20	14	30
Economic Development										
Administration	0	0	0	0	0	0	0	0	0	4
Airport	0	0	0	0	0	0	0	0	0	5
Business Development & Downtown Revitalization	0	0	0	0	0	0	0	0	0	5
Visit Las Cruces	0	0	0	0	0	0	0	0	0	18
Land Management	0	0	0	0	0	0	0	0	0	4
Sustainability	0	0	0	0	0	0	0	0	0	2
Community and Cultural Services (PS)**										
Administration	0	0	0	0	10	18	24	21	34	7
Convention & Visitors' Bureau	10	10	10	9	10	11	11	11	12	0
Library	43	40	36	38	26	24	27	27	34	34
Museum Systems	21	19	31	18	13	13	11	12	21	29
Parks & Recreation**	41	43	47	0	0	0	0	0	0	0
Public Information	7	7	7	6	6	6	6	5	5	0
Senior Programs	59	51	56	45	17	8	7	9	22	46
Transit**	50	49	60	0	0	0	0	0	0	83

(Continued)

See independent auditors' report.

City of Las Cruces

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Administration	3	3	3	8	9	9	9	11	11	7
Building Services	0	0	0	38	43	42	45	45	46	43
Engineering	50	44	38	34	36	33	35	35	39	53
Street Systems**	53	53	57	0	0	0	0	0	56	59
Support Services										
Document Services	2	2	2	2	2	2	2	2	2	0
Information Tech. & Comm.	27	19	24	24	25	23	23	21	27	30
Transportation**										
Administration**	0	0	0	8	7	8	8	11	27	0
Airport Operations**	0	0	0	4	3	3	3	3	3	0
Fleet Services**	0	0	0	24	26	23	25	27	31	0
Street Systems**	0	0	0	46	54	46	44	46	0	0
Transit**	0	0	0	48	41	43	41	43	55	0
Parks and Recreation**										
Administration**	0	0	0	7	9	15	17	17	27	19
Aquatics**	0	0	0	44	10	11	39	11	33	26
Parks**	0	0	0	52	53	49	51	39	55	67
Recreation and Athletic Programs**	0	0	0	31	18	19	17	13	36	65
Utilities										
Administration**	0	0	0	19	26	29	30	38	46	86
Gas	69	61	64	62	68	62	62	64	71	57
Solid Waste	67	53	39	42	43	41	42	47	49	48
Wastewater	73	71	75	66	81	89	84	82	85	51
Water	33	46	51	50	42	34	40	37	47	56
Total Employees	1,315	1,292	1,375	1,279	1,239	1,192	1,239	1,208	1,496	1,593

*The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2008 to 2018 is shown.

**These are changes due to 2012 Reorganization

Data for this schedule was obtained from the 2018-2019 Adopted Budget Book pages 53 to 81 which was compiled from Human Resources Reports.

(Concluded)

City of Las Cruces

Operating Indicators by Function/Program

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

Function/program	Fiscal Year		
	2009	2010	2011
General Government			
Number of newsletters printed and mailed	232,000	222,000	232,800
Number of newsletters produced			
Cost per newsletter	\$ 0.26	\$ 0.26	\$0.23
Average number of days from position postings to position hires	80	79	76.5
Operating and maintenance cost per work station	<\$3,600	<\$3,600	<3800
Public Works/Building Services			
Dollar amount of projects managed per employee	8.94M	10.4M	4.1M
Number of project work orders (over \$10,000) requested	70	43	31
Total number of facilities operated and maintained	97	99	99
Parks and Recreation			
Conduct park safety and maintenance inspections	148/qtr	150/qtr	153/qtr
Number of clean up events	132	146	223
Police			
Number of citations issued	30,109	47,193	21,869
Number of codes violations addressed	20,082	23,064	30,399
Fire			
Number of building inspections	1,449	2,279	2,796
Number of citizens who receive safety education	1,556	2,150	3,150
Community Development			
Number of affordable rental and owner occupied housing using CBDG and HOME funds	67	96	53
Miles of bicycle facility lane installed	2.2	4.0	3.0
Number of special events hosted in downtown area	15	25	14
Number of vendors participating in the Farmer's and Crafts Market	295	275	300
Number of residential building permits issued (Res New SFD & Res New Townhouses 7/1/13-6/30/14)	490	468	475
Amount collected for residential permits	\$ 1,370,971	\$ 1,272,140	\$ 1,447,377
Number of commercial building permits issued (New Commercial Const includes New multi-family 7/1/13-6/30/14)	22	17	21
Amount collected for commercial permits	\$ 156,315	\$ 83,232	\$ 64,748

(Continued)

See independent auditors' report.

City of Las Cruces

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
-	-	172,000	164,000	164,000	161,996	117,890
4	75	4	4	16	4	3
\$88.00	\$132.29	\$371.00	\$6.34	\$0.58	\$0.59	\$0.43
78.0	74.5			50.0	51.0	48.0
<4000	<3800	<3800	<3800	<3800	<3600	<3600
2.2M	3.79M	2.69M	2.67M	5.90M	4.25M	2.86M
39	40	60	32	29	38	54
106	112	107	106	104	105	105
153/qtr	154/qtr	153/qtr	154/qtr	154/qtr	159/qtr	159/qtr
287	371	27	25	47	171	237
24,238	20,014	15,968	15,968	17,660	17,159	18,549
32,000	37,742	38,919	32,333	32,749	30,597	26,068
2,162	3,339	2,152	3,240	3,525	2,400	3,000
3,691	3,663	5,700	5,739	7,950	11,018	15,475
58	66	56	61	62	56	43
3.1	1.3	1.4	13.0	0.4	-	-
15	15	35	39	58	61	95
340	285	-	-	-	-	-
396	417	343	315	379	480	521
\$ 1,443,350	\$ 1,672,730	\$ 1,680,579	\$ 1,519,102	\$ 1,783,294	\$ 2,555,158	\$ 2,830,607
45	25	38	14	26	31	27
\$ 408,195	\$ 928,059	\$ 680,075	\$ 242,413	\$ 737,098	\$ 951,694	\$ 857,668

See independent auditors' report.

City of Las Cruces

Operating Indicators by Function/Program

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

	Fiscal Year		
	2009	2010	2011
Community & Cultural Services			
Request for visitor information at Convention & Visitor's Bureau (CVB)	26,426	30,657	20,832
Walk-in visitors to CVB office	4,834	3,332	1,660
Number of congregate meals served to seniors	95,192	87,017	85,715
Number of home-delivered meals served to seniors	156,828	135,014	130,587
Number of homemaker units	10,027	8,235	3,164
Museum visitors	270,512	291,232	269,260
Museum exhibit openings attendance	16,415	16,345	18,876
Museum program participants	31,550	26,436	26,409
Fixed Route ridership	656,590	601,782	637,797
Cost per trip on fixed route	\$ 3.81	\$ 4.13	\$ 4.00
Total library circulations	550,687	583,892	566,302
Total number of library sponsored programs	676	665	887
Computer sessions at library	100,428	97,058	95,780
Transportation			
Percent of potholes patched within 24 hours of report	59.0%	75.5%	63.9%
Maintain major arterials and intersections through routine striping program	3/yr	2/yr	2/yr
Utilities			
Meter reading complaints	<1%	<1%	<1%
Metering operating cost per customer	\$ 0.61	\$ 0.67	\$ 0.77
Operating and maintenance cost per dekatherm (Gas)	\$ 2.37	\$ 1.83	\$ 1.76
Operating and maintenance cost per 1,000 gallons produced (Water)	\$ 1.20	\$ 1.13	\$ 1.06
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	\$ 1.80	\$ 1.73	\$ 1.44
Total operating cost per ton collected (Solid Waste)	\$ 77.43	\$ 60.06	\$ 66.09

(Concluded)

See independent auditors' report.

City of Las Cruces

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
21,215	20,602	21,612	6,777	5,426	3,605	5,537
1,710	1,313	1,123	727	587	642	492
88,000	90,879	87,847	87,824	98,479	100,775	100,148
136,000	156,034	176,689	189,274	186,829	190,729	203,943
4,000	4,584	4,246	4,535	4,547	5,084	4,790
249,000	158,845	137,779	112,838	78,952	84,782	99,495
17,000	23,244	20,320	6,340	3,286	3,766	3,810
31,000	29,862	30,331	24,568	18,482	17,537	23,183
696,580	759,653	735,238	735,862	667,736	539,143	554,586
\$ 3.73	\$ 3.54	\$ 3.67	\$ 3.56	\$ 3.95	\$ 4.88	\$ 5.87
577,657	554,009	478,675	455,560	431,060	409,838	400,107
880	850	943	630	613	525	616
89,447	73,497	97,897	77,733	61,746	50,491	41,266
88.0%	89.2%	100.0%	66.7%	68%	76%	35%
2/yr	3/yr	3/yr	3/yr	2/yr	1/yr	1/yr
<1%	<1%	<1%	<1%	<1%	<1%	<1%
\$ 0.64	\$ 0.67	\$ 0.69	\$ 0.70	\$ 0.70	\$ 0.64	\$ 0.55
\$ 1.72	\$ 1.74	\$ 1.88	\$ 1.78	\$ 2.61	\$ 2.80	\$ 3.69
\$ 1.17	\$ 1.27	\$ 1.24	\$ 1.37	\$ 1.94	\$ 1.64	\$ 2.03
\$ 1.85	\$ 2.09	\$ 1.98	\$ 2.04	\$ 2.94	\$ 2.94	\$ 3.56
\$ 61.32	\$ 69.03	\$ 71.25	\$ 61.20	\$ 71.36	\$ 73.46	\$ 85.71

See independent auditors' report.

City of Las Cruces

Capital Assets and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

June 30, 2018

(Unaudited)

	2009	2010	2011	2012	2013
<u>Function/program</u>					
Area in square miles	76.38	76.99	76.99	76.99	76.99
Government facilities and services:					
Miles of streets	558	563	564	565	575.68
Number of street lights	7,138	7,360	7,458	7,488	7,533
Culture and Recreation:					
Community centers	5	5	5	5	4
Lakes	1	1	1	1	1
Pond	1	1	1	1	1
Parks	80	82	84	84	85
Park acreage	600	646	678	678	690
Sports complex	13	13	13	13	13
Swimming pools	4	4	4	4	4
Shooting range	1	1	1	1	1
Tennis courts	18	18	18	18	19
Bike path	2	2	2	4	4
Miles of bike paths	10	10	10	14	14
Fire Protection:					
Number of stations	7	7	7	7	7
Police Protection:					
Number of stations	1	1	1	1	1
Sewerage Systems:					
Miles of sanitary sewers (est.)	525	530	530	536	536
Miles of storm sewers (mains)	17	17	17	17	17
Number of treatment plants	2	3	3	3	3
Number of service connections	29,329	30,866	31,734	32,094	32,394
Water System:					
Miles of water mains (est.)	547	558	558	573	580
Number of service connections	30,521	31,249	31,797	31,924	31,934
Transit System:					
Miles of Bus Routes	133	133	133	133	133
Number of Bus Stops	350	350	350	345	345
Number of Buses	15	15	18	18	18
Number of Dial-a-Ride Vehicles	17	17	23	21	21

Sources: Various City departments.

See independent auditors' report.

City of Las Cruces

2014	2015	2016	2017	2018
77.2	76.99	76.99	77	77
602	496	483	483	519
7,790	7,914	7,959	7,463	7,490
5	5	6	6	6
1	1	1	1	1
2	2	2	2	2
86	92	92	93	94
720	850	970	972	973
13	13	16	16	16
4	4	4	4	4
1	1	1	1	1
19	19	18	18	18
4	4	11	11	17
19	21	23	23	30
7	7	7	8	8
1	1	1	2	2
533	550	550	550	550
74.7	74.7	74.7	85	85.6
3	3	3	3	3
32,767	33,098	33,518	34,048	34,525
600	600	600	704	720
32,209	32,380	32,653	35,099	36,854
133	133	133	115	158
345	343	290	260	260
18	19	19	19	19
21	20	20	20	20

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Fiscal Years

(Unaudited)

June 30, 2018

Fiscal Year 2018

Industry	Number of		Tax Liability	Percentage		Tax Rate
	Filers	of Total		of Total	of Total	
Retail Trade	7,138	10.72%	\$ 51,496,611	19.24%	8.3130%	
Construction	5,653	8.49%	17,427,598	6.51%	8.3130%	
Other Services (except Public Admin)	7,262	10.90%	11,360,340	4.24%	8.3130%	
Health Care and Social Assistance	4,564	6.85%	26,942,690	10.07%	8.3130%	
Accommodation and Food Services	5,534	8.31%	21,702,512	8.11%	8.3130%	
Professional, Scientific and Technical Svcs	4,374	6.57%	10,912,644	4.08%	8.3130%	
Wholesale Trade	5,650	8.48%	25,462,566	9.51%	8.3130%	
Unclassified Establishments	18,621	27.96%	74,345,424	27.78%	8.3130%	
Utilities	2,174	3.26%	11,763,610	4.40%	8.3130%	
Information and Cultural Industries	1,482	2.23%	8,956,630	3.35%	8.3130%	
Real Estate and Rental and Leasing	4,142	6.22%	7,271,327	2.72%	8.3130%	
Total	66,594	100%	\$ 267,641,952	100%		

Fiscal Year 2016

Industry	Number of		Tax Liability	Percentage		Tax Rate
	Filers	of Total		of Total	of Total	
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%	\$ 196,793,660	100%		

(Continued)

See independent auditors' report.

City of Las Cruces

Fiscal Year 2017

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
10,047	19.27%	\$ 71,172,263	34.01%	8.3130%
7,121	13.66%	25,155,891	12.02%	8.3130%
10,746	20.61%	15,567,684	7.44%	8.3130%
6,157	11.81%	34,124,180	16.30%	8.3130%
3,442	6.60%	23,038,391	11.01%	8.3130%
6,217	11.92%	13,043,433	6.23%	8.3130%
2,759	5.29%	3,833,924	1.83%	8.3130%
976	1.87%	852,162	0.41%	8.3130%
105	0.20%	7,029,139	3.36%	8.3130%
1,657	3.18%	12,054,208	5.76%	8.3130%
2,915	5.59%	3,415,655	1.63%	8.3130%
52,142	100%	\$ 209,286,928	100%	

Fiscal Year 2015

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
10,391	19.88%	\$ 59,497,466	30.23%	7.9375%
6,603	12.63%	16,725,866	8.50%	7.9375%
11,172	21.37%	14,886,142	7.56%	7.9375%
5,936	11.36%	28,587,166	14.53%	7.9375%
3,355	6.42%	18,940,642	9.62%	7.9375%
6,509	12.45%	11,505,973	5.85%	7.9375%
2,642	5.05%	3,287,094	1.67%	7.9375%
1,191	2.28%	1,028,970	0.52%	7.9375%
108	0.21%	5,432,062	2.76%	7.9375%
1,508	2.88%	10,304,240	5.24%	7.9375%
2,860	5.47%	2,581,122	1.31%	7.9375%
52,275	100%	\$ 172,776,743	88%	

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Fiscal Years

(Unaudited)

June 30, 2018

Fiscal Year 2014

Industry	Number of		Tax Liability	Percentage		Tax Rate
	Filers	of Total		of Total	of Total	
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%		

Fiscal Year 2012

Industry	Number of		Tax Liability	Percentage		Tax Rate
	Filers	of Total		of Total	of Total	
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%		

(Continued)

See independent auditors' report.

City of Las Cruces

Fiscal Year 2013

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
9,837	20.07%	\$ 57,993,164	33.31%	7.5625%
6,298	12.85%	18,623,882	10.70%	7.5625%
11,273	23.00%	15,198,000	8.73%	7.5625%
5,622	11.47%	24,356,642	13.99%	7.5625%
3,119	6.36%	17,484,295	10.04%	7.5625%
6,098	12.44%	10,836,410	6.22%	7.5625%
2,377	4.85%	3,526,849	2.03%	7.5625%
409	0.83%	380,595	0.22%	7.5625%
105	0.21%	6,332,123	3.64%	7.5625%
1,335	2.72%	9,844,183	5.65%	7.5625%
2,539	5.18%	2,570,936	1.48%	7.5625%
49,012	100%	\$ 167,147,079	96%	

Fiscal Year 2011

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
10,210	19.50%	\$ 61,955,156	36.46%	7.5625%
7,036	13.44%	20,365,580	11.99%	7.5625%
12,709	24.28%	16,542,853	9.74%	7.5625%
5,819	11.12%	22,565,074	13.28%	7.5625%
3,221	6.15%	17,642,384	10.38%	7.5625%
6,680	12.76%	10,532,343	6.20%	7.5625%
2,383	4.55%	3,415,197	2.01%	7.5625%
565	1.08%	451,938	0.27%	7.5625%
101	0.19%	6,184,660	3.64%	7.5625%
1,316	2.51%	7,880,332	4.64%	7.5625%
2,312	4.42%	2,384,331	1.40%	7.5625%
52,352	100%	\$ 169,919,848	100%	

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Fiscal Years

(Unaudited)

June 30, 2018

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%	

(Concluded)

See independent auditors' report.

City of Las Cruces

Fiscal Year 2009

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
9,809	20.30%	\$ 57,692,756	36.81%	7.125% - 7.3750%
6,859	14.20%	21,576,264	13.77%	7.125% - 7.3750%
11,074	22.92%	15,741,662	10.05%	7.125% - 7.3750%
5,596	11.58%	20,425,524	13.03%	7.125% - 7.3750%
2,932	6.07%	14,315,226	9.13%	7.125% - 7.3750%
5,678	11.75%	10,649,058	6.80%	7.125% - 7.3750%
2,410	4.99%	3,571,603	2.28%	7.125% - 7.3750%
682	1.41%	812,425	0.52%	7.125% - 7.3750%
94	0.19%	6,225,175	3.97%	7.125% - 7.3750%
1,114	2.31%	3,808,499	2.43%	7.125% - 7.3750%
2,064	4.27%	1,892,641	1.21%	7.125% - 7.3750%
48,312	100%	\$ 156,710,833	100%	

See independent auditors' report.

This page intentionally left blank.

SINGLE AUDIT SECTION

City of Las Cruces

Schedule of Expenditures of State Awards

For the Year Ended June 30, 2018

Grantor/Program Title	State Number
New Mexico Aging & Long Term Services Dept.	
Title IIIB, IIIC1, IIIC2, IIIE	2016-17- 64014
Munson Recreation Area	A14-1137
Senior Center Improvements	16A-A2001
Total NM Aging & Long Term Services	
NM State Department of Transportation	
MPO Section 5303	M01395
MPO FHWA	P117040
Airport Action Plan	LRU
NMDOT Airport Improvement Plan - Electrical Vault Design	LRU -17-02
NMDOT Airport Improvement Plan - Electrical Vault Construction	LRU-18-02
FY18 Airport Maintenance Grant	LRU-18-01
Transit 5307 Rolling Stock Replacement	MO1429
Transit System Improvements - Bus Shelters	14-2065
Alameda Depot Street Lighting	14-2062
El Paseo Safety Improvements	LC00130
Las Cruces Street Improvements	14-2064
Mesquite Historic District Street Lighting	14-2063
Las Cruces Dam Trail	D14713
Las Cruces Street Improvements	D15098/ 15-0918
Solano ADA (LG Road Fund) Improvements	SP-1-17(962) / CN (HW2 L100264)
Amador-Melendres Reconstruction and Improvements	MAP-7613(910) L100296
Harrelson St Road Improvements	16-A2562
Las Cruces Traffic System Network	16-A2565
University Avenue Crosswalk System	16-A2566
Las Cruces R.O.W., Roads, Flood Control	16-A2564
Las Cruces Avenue Street Improvements	16-A2563
Total NM State Dept of Transportation	
Children, Youth and Families Department	
Juvenile Citation Program	18-690-14493
Total Children, Youth and Families Department	
New Mexico Environment Department	
Las Cruces Water System and Wells	SAP 14-1737-STB
Las Cruces Septic System Remediation	SAP 14-1624-STB
WW Septic Systems (Willow Glenn)	SAP 15-0501- STB
Griggs Walnut Plume Site	SAP 16-A2258-STB
Total New Mexico Environment Department	

(Continued)

See accompanying notes to schedules of expenditures of state and federal awards.

See independent auditors' report.

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
7/17 thru 6/18	\$ 690,330	\$ 690,330	\$ 690,330
08/5/2015 thru 6/30/18	139,590	139,590	107,270
11/10/16 thru 6/30/20	80,000	69,655	63,718
	909,920	899,575	861,318
10/16 thru 9/18	139,739	143,142	104,378
10/16 thru 9/18	303,848	538,025	217,571
09/14 thru 02/16	20,078	19,655	2,108
4-17-2017 - 9-25-2019	119,761	119,761	119,761
8-22-2017 - 9-25-2019 thru 6/30/2018	28,577 8,999	10,739 8,999	10,739 8,999
10/15 thru 9/18	186,695	-	-
7-1-2014 - 6-30-2018	50,000	50,000	500
10/15 thru 6/18	100,000	100,000	85,009
3/15 thru 9/17	396,300	396,300	300
10/14 thru 06/18	1,036,000	1,036,000	-
09/14 thru 06/18	150,000	150,000	62,544
12/14 thru 9/17	384,480	377,119	55,831
11/25/15 thru 6/30/2019	65,000	65,000	-
8/1/2016 thru	37,947	37,947	37,947
9/6/2016 thru 6/30/2018	254,850	254,850	254,850
11/3/16 thru 6/30/20	300,000	76,702	38,717
9/30/16 thru 6/30/20	100,000	100,000	94,615
9/23/16 thru 6/30/20	260,000	18,665	6,980
7-1-2016 - 6-30-2020	766,000	565,470	279,606
9/23/16 thru 6/30/20	75,000	-	-
	4,783,274	4,068,375	1,380,454
07/01/17 thru 06/30/18	318,047	317,533	317,533
	318,047	317,533	317,533
12/2/2014 thru 6/30/2018	2,000,000	1,995,953	-
12/2/2014 thru 6/30/2018	2,250,000	2,223,411	707,629
12/2/2014 thru 6/30/2018	170,000	170,000	170,000
9/8/2016 thru 06/30/2020	540,000	487,320	487,320
	4,960,000	4,876,684	1,364,949

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Schedule of Expenditures of State Awards

For the Year Ended June 30, 2018

Grantor/Program Title	State Number
NM Tourism Department	
New Mexico Clean and Beautiful	18-418-6002-0037
Total New Mexico Tourism Department	
NM State Library	
FY16 Library GO Bond	GOB-A5110
FY17 State Grants-in-Aid	NMSA 1978 Section 18-2-4 B, NMAC 4.5.2
Total New Mexico State Library	
NM Department of Health	
Emergency Medical Services Fund-FY18	
NMDOH Zika Prevention Conference Grant FY17	66500-0000145860
NMDOH Zika Prevention Conference Grant	MOA# 17-665.0300.20674
NMDOH Zika Prevention Conference Grant FY18	MOA # 18-665.0300.21208
Healthy Kids FY2017	MOA #0020442
Total NM Department of Health	
New Mexico Public Regulation Commission	
Fire Protection Distribution Fund-FY18	
Total New Mexico Public Regulation Commission	
NM Department of Information Technology	
BLM COMM ROW	NMNM 0065497
Total NM Department of Information Technology	
GSK Science in Summer	

(Continued)

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
7/1/2017-6/30/2018	\$ 24,700	\$ 21,715	\$ 21,715
	24,700	21,715	21,715
11/9/2017 - 6/30/2021	224,329	64,351	64,351
11/21/16 - 6/30/2018	15,196	15,196	15,196
	239,525	79,547	79,547
7/1/2017 - 6/30/2018	20,000	19,992	19,992
03/20/2017-06/30/2017	2,500	2,500	1,900
thru 6/30/2017	39,000	39,000	31,982
1/16/2018 - 6/30/2018	2,000	2,000	2,000
10/01/16 thru 9/30/2017	50,000	21,887	16,524
	113,500	85,380	72,398
7/1/2017 - 6/30/2018	1,005,309	914,600	914,600
	1,005,309	914,600	914,600
4/5/2017 - 6/30/2018	41,545	29,081	29,081
	41,545	29,081	29,081
12/15/2017 thru 12/31/2018	12,000	5,850	5,850
	12,000	5,850	5,850

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Schedule of Expenditures of State Awards

For the Year Ended June 30, 2018

Grantor/Program Title	State Number
New Mexico Department of Finance and Administration	
Women's Vietnam War Memorial	14-L-1914
Women's Vietnam War Memorial	18-C4053
Klein Park Improvements (2)	14-L-1910
Traffic Safety Management Control Center	14-L-1913
Traffic Safety Management Control Center	18-C4052
MVASC Design Phase 1	15-0768
Fire Department Equipment	16-A2424
Fire Station Kitchen Grant	16-A2425
Law Enforcement Protection Fund	LEPF FY 18
Police Equipment Grant	15-0770
East Mesa Public Safety Complex	16-A2423
LCPD Seized Assets-State	NM0070100
METRO Seized Assets-State	NM0070104
La Placita Electrical Infr	15-0765
Cinematic Infr	15-0762
Veterans Park Plaques	15-0772
Community of Hope - Health Facility	14-L-1912
Community of Hope Fencing & Irrigation	14-L-1911
Railroad Museum Improvements	15-0769
Amador Hotel	15-0761
Young Park Play Area	15-0773
FY15 NMDFA Competition Pool	15-0763
Cinematic Infr Project	15-1122
Amador Hotel Hazardous Material	16-A2421
Klein Park Improvements	16-A2426
Thomas Branigan Memorial Library Equipment	16-A2427
MV Community of Hope Health Facility	15-1123
MV Community of Hope Health Facility (2)	15-0764
La Clinica Cervantes Complex Equip	15-0754
La Clinica Cervantes Complex Equip	18-C4049
Jardin Kitchen - Laundry Improvements	15-0767
La Clinica Behavioral Health	16-A2422
Total Department of Finance and Administration	
Total State Assistance	

(Concluded)

See accompanying notes to schedules of expenditures of state and federal awards.

See independent auditors' report.

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
thru 06/18	\$ 406,500	\$ 403,118	\$ 120,536
6/5/2018 thru 6/30/2020	3,382	-	-
9/14 thru 6/18	141,000	141,000	15,280
09/2014 thru 06/2018	725,000	642,939	64,602
6/5/2018 thru 6/30/2020	82,061	16,252	16,252
11/15 thru 6/19	40,000	40,000	14,775
8/17/16 thru 6/30/18	250,000	250,000	-
8/17/16 thru 6/30/20	20,000	20,000	-
7/1/17 thru 6/30/18	146,400	152,959	152,959
3/28/16 thru 6/30/18	48,000	96,000	48,000
8/17/16 thru 6/30/18	50,000	50,000	1,115
INDEFINITE	-	119,940	119,940
INDEFINITE	-	46,008	46,008
11/15 thru 6/19	25,000	2,590	-
11/15 thru 6/19	402,000	5,470	1,028
1/15 thru 6/18	40,000	59,876	20,125
1/15 thru 6/18	292,892	292,892	272,681
1/12/2015 - 6/30/2018	45,000	44,932	-
11/15 thru 6/19	25,000	25,000	25,000
2/16 thru 6/19	195,000	98,767	-
11/15 thru 6/19	75,000	75,000	8,333
11/17/15 thru 6/30/19	220,000	13,539	13,539
10/17/16 thru 6/30/18	550,000	43,965	28,659
10/17/16 thru 6/30/20	100,000	26,494	26,494
10/17/16 thru 6/30/20	100,000	1,933	1,933
10/17/16 thru 6/30/18	40,000	40,000	28,426
9/13/16 thru 6/30/18	50,000	50,000	50,000
11/7/16 thru 6/30/19	505,000	418,870	404,316
10/3/16 thru 6/5/18	643,000	459,983	-
6/5/2018 thru 6/30/2020	183,017	71,201	71,201
11/4/16 thru 6/30/19	50,000	47,271	13,991
7-1-2016 - 6-30-2020	280,735	261,458	261,458
	5,733,987	3,755,998	1,826,651
	\$ 18,141,807	\$ 15,054,338	\$ 6,874,097

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant no./ Pass-Through Identifying no.
U.S. Department of Housing and Urban Development		
B-12-MC-35-0002	14.218	B-12-MC-35-0002
B-14-MC-35-0002	14.218	B-14-MC-35-0002
B-15-MC-35-0002	14.218	B-15-MC-35-0002
B-16-MC-35-0002	14.218	B-16-MC-35-0002
B-17-MC-35-0002	14.218	B-17-MC-35-0002
Total Community Development Block Grant		
Home Program Grant		
M-14-MC-35-0222	14.239	M-14-MC-35-0222
M-15-MC-35-0222	14.239	M-15-MC-35-0222
M-16-MC-35-0222	14.239	M-16-MC-35-0222
M-17-MC-35-0222	14.239	M-17-MC-35-0222
Total Home Program Grant		
Special Needs Assistance Program (SNAP)		
NM0047L6B011501	14.267	NM0047L6B011501
Total Special Needs Assistance Program Grant		
Total U.S. Department of Housing and Urban Development		
U.S. Department of Justice		
Victim Assistance Unit	16.575	2016-VA-413
Victim Assistance Unit	16.575	2018-VA-614
FBI SNM Gang Task Force FY16	16.xxx	MOA
FBI Organized Crime Drug Enforcement Task Force - Busted ar	16.xxx	MOA
US Marshals Service	16.xxx	MOU
COPS Hiring Program FY15	16.710	2015UMWX0052
BYRNE JAG FY17	16.738	2016-DJ-BX-0713
LCPD Seized Assets-DOJ	16.922	NM0070100
Metro Narcotics Seized Assets-DOJ	16.922	NM0070104
Total U.S. Department of Justice		
Executive Office of the President		
Office of National Drug Control Policy		
HIDTA-Metro	95.001	G16SN0006A
HIDTA-Metro	95.001	G17SN0006A
Pass Through HIDTA- NONE		
Total Office of National Drug Control Policy		

(Continued)

See accompanying notes to schedules of expenditures of state and federal awards.

See independent auditors' report.

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
07/12 to Comp	\$ 745,651	\$ 819,892	\$ 49,222
07/12 to Comp	763,886	806,216	60,555
07/15 to Comp	771,833	695,527	44,136
07/16 to Comp	773,328	830,446	214,321
07/17 to Comp	783,242	417,175	417,175
	3,837,940	3,569,256	785,409
07/14 to Comp	330,643	509,301	108,782
07/15 to Comp	289,953	275,498	128,065
07/16 to Comp	309,238	167,901	39,685
07/17 to Comp	304,653	37,244	37,244
	1,234,487	989,945	313,777
10-1-2016 to 9-30-2017	70,702	70,702	19,371
	70,702	70,702	19,371
	5,143,129	4,629,903	1,118,557
10/01/2016 thru 09/30/2017	42,619	41,944	10,544
10/01/2017 thru 09/30/2018	41,494	32,157	32,157
07/01/2015-Until Rescinded	65,508	62,646	35,394
10/01/2015-09/30/2016	64,600	62,655	2,261
11/3/10-UNTIL RESCINDED	129,253	114,199	10,144
9/1/2015 - 9/30/2018	1,125,000	489,059	470,946
10/1/2015 - 09/30/2019	31,665	31,664	269
INDEFINITE	-	516,483	123,693
INDEFINITE	-	1,163,458	168,345
	1,500,139	2,514,266	853,754
01/16 THRU 12/17	1,468,881	1,468,898	183,887
01/2017 THRU 12/18	1,504,077	1,357,161	1,357,161
	-	-	-
	2,972,958	2,826,059	1,541,048

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant no./ Pass-Through Identifying no.
U. S. Department of Transportation		
Federal Aviation Administration		
Airport Control Tower	Congressional Earmark	
Airport Improvements Plan - Electrical Vault	20.106	3-35-0024-030-2017
Airport Action Plan	20.106	20.106
<hr/>		
Total Federal Aviation Administration		
<hr/>		
Federal Transportation Administration		
Section 5309 - Operating + Capital	20.5	NM-03-0052
Las Cruces IMC construction#3	20.507	NM-90-X103
LC Transit M&O Facility	20.5	NM-04-0023
Section 5307	20.507	NM-90-X129
Section 5307	20.507	NM-90-X135
RoadRunner Transit	20.507	NM2017-002-00
FY2016 5339 Bus Replacement	20.507	NM2017-015-00
FTA Vehicle Replacement	20.507	NM2017-015-00
RoadRunner Transit (Grant Awarded Sept 2018)	20.507	NM2018-008-00
<hr/>		
Total Federal Transportation Administration		
<hr/>		
Pass Through New Mexico State Highway Department		
ENDWI - Traffic Safety Bureau 2017	20.608	17-AL-64-049
BKLUP/CIOT - Traffic Safety Bureau 2017	20.608	17-OP-RF-049
STEP/DNOS - Traffic Safety Bureau 2017	20.608	17-ST-RF-049
ENDWI - Traffic Safety Bureau 2018	20.608	18-AL-64-049
BKLUP/CIOT - Traffic Safety Bureau 2018	20.608	18-OP-RF-049
STEP/DNOS - Traffic Safety Bureau 2018	20.608	18-ST-RF-049
<hr/>		
Total Pass Through New Mexico State Highway Department		
<hr/>		
Total U.S. Department of Transportation		
<hr/>		
U.S. Department of Health and Human Services		
Supportive Services & Senior Centers - Title III-Part B	93.044	2017-18-64014
Meals/Transportation Grant - Title III-Part C1 & C2	93.045	2017-18-64014
National Family Caregivers Support - Title III-Part E	93.052	2017-18-64014
<hr/>		
Total U.S. Department of Health and Human Services		

(Continued)

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
38626	\$ 1,100,000	\$ -	\$ -
9-7-2017 thru Completion	514,389	360,264	360,264
09/14 thru 09/17	355,094	355,094	39,242
	1,969,483	715,359	399,506
		5,921	5,921
9/05 thru Completion	1,868,050	4,489	1,710
2012 thru Completion	394,000	394,000	24,533
1/11 thru Completion	617,500	479,740	30,971
9/14 thru Completion	1,920,435	1,920,435	-
7/15 thru 6/18	1,594,643	1,594,643	381,998
7/1/2016 thru 5/31/2019	1,951,987	1,951,987	747,932
9-2017 thru Completion	1,134,750	17,864	17,864
9-2017 thru Completion	319,997	319,977	319,977
8/21/2018 thru 3/30/2019	1,872,239	667,233	667,233
	11,673,601	6,683,136	1,524,985
10/1/2016 - 9/30/2017	102,763	88,423	41,722
10/1/2016 - 9/30/2017	12,073	12,278	3,800
10/1/2016 - 9/30/2017	25,611	24,398	22,812
10/1/2017 - 9/30/2018	102,890	61,055	61,055
10/1/2017 - 9/30/2018	12,478	9,282	9,282
10/1/2017 - 9/30/2018	25,614	4,062	4,062
	281,429	199,499	142,732
	13,924,513	7,597,994	2,067,224
7/17-6/18	23,617	-	23,617
7/17-6/18	123,140	-	123,140
7/17-6/18	28,749	-	28,749
	175,507	-	175,507

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant no./ Pass-Through Identifying no.
U.S. Dept. of Homeland Security		
Homeland Security-ICE	MOA	MOA
Total Non-Pass Through U.S. Dept. of Homeland Security		
Pass Through New Mexico Department of Homeland Security and Emergency Management		
FEMA Las Cruces Flood Warning System	97.039	FEMA-4199-DR-NM
Total Pass Through New Mexico Department of Homeland Security and Emergency Management		
Pass through Dona Ana County Sheriff's Office		
Operation Stone Garden FY-17	97.067	EMW-2015-SS-00110-S01-OPSG-DA
Operation Stone Garden FY-18	97.067	EMW-2016-SS-00105-S01-OPSG-DA
Total Pass Through Dona Ana County Sheriff's Office		
Total U.S. Department of Homeland Security		
U.S. Department of the Interior - BLM		
Museum of Nature and Science (MONAS)	15.238	L12AC20088
Total U.S. Department of the Interior - BLM		
Total Federal Awards		

(Concluded)

City of Las Cruces

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY18 Expenditures as of 6/30/2018
06/11/10-UNTIL RESCINDED	\$ 100,000	\$ 86,485	\$ 20,541
	100,000	86,485	20,541
11/16/2018	168,919	49,220	49,220
	168,919	49,220	49,220
9/1/2016 - 8/31/2018	39,867	39,004	11,018
9/1/2017 - 8/31/2019	36,165	23,842	23,842
	76,032	62,846	34,860
	344,951	198,551	104,622
09/12 thru 09/17	50,000	50,000	17,498
	50,000	50,000	17,498
	\$ 24,111,197	\$ 17,816,773	\$ 5,878,209

See accompanying notes to schedules of expenditures of state and federal awards.
See independent auditors' report.

City of Las Cruces

Notes to Schedules of Expenditures of State and Federal Awards

June 30, 2018

NOTE 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.

NOTE 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.

NOTE 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 \$83,000 in principal and \$63,341 in interest; leaving an outstanding balance of \$1,503,000. 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.

(Continued)

City of Las Cruces

Notes to Schedules of Expenditures of State and Federal Awards

June 30, 2018

NOTE 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	Amounts Provided to Subrecipients
14.218	Community Development Block Grant	\$ 116,632

NOTE 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	\$ 6,845,016
Expenditures in the schedule of expenditures of federal awards	5,878,209
Expenditures finance by other funding sources	21,666,417
<hr/>	
Expenditures reported in the statement of revenues, expenditures, and changes in fund balance/ net position-other governmental funds/Transit fund	\$ 34,389,642

(Concluded)

See independent auditors' report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Wayne Johnson
New Mexico State Auditor
To the City Council
City of Las Cruces
Las Cruces, New Mexico

We have audited, 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, 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 comparison schedule 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 3, 2018.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses identified as items FS 2018-001, FS 2018-002, FS 2018-003, and CU 2018-001.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies identified as items FS 2018-004, FS 2018-005, and FS 2018-006, and CU 2018-002.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* identified as item FS 2018-003.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items FS 2018-003, NM 2018-001, NM 2018-002, NM 2018-003, and NM 2018-004.

The City's Response 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 3, 2018

REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

Wayne Johnson
New Mexico State Auditor
The Office of Management and Budget
To the City Council
City of Las Cruces
Las Cruces, New Mexico

Report on Compliance for the Major Federal Program

We have audited City of Las Cruces' ("the City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2018. The City's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2018.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
December 3, 2018

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None noted |

4. Identification of major programs:

CFDA Number	Federal Program
14.218	CDBG Entitlement Cluster
16.710	Public Safety Partnership and Community Policing

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings

Primary Government

FS 2018-001 – Utility Billing Receivable and Revenue Accruals (Material Weakness)

Condition: The City did not record the unbilled utility billing receivable in the prior year or current year. This resulted in a restatement to net position, adjustment to current year accounts receivable, and net change in revenue in the following funds:

	PY Restatement	CY Adjustment	Net Revenue Adjustment
Gas Fund	\$ 531,786	\$ 576,095	\$ 44,309
Water Fund	987,709	1,234,341	246,632
Wastewater Fund	445,871	532,991	87,120
Solid Waste Fund	563,588	652,690	89,102
Shared Services Fund	27,733	31,734	4,001
Total	\$ 2,556,687	\$ 3,027,851	\$ 471,164

Criteria: In order to present the City’s financial statements in accordance with GAAP, accruals should be made for all utility services provided at the end of each fiscal year at June 30.

Effect: The City’s utility billing receivables and revenue were misstated at year end prior to the proposed audit adjusting entry.

Cause: The City did not record the unbilled portion of the utility billing at June 30. The City recorded twelve months of revenue however the period did not relate to services provided July 1, 2017 to June 30, 2018.

Auditors’ Recommendation: CRI recommends that the City record all utility billing revenue and receivables through year end and make all adjustments for unbilled utilities as part of their financial close process.

City’s Response: The City will calculate the amount of the utility billings sent after June 30, 2018 with June 30, 2018 or prior service activity. The Utilities Accountant in Accounting will reverse the prior years’ accrual and accrue the accounts receivable and revenue through year end as part of the regular financial close process.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings (Continued)

FS 2018-002 – Accounting for Pollution Remediation Liability (Material Weakness)

Condition: The City's did not have controls in place to evaluate the pollution remediation liability for potential changes in estimate.

Criteria: GASB 49 requires pollution remediation liabilities to be evaluated when several benchmarks or triggering events occur, one of which is the receipt of an administrative order.

Effect: The City could potentially materially misstate their pollution remediation liability.

Cause: The City did not reevaluate the liability after a Unilateral Administrative Order from the EPA which took effect January 4, 2018.

Auditors' Recommendation: We recommend the City evaluate their liability when future benchmarks occur in accordance with GASB 49. The City should designate someone in accounting to be responsible for this activity.

City's Response:

The City does have the control in place to evaluate the pollution remediation liability and uses the expertise of outside consultants that have been involved with the project from inception to evaluate the site and potential liability.

The liability for the Pollution Remediation is split equally between the City of Las Cruces and Dona Ana County, and is currently in litigation.

Based on a successful litigation, the liability for the City is estimated at \$7.3 million.

In the future, the City will complete a periodic assessment of the litigation and if at that time the outcome is not in the favor of the City of Las Cruces then the liability will be updated.

The Utilities Accountant in Accounting will work with the Rate Economic Analyst Manager and the Water Production Administrator at year-end to make assure the liability is updated by June 30, 2019.

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings (Continued)

FS 2018-003 – Deficiencies in Procurement Process (Material Weakness and Material Noncompliance)

Condition: The City had multiple deficiencies over their procurement process as listed below:

- The City awarded a bid to a vendor that did not meet all bid requirements for Bid #17-18-075. The vendor awarded did not have a food service permit at the time that the bid was submitted; the food service permit was obtained after the bid was awarded.
- The City obtained ES351 Mechanical Sweeper Truck Rental Agreement with a contract totaling \$15,600 plus tax, did not follow the proper procurement process.
- There were multiple deficiencies with the City award of a procurement contract for weed removal. The project was awarded without following the appropriate sections of the City's procurement code. The purchase order did not go through City Council approval in accordance with policy and the project began before the budget was approved. The City also violated the SWPPP requirements for this procurement. Of the three vendors approved for "tree removal" the vendor chosen charged the most that service. Another issue found with the project is the violation of the state wage rate regulations, as the services begin before the Workforce Solutions approved the wage decision.
- There was an overpayment on bid #14-15-145 in the amount of \$329,823.32, where the vendor was paid for delivery, setup, servicing and removal services even though none of these services were part of procurement.
- Bid #14-15-130 was not procured in accordance with policy and payments made were not in accordance with the approved contract. The total amount procured under this contract in fiscal year 2018 was \$339,414.

Criteria: The City has adopted the home rule charter, which determines that the purchasing code is created by the City Councilors, the procurement code can be found in Chapter 24, of the City Policies and Procedures

Effect: The City did not follow the home rule charter procurement code for all procurement items which resulted in, violations to bid checklists and over payment of a vendor.

Cause: The City's controls over procurement did not catch some of the violations and other items circumvented the procurement process by being inappropriately approved by management.

Auditors' Recommendation: CRI recommends that the City follows the home rule charter procurement code and that procedures are put in place to ensure the procurement code is followed and not circumvented. CRI understands that the City is already working towards improvements as mentioned in their response below. We also recommend that the City continue any internal investigations pertaining to the procurements mentioned above and report any improprieties to the New Mexico State Auditor's Office.

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings (Continued)

FS 2018-003 – Deficiencies in Procurement Process (Material Weakness and Material Noncompliance)
(Continued)

City's Response:

Procurement violation #1: The vendor that was awarded the contract for 17-18-075 had no food service permit to submit with their proposal as they were not an active food vendor actively doing business. This vendor had no need to obtain the food service permit ahead of time unless she was going to be awarded the contract.

Procurement violations #2-4: Corrective measures of creating the Procurement Review Committee, training and Contract Administration Program as explained below were applied.

On June 11, 2018 the City Manager approved City Manager Policy 2.13 which created the Procurement Review Committee. The committee consists of the City Attorney, the two Assistant City Managers and the Human Resources Director. The committee is charged with reviewing all potential procurement violations and recommending corrective action including any necessary discipline to the City Manager.

In July 2018 the City conducted mandatory procurement training sessions for approximately 300 employees whose duties include or might include a role in the city's procurement process. Each session included presentations by an Assistant City Attorney, the Chief Budget Officer, the Purchasing Manager and the Disbursements Manager. Additional sessions have been and will continue to be conducted to make sure that new employees and employees whose duties change to include procurement are also trained. Permissions to access the procurement process are not granted until this training has been completed. In addition, annual refresher training will be conducted.

During July and August 2018, the City implemented a Contract Administration Plan (CAP) for all Price and Service Agreements, to provide employees with information on the approved contracts. The CAPs contain information on the contracted vendor, contract term, expiration date, amount, using department contact information, a contract summary, and guidelines for the administration of each contract. The CAPs also document Quality Control Plans, to be audited bi-annually by staff of the using department and the Purchasing Section.

The City self-identified the issue regarding the Warren construction contract for Bid #14-15-130 on August 29, 2018, and took immediate action to gather information and provide the information to the internal City Auditor within 24 hours of discovering the issue. During the exit conference with the City, conducted on November 28, 2018, it became apparent that the information regarding the Warren construction contract was not communicated or provided to the external auditor and the external auditor had no knowledge of the issue. At that time, the City immediately notified the external auditor of the issue and provided all communication and documentation that was originally identified on August 29th. The City has taken steps to further investigate the issue and will provide all findings and information to the State Auditor.

All items above were self-identified.

The Procurement Review Committee will meet on an as needed basis if suspected violations occur effective immediately.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings (Continued)

FS 2018-004 – Financial Reporting in Proprietary Funds (Significant Deficiency)

Condition: The City had the following misstatements in their proprietary funds that were corrected during the course of the audit:

- The 2018 JU ES business-type debt premiums as revenues rather than liabilities, in doing so, the business-type debt was recorded on the modified accrual basis instead of the full accrual basis. The improper recording took place in the Gas Fund in the amount of \$233,030 and the Water Fund in the amount of \$687,676 for a total of \$920,706
- The City did not record \$148,840 in donated distribution and collection system assets in the gas and water funds
- The City erroneously adjusted the gas and water inventory accounts for the incorrect amount, the amount adjusted should have been to account for the change from prior year to current year, instead the accounts were adjusted for the total ending balance for the current year. This error resulted in an adjustment in total of \$104,352; an adjustment of \$64,318 to the Gas Operations Fund and \$50,034 to the Water Operations Fund

Criteria: GASB 34 states that proprietary fund financial statements and measurements should be presented on the full accrual basis of accounting, donated assets should be reported at their estimated fair value at the time of acquisition, and inventory at year-end should agree to the amounts on hand.

Effect: The City has understated their liabilities by not accurately recording their business-type funds on the modified accrual basis instead of the full accrual basis.

Cause: The City's review process did not identify the conditions noted above in a timely manner.

Auditors' Recommendation: CRI recommends strengthening the review process to ensure all adjustments are checked for errors prior to posting.

City's Response: The City's Utilities and Financial Services Departments will coordinate to ensure there is adequate time available for review of all proprietary fund year-end financial closing processes.

The City's Accounting and Treasury sections, who are responsible for much of the Financial closing process, experienced heavy employee turnover and related vacancies and several one-time projects during the course of the audit. The Financial Services Department is working to fully staff the department and complete the additional one-time projects. In addition, the Departments will provide training to all new and current staff.

The Accounting Manager will assure donated assets and inventory accounts are reviewed at year end. The Treasurer will ensure all debt closing entries are entered timely.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section II – Financial Statement Findings (Continued)

FS 2018-005 – Property Tax Receivable Accrual (Significant Deficiency)

Condition: The City's did not record the portion of its property tax receivable outstanding as of June 30, 2018 but not collected in July or August of 2018. The total amount of the outstanding receivable not recorded was \$625,077.

Criteria: GASB 33 requires assets from imposed nonexchange transactions to be recorded when the government has an enforceable legal claim to the resources or resources are received, whichever is first.

Effect: The City was understating their property tax revenue on the government-wide statements and their property tax receivable and deferred inflow in the fund financial statements.

Cause: The City was unaware of the need to record the entire outstanding property tax receivable and only recorded the amount collected within 60 days of year end.

Auditors' Recommendation: We recommend that the City confirm the total outstanding balance of property taxes with Dona Ana County as part of the year-end closing procedures.

City's Response: The City in the past has only accrued the 60 days of property tax receipts as revenue as per GASB standards. The City did not interpret GASB using modified accrual as needing to record the entire amount of property tax owing to the City by Dona Ana County as a receivable. Going forward, the City Treasurer will obtain this information from the County and record a receivable for the entire amount of City property taxes outstanding. The offset will be in deferred inflows of resources. This change does not affect net position or any fund balances.

FS 2018-006 – Inaccurate Pay Rate Information Maintained in the Employee Files (Significant Deficiency)

Condition: The City's reported pensionable wages did not agree to the corresponding pay rate memo for three of 25 employees tested by 3.45%, 1.48%, and 1.48%, respectively.

Criteria: In order for the City to appropriately remit the employer share of PERA contributions it should be using the correct pay rate for the employee in their calculation.

Effect: Not having the correct pay rate documents in the file could result in inaccuracies in the payroll reporting process.

Cause: The City did not have supporting documentation for the rates submitted to PERA.

Auditors' Recommendation: We recommend the City ensure they update their pay rate files when employees receive pay increases to avoid inaccurate reporting.

City's Response: The three employees in question received a wage increase in November of 2015 along with other blue collar employees, supported by resolution 16-048. The documents for the increase were inadvertently excluded from the employee files. Therefore, wages for PERA contributions were appropriately calculated and remitted. The City will review personnel files to ensure all filing is up to date. A review of a representative sample of employee files is planned for January 2019 by the Human Resources staff.

Schedule of Findings and Questioned Costs

June 30, 2018

Section III – New Mexico State Audit Rule Section 12-6-5 NMSA 1978 Findings

NM 2018-001 – Oversight of Internal Auditor (Finding that does not rise to the level of Significant Deficiency)

Condition: The City's internal audit department organizational structure does not adequately support the freedom for independent activity free from threats of objectivity.

Criteria: AU-C 610.A39 *Using the Work of Internal Auditors* states "As stated in paragraph .A7 *objectivity* refers to the ability to perform tasks without allowing bias, conflict of interest, or undue influence of others to override professional judgements. In evaluating the existence and significance of any threats to the objectivity of an individual internal auditor, the external auditor may consider the extent to which the internal audit functions' organizational status and relevant policies and procedures support the objectivity of the internal auditors, including, for example, policies and procedures addressing association with the division or department in the entity to which the work relates. Additionally, other matters may come to the external auditor's attention that may be relevant to the external auditor's evaluation of the objectivity of the internal auditor."

Effect: The function of the internal auditor can be hindered by reporting to top management because of the nature of the internal audit function, which is to review and determine errors, oversights and violations of policies of the City, and these violations and errors being reviewed can include top management. Another potential effect is that there could be miscommunication in the message of the internal audit report as it is filtered by management.

Cause: The current organizational structure has the Internal Audit Department reporting their findings to City management and not to an independent committee or City Council. This information is then relayed to governance by City management.

Auditors' Recommendation: CRI recommends the City work to provide an outlet for the Internal Audit department to get their reports to City Council without involvement from City Management. The Institute of Internal Auditors has several tools in place to assist in this change. CRI also has other city clients with internal audit structures that the City can consult with to gain ideas on best practices. CRI understands that the City is already working towards improvements as mentioned in their response below.

City's Response:

To the extent permitted by City Charter, the City complies with the Audit recommendation NM 2018-001-Oversight of Internal Auditor (other matter). Prior to the recent audit, the City initiated changes to its internal audit function that meet the spirit of the Auditor's recommendation.

In January 2018, the office of Internal Audit was moved by the City Manager, in consultation with the City Attorney, to the Legal Department. Pursuant to City Charter, the City Attorney and the City Manger are the only City employees that have direct access to the City Council. It was determined that placing Internal Audit under the authority of the City Attorney would allow more direct reporting of Internal Audit activity to the City Council. It was also determined that changing the chain of command of Internal Audit from the City Manager (administration) to the City Attorney (legal) provides improved independence, greater internal/external accountability and removes the City Manager's office from audit activity.

Schedule of Findings and Questioned Costs

June 30, 2018

Section III – New Mexico State Audit Rule Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-001 – Oversight of Internal Auditor (Finding that does not rise to the level of Significant Deficiency) (Continued)

On July 9, 2018, the City Attorney presented background information, which included the recommendation to increase independence of Internal Audit, and a first draft ordinance creating the IG position and Oversight Committee to the City Manager. The City Attorney presented the concept of creating an Inspector General position and an Oversight Committee to the City Council during a work session on September 10, 2018. At that time, she emphasized the need to create an Oversight Committee for the IG and audit. She suggested that this should be accomplished by ordinance and provided additional research and information on best practices. Changes to the draft ordinance were made in October and the final draft was placed on the City Council agenda for consideration on November 5th. A required second reading of the ordinance occurred on November 19th and the ordinance titled The Accountability in Government ordinance was passed by the City Council unanimously. The ordinance goes into effect December 4th.

Here are some highlights of the Accountability in Government ordinance:

1. An Inspector General (IG) position was created.
2. The IG has the authority to investigate municipal matters that involve elected or appointed officials, employees, municipal agencies and instrumentalities, contractors, and other parties doing business with the City or receiving City funds.
3. The ordinance establishes IG professional standards and reporting requirements.
4. The ordinance requires that “the organization and administration of the Office of Internal Audit shall be sufficiently independent to assure that no interference or influence will adversely affect the independence and objectivity of internal audit staff or the City Auditor.
5. The ordinance establishes the City Auditor’s duties, responsibilities, authority, administrative subpoena power and professional standards.
6. The ordinance establishes and Oversight Committee consisting of three members who are residents of the City and who are not employed by the City or in direct contractual relationship with the City. The Mayor and one City Councilor are ex-officio members of the Committee.
7. The Committee is a management committee and not a public board or commission. It may provide the City Auditor and the IG with recommendations for priorities and potential areas for investigation but may not interfere or prohibit the IG or Auditor from initiating, carrying out or completing any audit, investigation or strategic review.
8. The Committee shall review any audit, investigatory or strategic review reports and may issue cautionary statements but may not alter or change reports.
9. The ordinance requires reporting by the IG and the Auditor to the City Council at least annually.
10. The ordinance prohibits interference by the City Attorney or City Manager or any other City Employee or official.
11. The ordinance establishes a penalty for failure to comply with an Audit or IG investigation.

It should also be noted, any change to the City Charter must be passed by a special election. There is no way to guarantee that a proposed Charter change will be successfully passed by the voting public. A recommendation to amend the Charter will require a special election and will also require passage by the City Council in order to be placed on the ballot. Please reference Las Cruces Municipal Code Chapter 2, Article III, Div. 6 for the full copy.

Schedule of Findings and Questioned Costs

June 30, 2018

Section III – New Mexico State Audit Rule Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-002 –Human Resources File Maintenance and Documentation (Finding that does not rise to the level of Significant Deficiency)

Condition: During review of files pertaining to new hires and promotions for fiscal year 2018 the following issues were identified:

- Three of the 10 files tested did not contain sufficient documentation supporting either promotion, reclassification, or pay increase.

Criteria: Per the City of Las Cruces personnel manual section 305-2 “When a reclassification is requested to recognize a significant change in the duties and responsibilities of a position, the recommending department shall complete and submit to Human Resources a job analysis worksheet/Position Analysis Questionnaire for evaluation and classification.” Additionally section 202 requires that “Job announcements shall be posted for not less than five business days. This period of time may be waived by the City Manager.”

Effect: Without proper documentation, the City is in violation of their personnel manual policies and procedures.

Cause: Documentation was not maintained in the Human Resources department or elsewhere to support the issues identified in the condition above.

Auditors’ Recommendation: For all reclassifications or promotions we recommend the City maintain sufficient supporting documentation in accordance with their personnel manual.

City’s Response: The City agrees that it can improve their documentation in instances such as these when they arise in the future. A review of a representative sample of employee files is planned for January 2019 by the Human Resources staff.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section III – New Mexico State Audit Rule Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-003 –Exceeded Budget Authority (Other Noncompliance)

Condition: The City has over expended its budget in the following funds:

Nonmajor Funds	
Environmental Gross Receipt Tax Fund	\$ 6,333
<hr/>	
Total Governmental Funds	\$ 6,333

Criteria: All City funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation.

Effect: The internal controls established by adherence to budgets has been compromised and excess spending could result and has resulted in noncompliance with state requirements.

Cause: The City did not identify the over-expenditures as a result of their final budget adjustment process.

Auditors' Recommendations: We recommend that the City monitor its budgets closely and prepare budget adjustments as necessary and that the City submits all budget adjustments timely.

City's Response: The budget overage in the Environmental Gross Receipts Tax fund is a direct result of revenue coming in higher than anticipated. The Administrative Charge is based on actual Environmental Gross Receipts Taxes received. The Budget Office will continue to coordinate with Accounting to avoid future budget variances.

The Chief Budget Officer will continue to coordinate with Accounting Manager to avoid future budget variances.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section III – New Mexico State Audit Rule Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-004 Internal Controls over Cash Receipts (Other Noncompliance)

Condition: Animal Services Center Mesilla Valley (ASCMV), a City agency fund, has multiple deficiencies over their receipting process as noted below:

- Eight of 40 deposits tested were not deposited within 24 hours of receipt.
- Three of 40 deposits tested did not have appropriate signature on the Animal Shelter Cash Slip
- Two of 40 Daily Sales Transaction documents tested were not signed.

Criteria: Per the City of Las Cruces “*Procedures for All Departments Receipting Money, Effective April 10, 2012*” procedure, item 4 on the list of procedures states “Each department must submit the following to the cashier department every day (do not accumulate and send multiple days. Each days’ documents must be sent immediately.) Cash count sheet, receipts, cash register tape, detailed computer report and yellow copy of the bank deposit slip; additionally item 12 on the list of procedures states that all deposits are to be made every day.

Effect: ASCMV is not properly safeguarding assets and is in violation City policy.

Cause: ASCMV’s internal controls over deposits were not accurately followed for all deposits.

Auditor’s Recommendation: CRI recommends ASCMV emphasize the importance of timely deposits and following all internal controls over receipts and monitor these procedures closely to ensure compliance with policies and procedures. We also recommend ASCMV seek the City’s assistance for best practices to ensure compliance with the City’s receipting policy.

ASCMV’s Response: The ASCMV is an independent agency. The City of Las Cruces is the fiscal agent for ASCMV but is not directly responsible for internal controls at the agency.

The ASCMV has contracted with an armored car service to ensure safe and timely deposits. In August 2018 employees of ASCMV attended Cashiering training provided by the City of Las Cruces. ASCMV is anticipating changing software which assists in receipting in December 2018 which will strengthen internal controls.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section IV – Component Unit Financial Statement Findings

Component Unit - South Central Solid Waste Authority (SCSWA)

CU 2018-001 – Utility Billing Receivable and Revenue Accruals (Material Weakness)

Condition: SCSWA did not record the unbilled utility billing receivable in the prior year or current year. This resulted in a restatement to net position, adjustment to current year accounts receivable, and net change in revenue in the following fund:

	PY Restatement	CY Adjustment	Net Revenue Adjustment
SCSWA	\$ 52,063	\$ 40,560	\$ 11,503
Total	\$ 52,063	\$ 40,560	\$ 11,503

Criteria: In order to present SCSWA's financial statements in accordance with GAAP, accruals should be made for all utility services provided at the end of each fiscal year at June 30.

Effect: SCSWA's utility billing receivables and revenue were misstated at year end prior to the proposed audit adjusting entry.

Cause: SCSWA did not record the unbilled portion of the utility billing at June 30. SCSWA has historically billed twelve months of revenue and recorded the receivables for billed utility but hadn't recorded the unbilled utility revenue at year end.

Auditor's Recommendation: CRI recommends that the Authority record all utility billing revenue and receivables through year end and make all adjustments for unbilled utilities as part of their financial close process.

SCSWA's Response: The Treasury department at the City will provide the necessary supporting documentation to record revenues and receivables through year-end and related adjustments to the management analyst at the Authority. Remediation on this finding will begin immediately and will be resolved by June 30, 2019.

Schedule of Findings and Questioned Costs

June 30, 2018

Section IV – Component Unit Financial Statement Findings (Continued)

CU 2018-002 – Estimated landfill closure/Post-closure liability (Significant Deficiency)

Condition: The Authority's landfill closure and post-closure liability was misstated by \$46,452 per the Total Financial Assurance required provided by an independent Engineering Group.

Criteria: The City is required to follow GASB No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. The authoritative language reads the City is required to value and recognize closure costs over the expected useful life of a landfill rather than after the closer takes place. The government must record the assessed useful life of a landfill and the prospective costs required to close and monitor the landfill after closure as assessed and disclosed as the Total Financial Assurance required.

Effect: The Authority's landfill closure and post-closure was incorrectly valued at June 30, 2018.

Cause: The City did not identify that the entry to record the valuation from the third party assessor's Total Financial Assurance required amount was incorrectly posted in a timely manner.

Auditor's Recommendation: CRI recommends that the Authority has a timely second review of the postings and is more diligent/aware of valuations, their reconciling amounts, and the corresponding journal entries.

SCSWA's Response: The management analyst at the Authority will request a second review of the Closure Post Closure entry at year end from the City for a more diligent/awareness of valuations. The Accounting Manager will have the final review of the entry and post the entry to the general ledger. Remediation on this finding will began immediately and will be resolved by June 30, 2019.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2018

Section V – Federal Award Findings and Questioned Costs

None noted.

City of Las Cruces

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2018

Prior Year Audit Findings	Current Status
----------------------------------	-----------------------

Financial Statement Findings

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

Federal Award Findings

None noted in prior audit

City of Las Cruces

Other Disclosures

For the Year Ended June 30, 2018

An exit conference was conducted on November 28, 2018 with the following individuals in attendance:

City of Las Cruces

Ken Miyagishima	Mayor
Jack Eakman	Councilor
Stuart Ed	City Manager
David Dollahan	Assistant City Manager – Operations
William Studer	Assistant City Manager – Acting Director of Financial Services
Jennifer Vega-Brown	City Attorney
Karin Byrum	Treasurer
Maria Sanchez	Financial Reporting Analyst Senior
Josie Medina	Financial Reporting Analyst Senior

Carr, Riggs & Ingram, LLC

Danny Martinez, CPA, CGFM	Partner
Alan D. "A.J." Bowers, Jr., CPA	Partner
Vicki Dallas, CPA	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.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2018

This Comprehensive Annual Financial Report can be made available in alternative formats by calling the City of Las Cruces Public Information Office at (575) 541-2200 or TTY 541-2182.

P.O. Box 20000
Las Cruces, New Mexico, 88004
(575) 541-2200
www.las-cruces.org

