



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended June 30, 2019

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, 2019**

**Prepared by
Finance Department
Terri Gayhart,
Financial Services Director**

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City of Las Cruces

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Introductory Section

CITY OF LAS CRUCES . NEW MEXICO

December 2, 2019

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, 2019, 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, and should be read in conjunction with, this letter of transmittal.

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 2019 economic outlook of the City of Las Cruces shows mixed economic conditions with low growth anticipated in the future. 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 2017 at \$40,924. In comparison, the State of New Mexico has a median household income of \$46,718 for 2017, a difference of \$5,794 between the State and the City. However, even though the City has a smaller median household income than the State, the trend has been positive overall, increasing \$2,533 since 2010 .

Unemployment rate for the City of Las Cruces is higher than the State of New Mexico and higher than the Nation. The August 2019 preliminary figures of the seasonally adjusted unemployment rate for the City of Las Cruces is 5.4%, while the State indicates a 4.9% for the same statistic. In comparison, the Nation has 3.7% 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 2019 indicate a total of 74,400 payroll jobs. In comparison to the September 2018 figures on the same statistic at 73,800 payroll jobs it represents a slight increase of roughly 600 jobs. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 27,301 on August 2019, which is 164 fewer cases than August 2018.

The new business registrations data indicates a downward tendency in new business registrations. In September 2019, there were 72 new business registrations, which is above the 2010-2018 average for September at 54. Although, during 2018 the number of new business registrations was equal to 2017 numbers at 586. During the first 9 months of 2019 there have been only 3 instances where the current business registrations have out-performed to the 8-year monthly averages from 2010 to 2018, in May, June, and September 2019.

Monthly median listing prices for homes in the City of Las Cruces are collected from 3 agencies: Zillow.com, Trulia.com, and Realtor.com. The median listing home prices according to the three websites are: \$190,500, \$185,000, and \$196,675 for Zillow.com, Trulia.com, and Realtor.com respectively in February 2019.

New Mexico State University (NMSU) has experienced a decline in total students enrolled in Fall at least since 2010. The Office of Institutional Analysis (OIA) indicates that in Fall 2019 there were 14,296 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 23%. 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. Property for the new Fire Station 3 was acquired so that the crew at that station could work out of the existing building and maintain the same level of service for that community. Contracts for design have been awarded for all projects.

The Convention Center expansion construction was 90% complete and on time for the estimated completion date of July 2019. This allowed the Convention Center to accommodate the Municipal League Conference held in Las Cruces in August 2019.

The fiber optic INTERCONNECT and signal improvements continued to add additional intersections to the fully operational Traffic Management Center in fiscal year 2018. Major thoroughfares are being added, such as Lohman Avenue from Nacho to El Paseo, El Paseo from Lohman Avenue to University and University from El Paseo to Telshor.

As part of the City's plan to be a customer focused, higher performing organization, the City has implemented performance-based management throughout all City departments. All City departments have completed the process, known as PEAK Performance, in fiscal year 2019. PEAK stands for perform the mission, evaluate measures, assess outcomes, and keep climbing. Implementation of performance-based budgeting was implemented for 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. After completion of the Utilities contract for upgrades to water and gas meters, the City expanded the contract to review all its facilities for energy efficient measures.

The Church Street and Water Street two-way conversion construction project was completed and fully opened to two-way track of Church and Water Streets. The new traffic patterns of these streets has revived pedestrian-friendly thoroughfares with sidewalks, on street parking, slower moving traffic, and greater access to the Downtown area.

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 2019 and the two preceding years is based on the mill levy below:

Purpose	2019	2018	2017
Operational mill levy:			
Residential	8.848	8.770	6.702
Non-residential	9.127	9.126	7.120

The gross receipts tax rate on receipts within the City was 8.3125% at June 30, 2019. The breakdown and sources of the gross receipts tax rate include:

	Tax Rate	Percent of Total Rate
State shared	5.125%	61.65%
Municipal GRT- general purpose	1.25%	15.04%
Municipal GRT-infrastructure	0.25%	3.01%
Municipal Environmental GRT	0.0625%	0.75%
Municipal Hold Harmless GRT	0.375%	4.51%
Dona Ana County-local option taxes	1.25%	15.04%
	8.3125%	100.00%

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 \$79 million. On August 21, 2018 City voters approved \$35.6 million of G.O. bonds, of which the City has \$18 million outstanding.

The City had twenty-two revenue bond issues outstanding as of June 30, 2019. Gross receipts tax revenues finance fifteen 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, 2019 was \$91.5 million in governmental bonds and \$89.2 million in utility revenue bonds. Principal payments on bonds totaled \$14.3 million during the fiscal year.

In addition, the City had twelve loans outstanding from the New Mexico Finance Authority and other entities totaling \$19.7 million with principal payments during the fiscal year of \$3.5 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

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, 2018. This was the fifteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

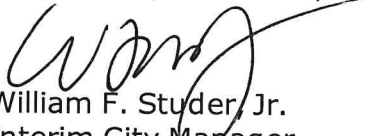
Acknowledgments

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,



William F. Studer, Jr.
Interim City Manager

City of Las Cruces

List of Principal Officials

June 30, 2019

City Council

Ken Miyagishima	Mayor
Kasandra Gandara	Councilor
Gregory Z. Smith	Councilor
Gabriel Vasquez	Councilor
Jack Eakman	Councilor
Gill M. Sorg	Councilor
Yvonne Flores	Councilor

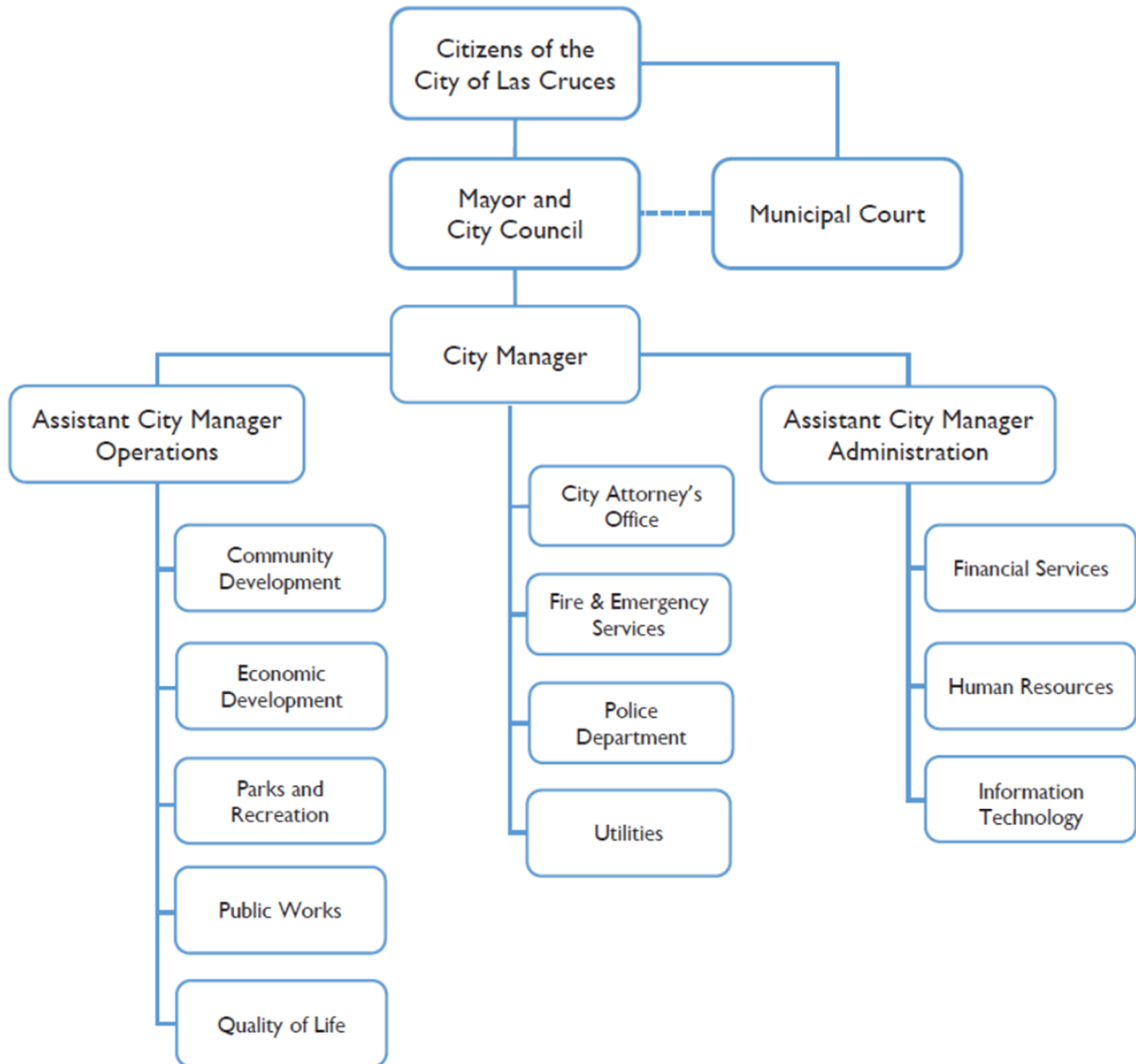
Other Officials

William F. Studer, Jr	Interim City Manager
David P. Dollahon, AICP	Assistant City Manager - Operations
Barbara De Leon	Interim Assistant City Manager - Administration

City of Las Cruces

Organizational Chart

June 30, 2019



City of Las Cruces

GFOA Certificate

June 30, 2019



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, 2018

Christopher P. Morill

Executive Director/CEO

Financial Section

CITY OF LAS CRUCES . NEW MEXICO

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
To the City Council
City of Las Cruces
Las Cruces, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Las Cruces, New Mexico ("the City") as of and for the year ended June 30, 2019, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 comparisons for the general fund and major special revenue funds of the City of Las Cruces as of June 30, 2019, and the respective 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

As discussed in Note 23 to the financial statements, in 2019 the City restated beginning net position for correction of material misstatements in previously issued financial statements. Our opinion is not modified with respect to this matter.

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 25 through 39, the GASB supplementary pension schedules on pages 130 through 131, the GASB supplementary OPEB schedules on pages 132 through 133, and the notes to the required supplementary information on page 134 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

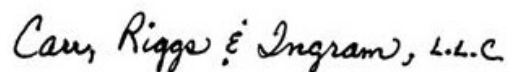
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) part 200*, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards, the combining nonmajor fund financial statements, the budgetary comparisons presented as supplementary information, the schedule of changes in assets and liabilities of agency funds, the statistical section, the schedule of insurance in force, the schedule of pledged collateral, the schedule of special appropriations, the schedule of deposit accounts and investments, the schedule of joint powers agreements, the schedule of expenditures of state awards, and the other disclosures 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 nonmajor fund financial statements, the budgetary comparisons presented as supplementary information, the schedule of changes in assets and liabilities of agency funds, the schedule of insurance in force, the schedule of pledged collateral, the schedule of special appropriations, the schedule of deposit accounts and investments, the schedule of joint powers agreements, and the schedule of expenditures of state awards 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 nonmajor fund financial statements, the budgetary comparisons presented as supplementary information, the schedule of changes in assets and liabilities of agency funds, the schedule of insurance in force, the schedule of pledged collateral, the schedule of special appropriations, the schedule of deposit accounts and investments, the schedule of joint powers agreements, and the schedule of expenditures of state awards 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 other disclosures 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 2, 2019, 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, LLC
Albuquerque, New Mexico
December 2, 2019

City of Las Cruces
Management's Discussion & Analysis
June 30, 2019

The Management Discussion and Analysis presents an overview of the City's financial activities for the fiscal year ended June 30, 2019. 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 \$542,886,080 (net position). Of this amount, (\$186,029,969) 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 \$208,079,522. This is an increase of \$21,143,914 in comparison with the prior year combined fund balance amount of \$186,935,608.
- The pooled cash and investments for the governmental activities increased \$25,599,077 and business-type activities decreased \$25,851,530 for a total decrease of \$252,453.
- The total bond and loan debt for the governmental and business-type activities increased \$14,674,582. During the fiscal year total debt outstanding increased to \$259,242,667 due to the issuance of new debt being a lower amount than payments on existing debt.

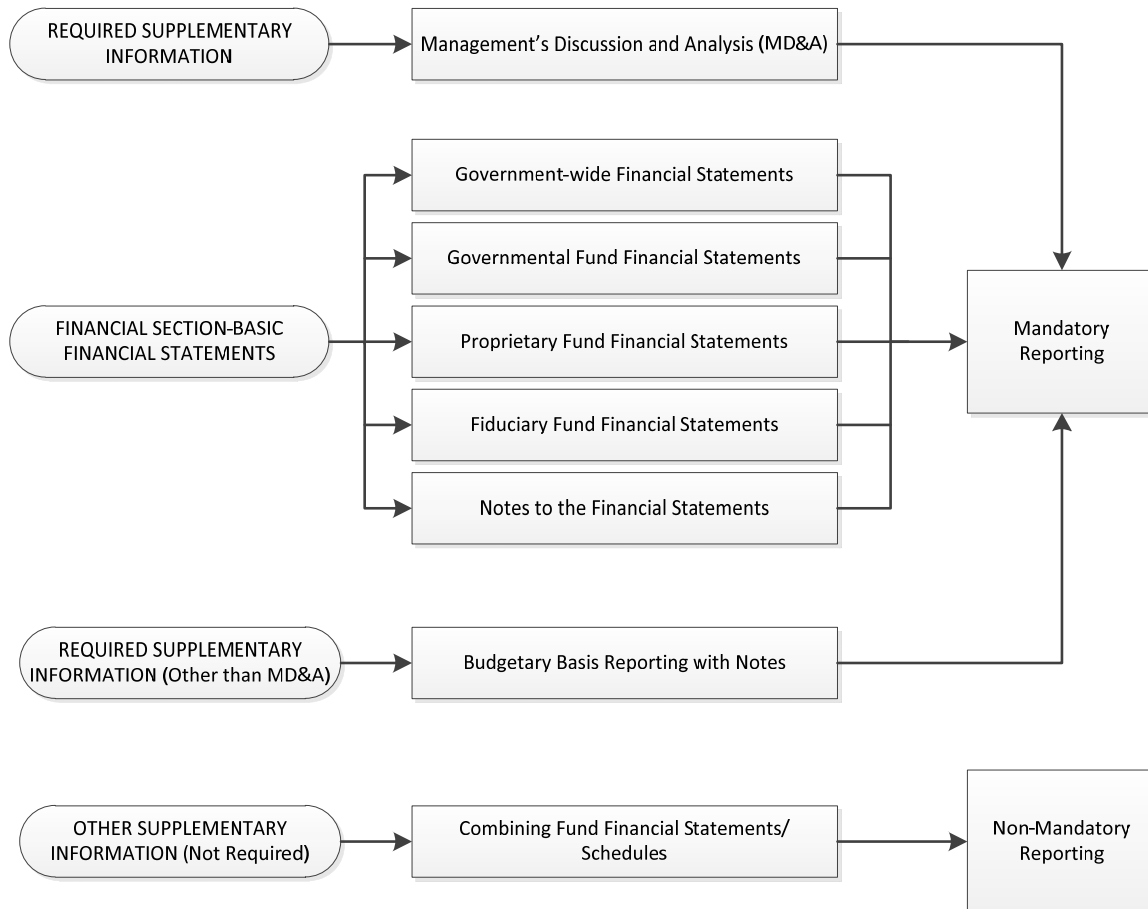
Overview of the Financial Statements

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.

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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 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave). Both financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include General Government, Economic Development, Police, Fire, Quality of Life, Public Works, and Parks and Recreation. The business-type activities of the City include Gas, Water, Wastewater, Solid Waste, Transit, Alternative Fuels and Rio Grande Theatre.

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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-two 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-four governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Combining Financial Statements section of this report.

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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.

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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 \$542,886,080, at the close of the most recent fiscal year.

Net Position (in 000's)

Ninety-eight 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 eighty-two percent in fiscal year 2018. 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-seven 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 two percent from 2018 due to an increase in grant funding and unspent debt proceeds.

	<u>Governmental Activities</u>				<u>Business - Type Activities</u>				<u>Total</u>			
	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016
Current and other assets	\$ 256,428	\$ 232,381	\$ 241,821	\$ 225,830	\$ 69,773	\$ 94,791	\$ 81,615	\$ 93,303	\$ 326,201	\$ 327,173	\$ 323,436	\$ 319,133
Capital assets	415,584	394,169	390,521	374,118	285,250	266,778	247,093	217,727	700,834	660,947	637,613	591,845
Total assets	672,012	626,550	632,342	599,948	355,023	361,569	328,707	311,030	1,027,035	988,119	961,049	910,978
Deferred outflows of resources	30,199	23,445	38,156	11,215	7,924	6,505	9,321	1,705	38,123	29,951	47,477	12,920
Total assets and deferred outflows of resources	\$ 702,211	\$ 649,995	\$ 670,498	\$ 611,163	\$ 362,947	\$ 368,074	\$ 338,029	\$ 312,735	\$ 1,065,158	\$ 1,018,070	\$ 1,008,526	\$ 923,898
Current and other liabilities	\$ 17,933	\$ 8,684	\$ 156,594	\$ 23,844	\$ 5,767	\$ 12,300	\$ 32,376	\$ 11,447	\$ 23,700	\$ 20,984	\$ 188,970	\$ 35,291
Long-term liabilities	336,446	299,826	131,183	209,315	134,475	137,450	79,847	79,111	470,921	437,277	211,032	288,426
Total liabilities	354,379	308,510	287,779	233,159	140,242	149,751	112,223	90,558	494,621	458,261	400,002	323,717
Deferred inflows of resources	22,439	24,551	2,032	2,152	5,212	5,627	409	628	27,651	30,178	2,441	2,780
Invested in capital assets, net of related debt	332,301	276,032	292,055	300,431	198,827	160,997	185,374	204,137	531,128	437,029	477,429	504,568
Restricted net position	163,899	139,745	133,723	116,782	33,888	47,524	28,393	29,918	197,787	187,269	162,116	146,700
Unrestricted net position	(170,808)	(98,842)	(45,091)	(41,361)	(15,222)	4,176	11,629	(12,506)	(186,030)	(94,667)	(33,462)	(53,867)
Total net position	325,393	316,934	380,687	375,852	217,493	212,697	225,396	221,549	542,886	529,631	606,084	597,401
Total liabilities, deferred inflows of resources and net position	\$ 702,211	\$ 649,995	\$ 670,498	\$ 611,163	\$ 362,947	\$ 368,074	\$ 338,029	\$ 312,735	\$ 1,065,158	\$ 1,018,070	\$ 1,008,526	\$ 923,898

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Changes in net position during 2019 and comparative amounts for 2018 and 2017 were:

Summary of Changes in Position (in 000's)

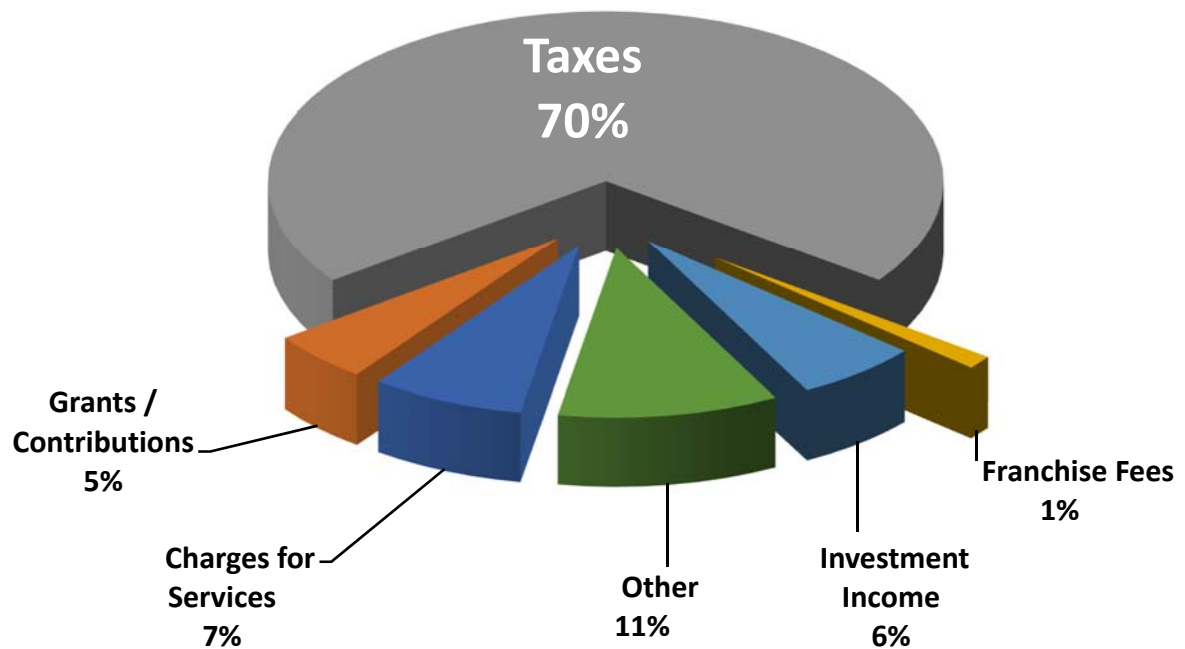
	Governmental Activities			Business - type Activities			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Revenues									
Program revenues:									
Charges for services	\$ 12,327	\$ 12,058	\$ 16,015	\$ 66,262	\$ 56,563	\$ 63,009	\$ 78,590	\$ 68,621	\$ 79,024
Operating grants and contributions	5,159	7,032	2,541	1,867	-	3,244	7,026	7,032	5,786
Capital grants and contributions	2,936	959	5,420	33	3,457	266	2,970	4,416	5,686
General revenue:									
Taxes-GRT and property	117,472	112,834	114,951	-	-	-	117,472	112,834	114,951
Franchise fees/lodgers tax	2,145	2,185	2,809	-	-	-	2,145	2,185	2,809
Investment income	9,932	2,942	4,416	3,127	(55)	119	13,059	2,887	4,535
Other	12,544	10,079	-	123	127	536	12,666	10,206	536
Capital asset contribution	5,166	629	-	2,234	1,545	-	7,399	2,174	-
Total revenue	167,681	148,718	146,152	73,645	61,637	67,175	241,326	210,355	213,327
Expenses									
General government	28,864	28,650	31,463	-	-	-	28,864	28,650	31,463
Police	30,132	28,806	27,973	-	-	-	30,132	28,806	27,973
Fire	19,832	17,738	14,618	-	-	-	19,832	17,738	14,618
Community development	7,128	6,227	4,953	-	-	-	7,128	6,227	4,953
Quality of life	8,209	7,358	9,489	-	-	-	8,209	7,358	9,489
Economic development	7,119	5,851	6,239	-	-	-	7,119	5,851	6,239
Public works	29,207	29,862	25,792	-	-	-	29,207	29,862	25,792
Transportation	1,061	956	-	-	-	-	1,061	956	-
Parks and recreation	13,477	12,026	2,906	-	-	-	13,477	12,026	2,906
Gas	-	-	10,458	20,056	12,433	-	20,056	12,433	10,458
Water	-	-	-	19,307	18,740	14,082	19,307	18,740	14,082
Wastewater	-	-	-	15,395	15,072	18,703	15,395	15,072	18,703
Solid waste	-	-	-	13,354	13,612	17,216	13,354	13,612	17,216
Transit/Other	-	-	-	5,827	5,373	11,386	5,827	5,373	11,386
Interest on long-term debt	4,372	4,439	-	-	-	5,249	4,372	4,439	5,249
Debt issuance costs	444	-	4,117	-	-	-	444	-	4,117
Total expenses	149,846	141,914	138,009	73,940	65,231	66,636	223,786	207,145	204,645
Increase in net position before transfers	17,835	6,804	8,143	(295)	(3,594)	539	17,540	3,210	8,682
Transfers	(4,974)	(4,687)	(3,308)	4,985	4,687	3,308	11	-	-
Change in net position	12,861	2,117	4,835	4,690	1,093	3,847	17,552	3,210	8,682
Net position - beginning	316,934	380,687	375,852	212,697	225,396	221,549	529,631	606,084	597,401
Restatement	(4,403)	(65,870)	-	106	(13,793)	-	(4,297)	(79,662)	-
Net position - ending	\$ 325,393	\$ 316,934	\$ 380,687	\$ 217,493	\$ 212,697	\$ 225,396	\$ 542,886	\$ 529,631	\$ 606,084

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Governmental Activities

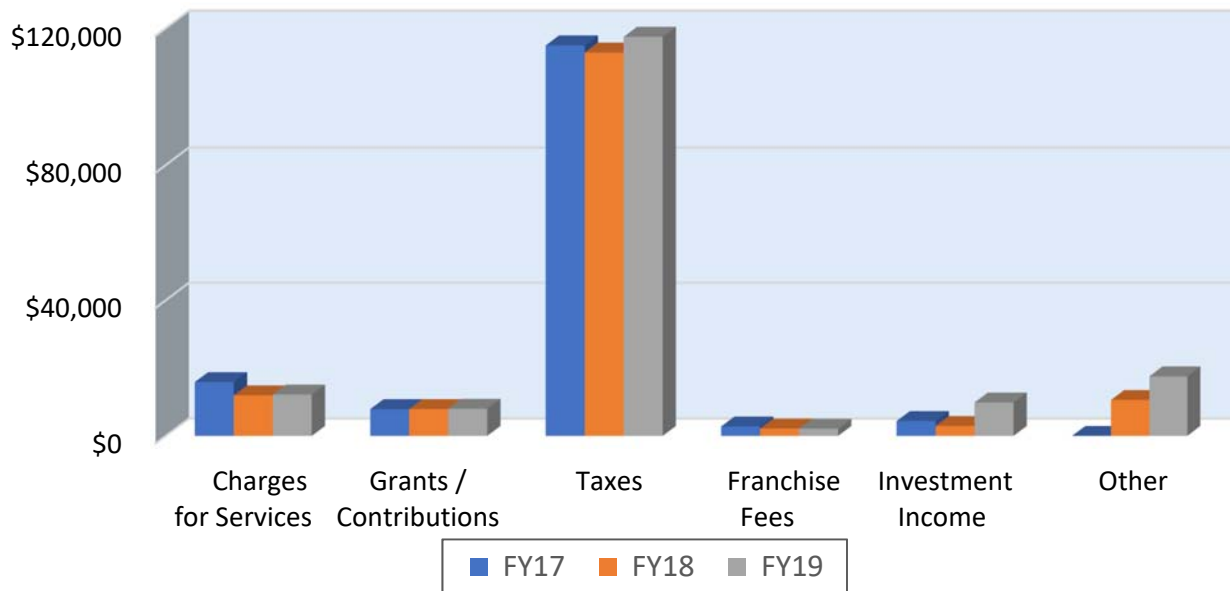
During the current fiscal year, net position for governmental activities increased by \$8,458,261 from the prior fiscal year for an ending balance of \$325,392,760. Gross receipts tax, property tax, and franchise fees increased from \$115.0 million in fiscal year 2018 to \$119.6 million in fiscal year 2019 due to better than expected growth in the economy.

Governmental Revenues



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Revenue by Source (in thousands) – Governmental Activities



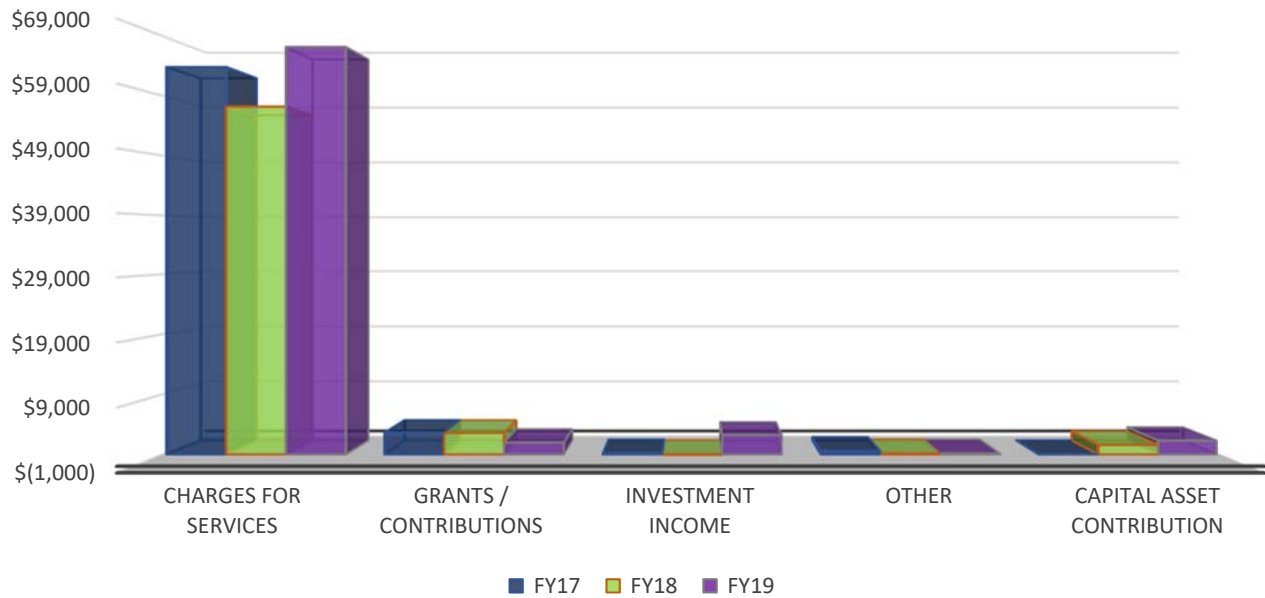
The City's governmental activities expenses increased from \$142 million in fiscal year 2018 to \$149 million in fiscal year 2019. The main increases are due to increased costs in Police of \$1.3 million, Fire increase of \$2.1 million, and Parks and Recreation increase of \$1.5 million.

Business-type Activities

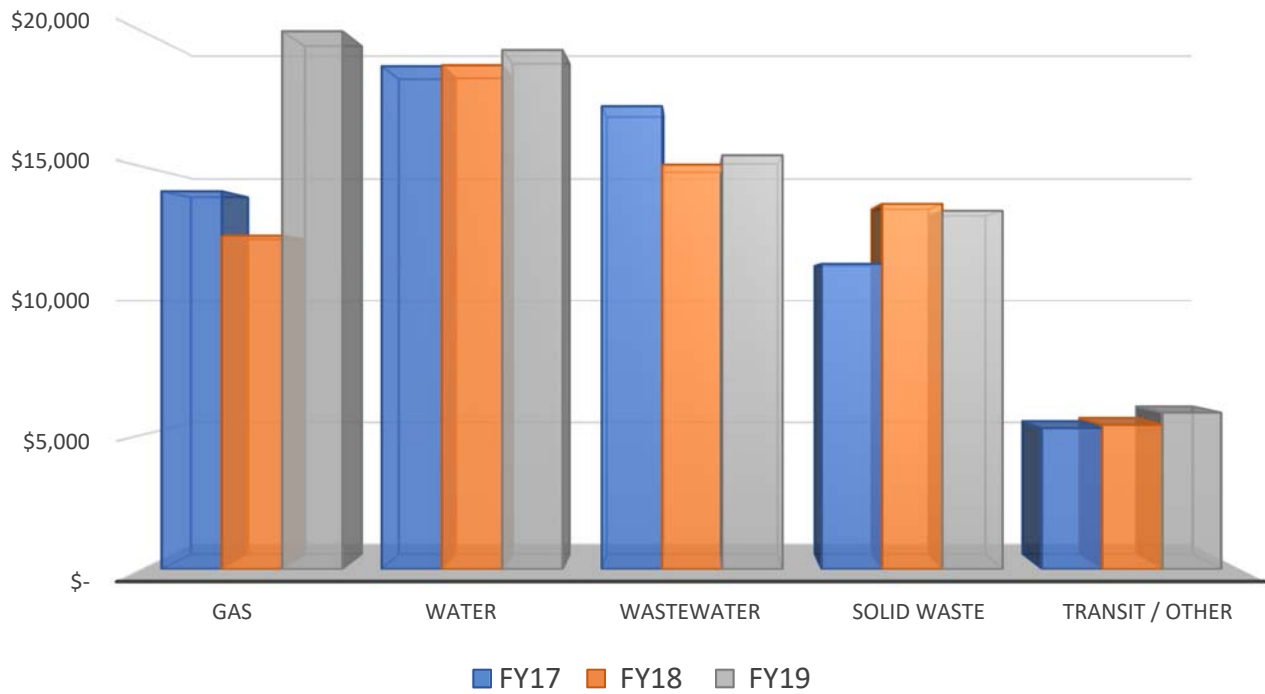
For the City's business-type activities, the net position increased by \$4,796,752 for an ending balance of \$217,493,320. Total revenues increase by \$12.0 million with the highest increase in Charges for Services of \$9.7 million. Total expenses increased by \$8.7 million compared to fiscal year 2018 expenses. Gas increased by \$7.6 million, Water increased by \$0.6 million, Wastewater increased by \$0.3 million, Solid Waste decreased by \$0.3 million, transit and other enterprise funds increased by \$0.5 million.

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Revenues by Source (in thousands) – Business-type Activities



Expenses– Business-type Activities



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Financial Analysis of the City's Funds

Gross receipts tax, the largest revenue source in the general fund, decreased by \$75 thousand from 2018 reflecting the further decrease in state funding reductions which occurred in 2017. Operating and capital grants and contributions decreased by \$104 thousand due to capital funded projects that were not completed in fiscal year 2019 and will be rolled over to fiscal year 2020. Investment income had the highest increase of \$7 million

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 2019, the City's governmental funds reported combined ending fund balances of \$105.8 million, an increase of \$10.8 million from the prior year due to an increase of issuance of debt. 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 \$1.7 million is for inventories. The restricted fund balance of \$2.2 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 \$19.7 million. The assigned fund balance in the General Fund is \$3.1 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 \$20.2 million. The total fund balance in the General Fund is \$47 million.

Fund balances of other major governmental funds are committed and restricted. The Telshor Facility fund has \$46.9 million restricted for health-related programs, an increase of \$5 million due to higher investment earnings. The fund balance in Debt Service of \$11.8 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 \$102.9 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 \$.25 million is mostly health related and public safety programs.

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General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2019, unassigned fund balance was \$20.2 million, \$18.1 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 \$1.3 million during the current fiscal year despite revenues coming in higher than expenditures by \$12.9 million. This decrease is attributable to increase in fiscal year 2019 expenditures compared to fiscal year 2018 in all departments except for Public Works and Quality of Life that had a decrease in 2019 actual expenditures compared to fiscal year 2018.

Revenues – Final budgeted amounts were \$90,850 less than the original budgeted amounts with the decrease coming from other revenue.

Total revenues increased \$2.1 million from 2018 due mostly to a \$2.27 million increase in investment income. Investment income had suffered a loss in 2018 compared to 2017. Charges for services also increased by 15% due to increased revenue for paving cuts charged on work orders.

Expenditures - Differences between the original expenditures budget and the final amended expenditures budget totaled \$2.34 million and are briefly summarized as follows:

- The budget for general government increased by \$77 thousand due to the net effect of various budget adjustments throughout the year.
- The budget for economic development increased by \$675 thousand. \$225 thousand is attributable to the increase in budget for the renovate Main Street Program- a budget rollover from fiscal year 2018. \$253 thousand increase is attributable to grant match requirements. \$150 thousand is due to increase in advertising for Virgin Galactic. The remainder is due to the net effect of various operating budget adjustments.
- The budget for police increased by \$144 thousand which is the net effect of monthly budget adjustments, \$47 thousand for personnel and \$97 thousand for operating expenditures.
- The budget for fire increased \$750 thousand. \$716 thousand is due to grant match requirements for a FEMA Safer grant. The remainder is due to the net effect of budget adjustments throughout the year.
- The budget for community development increased by \$45 thousand which is attributable to the net effect of budget adjustments.
- The budget for quality of life decreased by \$5 thousand which is attributable to the net effect of various budget adjustments.
- The budget for public works decreased by \$223 thousand, of which \$110 thousand is for decreased operating expenditures and \$113 thousand is for decreased personnel costs.
- The budget for Parks and Recreation decreased by \$243 thousand which is due to the net effect of various budget adjustments for salaries and other expenses.

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- The budget for capital outlay increased by \$1.12 million which is the net effect of budget adjustments throughout the year- \$690 for major and rolling equipment and \$428 thousand for several large projects that were rolled over from fiscal year 2018.

Actual expenditures were approximately \$5.3 million less than the final expenditures budget. These variances can be briefly summarized as follows:

- The general government actual expenditures were approximately \$1.78 million more than the final budget. The difference to budget can be attributable to an accounting change in expensing insurance premiums to departments versus doing a transfer to the self-insurance fund.
- Actual expenditures for economic development were approximately \$410 thousand less than the final budget. \$127 thousand is due to projects that will be rolled to fiscal year 2020. \$43 thousand is attributable to salary savings throughout the year and \$240 thousand is attributable to conservative spending on operating expenditures so that they were less than estimated.
- Actual expenditures for police were \$329 thousand less than budget. The difference is due mostly to salary savings throughout the year.
- Actual expenditures for fire were approximately \$29 thousand more than budget. The majority is due to personnel budget related to the FEMA Safer grant that will roll over to fiscal year 2020.
- Actual expenditures for community development were approximately \$15 thousand more than budget.
- Actual expenditures for quality of life were approximately \$152 thousand more than budget.
- Actual expenditures for public works were \$1.16 million less than budget. \$470 thousand is attributable to salary savings, \$693 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.
- Actual expenditures for parks and recreation were approximately \$350 thousand less than budget. \$252 thousand is attributable to salary savings and \$98 thousand is attributable to conservative spending on various operating expenditures so that they were less than estimated.
- Actual expenditures for capital outlay were approximately \$5.03 million less than budget. This variance is due to projects that were not completed in fiscal year 2019 and will be rolled over to fiscal year 2020.

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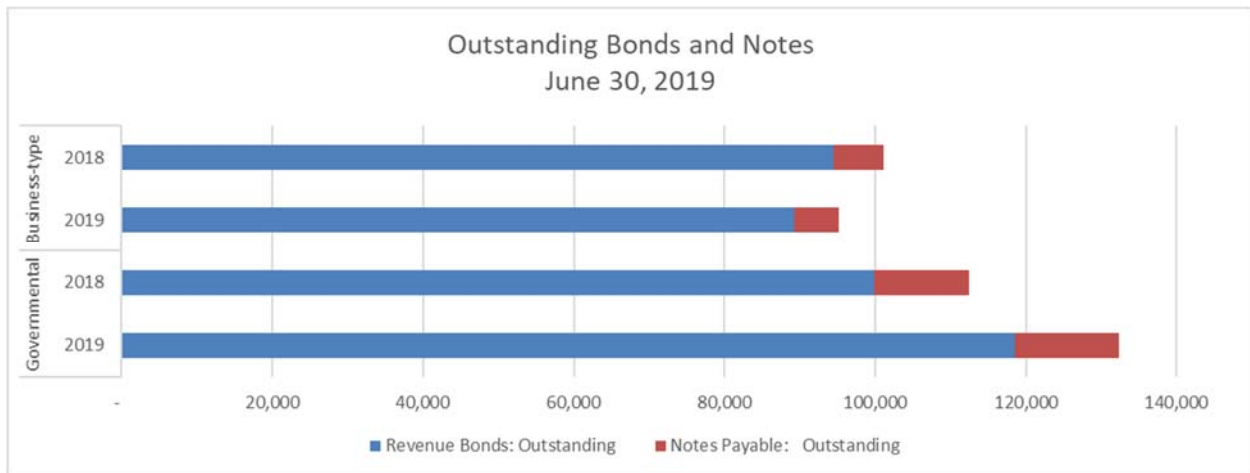
Long-term Debt

At the end of fiscal year 2019, the City had total long-term debt outstanding of \$259.24 million in long term liabilities, with a net increase of \$14.65 million over the prior year due to the issuance of new debt.

Outstanding Bonds and Liabilities to Financial Institutions 2019

	Governmental		
	2019	2018	Change
Revenue bonds: outstanding	\$ 109,515,000	\$ 99,845,000	\$ 9,670,000
Revenue bonds: direct borrowing	9,055,000	-	9,055,000
Notes payable: outstanding	13,745,377	12,557,332	1,188,045
Total outstanding	\$ 132,315,377	\$ 112,402,332	\$ 19,913,045

	Business-type		
	2019	2018	Change
Revenue bonds: outstanding	\$ 89,245,000	\$ 94,445,000	\$ (5,200,000)
Notes payable: outstanding	5,973,061	6,714,765	(741,704)
Total outstanding	\$ 95,218,061	\$ 101,159,765	\$ (5,941,704)



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

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Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$701 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 6 percent.

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

Economic Outlook

The 2019 economic outlook of the City of Las Cruces shows mixed economic conditions with low growth anticipated in the future. 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 2017 at \$40,924. In comparison, the state of New Mexico has a household income of \$46,718 for 2017, a difference of \$5,794 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 since 2010, but decreasing since 2015. In 2015 the median household income in the City was \$41,330 which means that median household income has decreased \$406 in 2 years, but it has increased \$2,533 since 2010.

Unemployment rate for the City of Las Cruces is higher than the State of New Mexico and higher than the Nation. The August 2019 preliminary figures of the seasonally adjusted unemployment rate for the City of Las Cruces is 5.4%, while the State indicates a 4.9% for the same statistic. In comparison, the Nation has 3.7% 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 2019 indicate a total of 74,400 payroll jobs. In comparison to the September 2018 figures on the same statistic at 73,800 payroll jobs it represents a slight increase of roughly 600 jobs. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 27,301 on August 2019, which is 164 less cases than August 2018.

The new business registrations data indicates a downward tendency in new business registrations. In September 2019, there were 72 new business registrations, which is above the 2010-2018 average for September at 54. Although, during 2018 the number of new business registrations was equal to 2017 numbers at 586. During the first 9 months of 2019 there have been only 3 instances where the current business registrations have over-performed to the 8-year monthly averages from 2010 to 2018, in May, June, and September 2019.

Monthly median listing prices for homes in the City of Las Cruces are collected from 3 agencies: Zillow.com, Trulia.com, and Realtor.com. Median listing home prices have been increasing since June 2017. The median listing home prices according to the three websites are: \$190,500, \$185,000, and \$196,675 for Zillow.com, Trulia.com, and Realtor.com respectively in February 2019.

City of Las Cruces
Management's Discussion & Analysis
June 30, 2019

New Mexico State University (NMSU) has experienced a decline in total students enrolled in Fall at least since 2010. The Office of Institutional Analysis (OIA) indicates that in Fall 2019 there were 14,296 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 23%. 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

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Basic Financial Statements

CITY OF LAS CRUCES . NEW MEXICO

City of Las Cruces

Statement of Net Position

June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	South Central Solid Waste Authority
Assets				
Cash and investments	\$ 89,469,842	\$ 23,342,830	\$ 112,812,672	\$ 4,619,587
Receivables, net	22,871,588	8,218,473	31,090,061	819,133
Due from other governmental units	20,351,328	724,234	21,075,562	-
Due from South Central Solid Waste	1,109,170	-	1,109,170	-
Inventory	2,108,973	3,065,741	5,174,714	-
Restricted cash and investments	120,517,210	33,888,262	154,405,472	5,514,522
Notes receivable	-	533,282	533,282	-
Capital assets:				
Land and construction in progress	50,481,253	16,054,445	66,535,698	1,638,626
Other capital assets, net of depreciation	365,102,883	269,195,125	634,298,008	8,572,773
Total capital assets	415,584,136	285,249,570	700,833,706	10,211,399
Total assets	672,012,247	355,022,392	1,027,034,639	21,164,641
Deferred outflows of resources				
Deferred charges from refundings	-	538,730	538,730	-
Deferred outflows related to pensions	29,036,388	7,090,083	36,126,471	1,379,152
Deferred outflows related to OPEB	1,162,387	295,522	1,457,909	54,150
Total deferred outflows of resources	30,198,775	7,924,335	38,123,110	1,433,302

(Continued)

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

City of Las Cruces
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	South Central Solid Waste Authority
Liabilities				
Accounts and contracts payable and accrued liabilities	\$ 12,074,144	\$ 3,013,460	\$ 15,087,604	\$ 1,038,692
Unearned revenue	5,858,685	1,516,876	7,375,561	-
Customer deposits	-	1,236,083	1,236,083	-
Long-term liabilities:				
Net pension liability	128,586,163	19,604,017	148,190,180	5,667,572
Net OPEB liability	50,574,492	12,913,620	63,488,112	2,353,760
Due within one year	19,951,899	6,757,390	26,709,289	533,002
Due in more than one year	137,333,742	95,199,636	232,533,378	6,482,510
Total liabilities	354,379,125	140,241,082	494,620,207	16,075,536
Deferred inflows of resources				
Deferred inflows related to pensions	8,165,751	1,586,338	9,752,089	373,773
Deferred inflows related to OPEB	14,273,386	3,625,987	17,899,373	665,041
Total deferred inflows of resources	22,439,137	5,212,325	27,651,462	1,038,814
Net position				
Net investment in capital assets	332,301,268	198,827,368	531,128,636	8,735,393
Restricted for:				
Public safety programs	2,188,808	-	2,188,808	-
Housing and community development	684,658	-	684,658	-
Debt service	12,405,231	29,915,649	42,320,880	-
Capital projects	-	2,736,532	2,736,532	-
Public works	88,129,125	-	88,129,125	-
Health-related programs	46,932,765	-	46,932,765	-
Economic development	7,671,082	-	7,671,082	-
Parks and recreation	5,135,081	-	5,135,081	-
Quality of life	752,400	-	752,400	-
Customer deposits	-	1,236,083	1,236,083	-
Unrestricted	(170,807,658)	(15,222,312)	(186,029,970)	(3,251,800)
Total net position	\$ 325,392,760	\$ 217,493,320	\$ 542,886,080	\$ 5,483,593

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

City of Las Cruces
Statement of Activities
For the Year Ended June 30, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Revenues	Capital Grants and Contributions
Functions/Programs				
Primary government				
Governmental activities				
General government	\$ 28,863,508	\$ 4,765,984	\$ -	\$ -
Police	30,132,023	437,980	1,095,618	-
Fire	19,832,099	-	1,372,905	-
Community development	7,128,458	1,487,321	1,177,906	-
Quality of life	8,209,455	100,454	1,082,484	10,345
Economic development	7,118,859	1,440,153	17,332	1,337,202
Public works	29,206,825	1,761,269	-	1,389,916
Transportation	1,061,280	-	-	-
Parks and recreation	13,477,054	2,334,211	412,754	198,833
Interest on long-term debt	4,372,161	-	-	-
Debt issuance costs	444,488	-	-	-
Total governmental activities	149,846,210	12,327,372	5,158,999	2,936,296
Business-type activities				
Gas	20,055,878	19,095,578	-	-
Water	19,307,359	19,407,556	-	-
Wastewater	15,395,271	12,911,540	-	33,460
Solid waste	13,354,362	13,906,553	-	-
Transit/other	5,827,007	941,042	1,866,525	-
Total business-type activities	73,939,877	66,262,269	1,866,525	33,460
Total primary government	\$ 223,786,087	\$ 78,589,641	\$ 7,025,524	\$ 2,969,756
Component unit				
South Central Solid Waste Authority	\$ 14,005,900	\$ 12,415,938	\$ 43,929	\$ -
Total component unit	\$ 14,005,900	\$ 12,415,938	\$ 43,929	\$ -
General revenues and transfers				
Taxes:				
Gross receipts				
Property				
Lodgers				
Other				
Investment income (loss)				
Donated assets				
Capital contribution from ASCMV				
Gain on sale of capital assets				
Other				
Transfers				
Total general revenues and transfers				
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.

Net Revenue (Expense) and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	South Central Solid Waste Authority	
\$ (24,097,524)	\$ -	\$ (24,097,524)	\$	-
(28,598,425)	-	(28,598,425)		-
(18,459,194)	-	(18,459,194)		-
(4,463,231)	-	(4,463,231)		-
(7,016,172)	-	(7,016,172)		-
(4,324,172)	-	(4,324,172)		-
(26,055,640)	-	(26,055,640)		-
(1,061,280)	-	(1,061,280)		-
(10,531,256)	-	(10,531,256)		-
(4,372,161)	-	(4,372,161)		-
(444,488)	-	(444,488)		-
(129,423,543)	-	(129,423,543)		-
-	(960,300)	(960,300)		-
-	100,197	100,197		-
-	(2,450,271)	(2,450,271)		-
-	552,191	552,191		-
-	(3,019,440)	(3,019,440)		-
-	(5,777,623)	(5,777,623)		-
(129,423,543)	(5,777,623)	(135,201,166)		-
-	-	-	(1,546,033)	
-	-	-	(1,546,033)	
95,581,043	-	95,581,043		-
21,890,844	-	21,890,844		-
2,144,835	-	2,144,835		-
1,722,120	-	1,722,120		-
9,932,309	3,126,777	13,059,086	321,466	
3,981,664	2,233,598	6,215,262	-	
1,184,187	-	1,184,187	-	
686,047	122,502	808,549	95,252	
10,135,519	-	10,135,519	224,996	
(4,973,861)	4,985,103	11,242	(11,242)	
142,284,707	10,467,980	152,752,687	630,472	
12,861,164	4,690,357	17,551,521	(915,561)	
316,934,499	212,696,568	529,631,067	6,399,154	
(4,402,903)	106,395	(4,296,508)	-	
312,531,596	212,802,963	525,334,559	6,399,154	
\$ 325,392,760	\$ 217,493,320	\$ 542,886,080	\$ 5,483,593	

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

City of Las Cruces

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	Debt Service	Telshor Facility	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 31,290,527	\$ -	\$ -	\$ 45,559,593	\$ 76,850,120
Restricted cash and investments	-	12,120,889	46,823,617	61,572,704	120,517,210
Receivables, net	1,003,292	6,936,243	109,148	14,266,198	22,314,881
Due from other funds	2,356,860	-	-	-	2,356,860
Due from other governmental units	15,978,747	220,464	-	4,152,117	20,351,328
Inventories	1,702,416	-	-	-	1,702,416
Total assets	\$ 52,331,842	\$ 19,277,596	\$ 46,932,765	\$ 125,550,612	\$ 244,092,815
Liabilities, deferred inflows or resources, and fund balances					
Liabilities					
Accounts and contracts payable	\$ 2,531,580	\$ -	\$ -	\$ 6,750,169	\$ 9,281,749
Due to other funds	-	-	-	2,356,860	2,356,860
Accrued liabilities	1,878,065	-	-	60,695	1,938,760
Unearned revenue	259,582	350,000	-	5,249,103	5,858,685
Total liabilities	4,669,227	350,000	-	14,416,827	19,436,054
Deferred inflows of resources					
Special assessment receipts	-	-	-	8,594,948	8,594,948
Investment earnings	12,437	-	-	-	12,437
Unavailable revenue	623,374	7,089,869	-	256,611	7,969,854
Total deferred inflows of resources	635,811	7,089,869	-	8,851,559	16,577,239
Total liabilities and deferred inflows of resources	5,305,038	7,439,869	-	23,268,386	36,013,293
Fund balances					
Nonspendable:					
Inventories	1,702,416	-	-	-	1,702,416
Restricted for:					
Economic development	404,793	-	-	7,266,289	7,671,082
Public safety programs	246,676	-	-	1,942,132	2,188,808
Housing and community development	64,157	-	-	620,501	684,658
Parks and recreation	723,102	-	-	4,411,979	5,135,081
Public works	-	-	-	88,129,125	88,129,125
Quality of life	752,400	-	-	-	752,400
Debt service	-	11,837,727	-	567,504	12,405,231
Health related programs	-	-	46,932,765	-	46,932,765
Committed for:					
Health related programs	-	-	-	211,865	211,865
Debt service	9,007,794	-	-	37,548	9,045,342
Public safety programs	3,972,450	-	-	-	3,972,450
Public works	-	-	-	1,456	1,456

(Continued)

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

City of Las Cruces

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	Debt Service	Telshor Facility	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances (Continued)					
Committed for (Continued):					
Transportation	\$ 5,391,042	\$ -	\$ -	\$ -	\$ 5,391,042
Quality of life	1,370,000	-	-	-	1,370,000
Assigned to:					
Economic development	2,083,962	-	-	-	2,083,962
Public works	308,349	-	-	-	308,349
Transportation	160,823	-	-	-	160,823
Vehicle acquisition	633,505	-	-	-	633,505
Unassigned (deficit)	20,205,335	-	-	(906,173)	19,299,162
Total fund balances	47,026,804	11,837,727	46,932,765	102,282,226	208,079,522
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,331,842	\$ 19,277,596	\$ 46,932,765	\$ 125,550,612	\$ 244,092,815

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

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City of Las Cruces

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2019

Total fund balances for governmental funds	\$ 208,079,522
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 \$164,335 that are reported in internal services funds)	415,419,801
Other assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue and deferred inflows in the funds	16,577,239
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported in the funds (excludes long-term liabilities reported in internal services funds of \$6,891,293 and net pension liability of \$134,596,460 and net OPEB liability of \$50,574,492)	(150,394,348)
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	1,109,170
Deferred outflows of pensions (excludes \$850,621 of deferred outflows from pensions of internal service funds reported below)	28,185,767
Net pension liabilities are not reported in governmental funds but are reported on the statement of net position (excludes \$1,936,977 of net pension liabilities of internal service funds reported below)	(126,649,186)
Deferred inflows of pensions (excludes \$186,928 of deferred inflows from pensions of internal service funds reported below)	(7,978,823)
Deferred outflows related to OPEB (excludes \$23,732 of deferred outflows from OPEB of internal service funds reported below)	1,138,655
Net OPEB liabilities are not reported in governmental funds but are reported on the statement of net position (excludes \$1,048,956 OPEB liabilities of internal service funds reported below)	(49,525,536)
Deferred inflows of OPEB (excludes \$290,565 of deferred inflows from OPEB of internal service funds reported below)	(13,982,821)
Assets and liabilities of internal service funds are included in net position of governmental activities	3,413,320
Net position of governmental activities	\$ 325,392,760

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

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended June 30, 2019

	General Fund	Debt Service	Telshor Facility	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Gross receipts	\$ 84,786,667	\$ -	\$ -	\$ 10,156,739	\$ 94,943,406
Property	12,249,039	4,587,022	-	4,772,507	21,608,568
Lodgers	-	-	-	2,144,835	2,144,835
State-shared	637,637	-	-	1,750,492	2,388,129
Charges for services	3,290,364	-	-	154,445	3,444,809
Fees and fines	549,072	-	-	3,231,163	3,780,235
Investment income (loss)	1,989,566	737,264	2,720,244	3,783,074	9,230,148
Franchise fees	3,628,782	-	-	-	3,628,782
Licenses and permits	1,473,546	-	-	-	1,473,546
Intergovernmental					
Federal	-	-	-	2,870,480	2,870,480
State	-	-	-	5,046,711	5,046,711
Local	15,973	-	-	162,131	178,104
Other	4,507,388	1,815,987	4,199,501	1,741,437	12,264,313
Total revenues	113,128,034	7,140,273	6,919,745	35,814,014	163,002,066
Expenditures					
Current					
General government	18,791,042	-	-	3,842,173	22,633,215
Police	25,536,609	-	-	1,219,365	26,755,974
Fire	16,282,527	-	-	1,153,426	17,435,953
Community development	4,450,169	-	-	1,279,525	5,729,694
Quality of Life	6,465,482	-	-	1,285,527	7,751,009
Economic development	3,990,650	-	-	2,937,464	6,928,114
Public works	12,111,416	-	-	2,820,328	14,931,744
Parks and recreation	11,032,649	-	-	697,983	11,730,632
Capital outlay	4,911,888	-	-	32,493,699	37,405,587
Debt service					
Principal	-	11,681,619	-	-	11,681,619
Interest and other charges	-	4,372,161	-	-	4,372,161
Debt issuance costs	-	-	-	444,488	444,488
Total expenditures	103,572,432	16,053,780	-	48,173,978	167,800,190
Revenues over (under)					
expenditures	9,555,602	(8,913,507)	6,919,745	(12,359,964)	(4,798,124)
Other financing sources (uses)					
Issuance of debt				31,594,664	31,594,664
Premiums on issuance of debt	-	1,095,972	-	190,169	1,286,141
Sale of capital assets	260,372	-	-	424,722	685,094
Transfers in	6,293,917	14,897,434	-	5,834,209	27,025,560
Transfers (out)	(17,459,534)	-	(1,897,929)	(15,291,958)	(34,649,421)
Total other financing sources (uses)	(10,905,245)	15,993,406	(1,897,929)	22,751,806	25,942,038
Net change in fund balances	(1,349,643)	7,079,899	5,021,816	10,391,842	21,143,914
Fund balances, beginning of year	48,376,447	4,757,828	41,910,949	91,890,384	186,935,608
Fund balances, end of year	\$ 47,026,804	\$ 11,837,727	\$ 46,932,765	\$ 102,282,226	\$ 208,079,522

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, 2019

Net change in fund balances—governmental funds	\$	21,143,914
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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:

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

Capital outlay	37,405,587
Depreciation (excludes \$60,559 reported in internal service funds)	(21,122,646)
Net book value of disposed capital assets	(1,583)
Donated assets	5,165,851

Proceeds from the issuance of long-term obligations provide current financial resources to governmental funds and increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the current year principal repayment reduces long-term liabilities in the statement of net position.

Repayments of bonds and notes payable	11,681,619
Proceeds from bonds and notes payable	(31,594,664)
Premiums on bond issuance	(1,286,141)
Amortization of premium/discount of bond and notes payable	451,047

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.	(378,724)
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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.	(1,608,395)
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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.	(145,000)
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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.	(7,996,515)
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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.	1,419,103
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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.	(272,289)
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Change in net position of governmental activities	\$	12,861,164
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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, 2019

	2019			2018	
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Revenues					
Local taxes					
Gross receipts	\$ 84,971,370	\$ 84,971,370	\$ 84,786,667	\$ (184,703)	\$ 85,229,365
Property	11,322,518	11,322,518	12,249,039	926,521	11,958,901
Total local taxes	96,293,888	96,293,888	97,035,706	741,818	97,188,266
State-shared taxes	524,375	524,375	637,637	113,262	531,630
Charges for services	3,278,145	3,278,145	3,290,364	12,219	2,854,738
Fees and fines	558,169	558,169	549,072	(9,097)	594,605
Investment income	695,765	695,765	1,989,566	1,293,801	(281,792)
Franchise fees	3,973,385	3,973,385	3,628,782	(344,603)	3,898,194
Licenses and permits	1,442,183	1,442,183	1,473,546	31,363	1,471,630
Operating grants and contributions	-	-	15,973	15,973	40,418
Other	4,086,576	3,995,726	4,507,388	511,662	4,741,366
	14,558,597	14,467,748	16,092,328	1,624,580	13,850,789
Total revenues	110,852,486	110,761,636	113,128,034	2,366,398	111,039,055
Expenditures					
Current					
General government	16,936,333	17,013,224	18,791,042	(1,777,818)	17,958,367
Police	25,720,550	25,865,297	25,536,609	328,688	23,823,819
Fire	15,502,962	16,253,076	16,282,527	(29,451)	14,521,364
Community development	4,389,393	4,435,141	4,450,169	(15,028)	3,609,846
Quality of life	6,318,763	6,313,465	6,465,482	(152,017)	5,842,368
Economic development	3,725,958	4,400,725	3,990,650	410,075	3,310,315
Public works	13,498,693	13,275,186	12,111,416	1,163,770	12,533,426
Parks and recreation	11,625,459	11,382,468	11,032,649	349,819	10,177,121
Capital outlay	8,822,688	9,941,758	4,911,888	5,029,870	4,867,131
Total expenditures	106,540,799	108,880,340	103,572,432	5,307,908	96,643,757
Revenues over expenditures	4,311,686	1,881,296	9,555,602	(2,941,510)	14,395,298
Other financing sources (uses)					
Sale of capital assets	326,656	326,656	260,372	(291,511)	127,905
Transfers in	4,458,000	6,310,921	6,293,917	(17,004)	3,075,574
Transfers out	(17,672,221)	(20,925,947)	(17,459,534)	36,230	(25,214,573)
Total other financing sources (uses)	(12,887,565)	(14,288,370)	(10,905,245)	(272,285)	(22,011,094)
Net change in fund balance	(8,575,879)	(12,407,074)	(1,349,643)	(3,213,795)	(7,615,796)
Fund balance, beginning of year	48,376,447	48,376,447	48,376,447	-	55,992,243
Fund balance, end of year	\$ 39,800,568	\$ 35,969,373	\$ 47,026,804	\$ (3,213,795)	\$ 48,376,447

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, 2019

	2019					2018
	Budgeted Amounts				Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		Actual	
Revenues						
Investment income (expense)	\$ 404,568	\$ 404,568	\$ 2,720,244	\$ 2,315,676	\$ 2,723,824	
Other	-	-	4,199,501	4,199,501	-	
Total revenues	404,568	404,568	6,919,745	6,515,177	2,723,824	
Other financing sources (uses)						
Transfers out	(400,000)	(1,897,929)	(1,897,929)	-	(1,320,453)	
Total other financing sources (uses)	(400,000)	(1,897,929)	(1,897,929)	-	(1,320,453)	
Net change in fund balance	4,568	(1,493,361)	5,021,816	6,515,177	1,403,371	
Fund balance, beginning of year	41,910,949	41,910,949	41,910,949	31,055	40,507,578	
Fund balance, end of year	\$ 41,915,517	\$ 40,417,588	\$ 46,932,765	\$ 6,546,232	\$ 41,910,949	

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

City of Las Cruces

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Assets				
Current assets				
Pooled cash and investments	\$ 6,784,169	\$ 2,603,558	\$ 958,763	\$ 11,265,842
Accounts receivable, net of allowance for uncollectible accounts	1,282,116	3,153,017	1,639,538	1,918,681
Due from other governments	-	9,756	-	-
Inventories	984,373	973,043	928,368	179,957
Total current assets	9,050,658	6,739,374	3,526,669	13,364,480
Non-current assets				
Restricted cash and investments	12,247,094	11,395,252	9,557,648	688,268
Notes receivable	-	289,122	244,160	-
Advance to other funds	-	1,144,597	2,166,714	-
Capital assets:				
Land, water rights and constuction in progress	264,222	14,110,794	399,124	264,635
Other capital assets, net of depreciation	36,420,101	123,078,506	97,793,661	6,072,525
Total capital assets	36,684,323	137,189,300	98,192,785	6,337,160
Total non-current assets	48,931,417	150,018,271	110,161,307	7,025,428
Total assets	57,982,075	156,757,645	113,687,976	20,389,908
Deferred outflows of resources				
Deferred charges from refundings	-	226,606	312,124	-
Deferred outflows related to pensions	1,596,285	1,254,868	1,267,389	1,434,553
Deferred outflows related to OPEB	73,162	63,152	58,502	54,414
Total deferred outflows of resources	1,669,447	1,544,626	1,638,015	1,488,967

(Continued)

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

City of Las Cruces

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds		Internal Service Funds
	Nonmajor Enterprise Funds	Totals	
Assets			
Current assets			
Pooled cash and investments	\$ 1,730,498	\$ 23,342,830	\$ 12,619,722
Accounts receivable, net of allowance for uncollectible accounts	225,121	8,218,473	556,707
Due from other governments	714,478	724,234	-
Inventories	-	3,065,741	406,557
Total current assets	2,670,097	35,351,278	13,582,986
Non-current assets			
Restricted cash and investments	-	33,888,262	-
Notes receivable	-	533,282	-
Advance to other funds	-	3,311,311	-
Capital assets:			
Land, water rights and constuction in progress	1,015,670	16,054,445	-
Other capital assets, net of depreciation	5,830,332	269,195,125	164,335
Total capital assets	6,846,002	285,249,570	164,335
Total non-current assets	6,846,002	322,982,425	164,335
Total assets	9,516,099	358,333,703	13,747,321
Deferred outflows of resources			
Deferred charges from refundings	-	538,730	-
Deferred outflows related to pensions	1,536,988	7,090,083	850,621
Deferred outflows related to OPEB	46,292	295,522	23,732
Total deferred outflows of resources	1,583,280	7,924,335	874,353

(Continued)

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

City of Las Cruces

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Liabilities				
Current liabilities				
Accounts payable	\$ 642,132	\$ 808,997	\$ 396,370	\$ 113,756
Accrued liabilities	200,991	376,486	239,216	120,190
Unearned revenue	1,516,876	-	-	-
Current portion of non-current liabilities	316,818	3,685,071	2,269,493	449,341
Total current liabilities	2,676,817	4,870,554	2,905,079	683,287
Non-current liabilities				
Customer deposits	655,025	221,624	156,926	202,508
Revenue bonds payable	9,261,253	56,491,244	22,115,336	-
Notes payable	-	2,402,500	2,402,500	785,203
Compensated absences	260,208	259,200	197,587	121,935
Estimated liability for insurance claims	-	-	-	-
Accrued landfill closure cost	-	-	-	756,000
Advance from other funds	-	3,311,311	-	-
Net pension liability	4,961,912	3,697,192	3,797,319	3,312,840
Net OPEB liability	3,227,977	2,770,862	2,543,100	2,374,504
Total non-current liabilities	18,366,375	69,153,933	31,212,768	7,552,990
Total liabilities	21,043,192	74,024,487	34,117,847	8,236,277
Deferred inflow of resources				
Deferred inflows related to pensions	341,164	299,209	297,811	455,760
Deferred inflows related to OPEB	896,095	774,287	718,490	667,807
Total deferred inflows of resources	1,237,259	1,073,496	1,016,301	1,123,567
Net position				
Net investment in capital assets	30,207,634	80,894,483	75,710,149	5,169,100
Restricted for customer deposits	655,025	221,624	156,926	202,508
Restricted for capital projects	1,815,448	731,858	188,554	672
Restricted for debt service	9,776,621	10,441,771	9,212,169	485,088
Unrestricted	(5,083,657)	(9,085,448)	(5,075,955)	6,661,663
Total net position	\$ 37,371,071	\$ 83,204,288	\$ 80,191,843	\$ 12,519,031

(Continued)

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

City of Las Cruces

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds		Internal Service Funds
	Nonmajor Enterprise Funds	Totals	
Liabilities			
Current liabilities			
Accounts payable	\$ 36,508	\$ 1,997,763	\$ 822,169
Accrued liabilities	78,814	1,015,697	31,466
Unearned revenue	-	1,516,876	-
Current portion of non-current liabilities	36,667	6,757,390	1,948,886
Total current liabilities	151,989	11,287,726	2,802,521
Non-current liabilities			
Customer deposits	-	1,236,083	-
Revenue bonds payable	-	87,867,833	-
Notes payable	-	5,590,203	-
Compensated absences	146,670	985,600	48,408
Estimated liability for insurance claims	-	-	4,893,999
Accrued landfill closure cost	-	756,000	-
Advance from other funds	-	3,311,311	-
Net pension liability	3,834,754	19,604,017	1,936,977
Net OPEB liability	1,997,177	12,913,620	1,048,956
Total non-current liabilities	5,978,601	132,264,667	7,928,340
Total liabilities	6,130,590	143,552,393	10,730,861
Deferred inflow of resources			
Deferred inflows related to pensions	192,394	1,586,338	186,928
Deferred inflows related to OPEB	569,308	3,625,987	290,565
Total deferred inflows of resources	761,702	5,212,325	477,493
Net position			
Net investment in capital assets	6,846,002	198,827,368	164,335
Restricted for customer deposits	-	1,236,083	-
Restricted for capital projects	-	2,736,532	-
Restricted for debt service	-	29,915,649	-
Unrestricted	(2,638,915)	(15,222,312)	3,248,985
Total net position	\$ 4,207,087	\$ 217,493,320	\$ 3,413,320

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, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Operating revenues				
Sales/charges	\$ 18,867,002	\$ 19,225,609	\$ 12,944,434	\$ 13,998,894
Provision for uncollectible accounts	(147,145)	(71,931)	(76,393)	(98,313)
Net sales/charges	18,719,857	19,153,678	12,868,041	13,900,581
Utility extension/service fee	362,322	135,605	28,990	-
Rentals	-	-	-	-
Other	13,399	118,273	14,509	5,972
Total operating revenues	19,095,578	19,407,556	12,911,540	13,906,553
Cost of gas, water, and services respectively	(7,639,634)	(150,781)	-	-
Gross Margin	11,455,944	19,256,775	12,911,540	13,906,553
Operating expenses				
Personnel services	3,381,236	3,398,881	2,971,776	2,465,291
Supplies	382,478	441,048	1,009,879	418,020
Utilities	26,956	1,881,952	717,810	31,944
Professional services	585,526	2,080,743	1,056,322	5,676,545
Motor pool charges	-	-	-	-
Motor fuel	-	-	-	-
Repairs and maintenance	1,043,160	1,987,454	922,286	1,032,823
Rent	1,995	98,601	9,793	-
Depreciation and amortization	2,684,618	3,647,895	4,374,902	1,622,494
Payment in lieu of taxes	509,503	618,889	520,272	322,192
Administrative charges from other funds	3,041,666	2,853,479	2,664,079	2,451,693
Closure/post-closure costs	-	-	-	(1,038,629)
Claims and judgments (benefits)	-	-	-	-
Insurance	150,481	88,786	105,091	160,409
Pension expense	430,113	372,867	344,763	296,535
Other post employment benefit expense (benefit)	(20,934)	(18,629)	(18,116)	(16,519)
Other	69,789	13,219	14,029	(63,867)
Total operating expenses	12,286,587	17,465,185	14,692,886	13,358,931
Operating income (loss)	(830,643)	1,791,590	(1,781,346)	547,622

(Continued)

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, 2019

	Enterprise Funds		
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues			
Sales/charges	\$ 905,065	\$ 65,941,004	\$ 2,677,622
Provision for uncollectible accounts	-	(393,782)	-
Net sales/charges	905,065	65,547,222	2,677,622
Utility extension/service fee	-	526,917	-
Rentals	25,930	25,930	2,296,783
Other	10,047	162,200	15,735,343
Total operating revenues	941,042	66,262,269	20,709,748
Cost of gas, water, and services respectively	-	(7,790,415)	(2,819,360)
Gross Margin	941,042	58,471,854	17,890,388
Operating expenses			
Personnel services	3,265,931	15,483,115	1,495,604
Supplies	71,394	2,322,819	62,268
Utilities	41,985	2,700,647	25,539
Professional services	226,052	9,625,188	1,425,810
Motor pool charges	590,662	590,662	-
Motor fuel	457,321	457,321	-
Repairs and maintenance	118,873	5,104,596	73,202
Rent	-	110,389	9,919
Depreciation and amortization	655,566	12,985,475	60,559
Payment in lieu of taxes	-	1,970,856	-
Administrative charges from other funds	-	11,010,917	-
Closure/post-closure costs	-	(1,038,629)	-
Claims and judgments (benefits)	-	-	16,641,610
Insurance	98,032	602,799	1,433,391
Pension expense	255,267	1,699,545	132,354
Other post employment benefit expense (benefit)	(14,882)	(89,080)	(6,722)
Other	60,806	93,976	12,962
Total operating expenses	5,827,007	63,630,596	21,366,496
Operating income (loss)	(4,885,965)	(5,158,742)	(3,476,108)

(Continued)

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, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Non-operating revenues (expenses)				
Gain (loss) on sale of capital assets	\$ 11,719	\$ 1,479	\$ 2,020	\$ 107,284
Investment income (loss)	947,357	882,109	617,610	616,750
Grants - federal	-	-	-	-
Grants - State	-	-	33,460	-
Interest expense	(129,657)	(1,691,393)	(702,385)	4,569
Total non-operating revenues (expenses)	829,419	(807,805)	(49,295)	728,603
Income (loss) before capital contributions and transfers	(1,224)	983,785	(1,830,641)	1,276,225
Capital contributions	298,123	1,059,483	875,992	-
Transfers				
Transfers in	-	-	1,381,162	-
Transfers (out)	-	-	-	-
Change in net position	296,899	2,043,268	426,513	1,276,225
Net position, beginning of year, as originally stated	37,074,172	81,161,020	79,765,330	11,242,806
Restatement -note 23	-	-	-	-
Net position, beginning of year, as restated	37,074,172	81,161,020	79,765,330	11,242,806
Net position, end of year	\$ 37,371,071	\$ 83,204,288	\$ 80,191,843	\$ 12,519,031

(Continued)

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, 2019

	Enterprise Funds		
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	\$ -	\$ 122,502	\$ 2,536
Investment income (loss)	62,951	3,126,777	551,282
Grants - federal	1,853,677	1,853,677	-
Grants - State	12,848	46,308	-
Interest expense	-	(2,518,866)	-
Total non-operating revenues (expenses)	1,929,476	2,630,398	553,818
Income (loss) before capital contributions and transfers	(2,956,489)	(2,528,344)	(2,922,290)
Capital contributions	-	2,233,598	-
Transfers			
Transfers in	3,603,941	4,985,103	5,050,000
Transfers (out)	-	-	(2,400,000)
Change in net position	647,452	4,690,357	(272,290)
Net position, beginning of year, as originally stated	3,453,240	212,696,568	3,685,610
Restatement -note 23	106,395	106,395	-
Net position, beginning of year, as restated	3,559,635	212,802,963	3,685,610
Net position, end of year	\$ 4,207,087	\$ 217,493,320	\$ 3,413,320

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, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Cash flows from operating activities				
Cash received from customers	\$ 20,797,118	\$ 18,918,424	\$ 12,635,678	\$ 13,625,851
Cash paid to suppliers	(15,840,289)	(15,997,552)	(8,743,409)	(8,936,622)
Cash paid to employees	(2,940,065)	(2,584,107)	(2,517,370)	(1,818,943)
Claims paid	-	-	-	-
Other receipts	13,398	118,275	14,507	5,973
Net cash provided (used) by operating activities	2,030,162	455,040	1,389,406	2,876,259
Cash flows from non-capital financing activities				
Grants and contributions	-	-	-	-
Transfers in	-	-	1,381,163	-
Transfers out	-	-	-	-
Loans for development impact fees	-	(27,491)	(19,834)	-
Advance to/from other funds	-	-	-	-
Net cash provided (used) by non-capital financing activities	-	(27,491)	1,361,329	-
Cash flows from capital and related financing activities				
Purchase/transfer of capital assets	(7,485,501)	(14,770,486)	(6,523,926)	(566,088)
Cash proceeds from sale of capital assets	11,719	1,479	2,020	107,284
Acquisition of other assets	-	-	-	-
Grants	-	-	33,460	-
Capital contributions	298,122	-	-	-
Proceeds from revenue bonds and notes payable	-	-	-	(185,209)
Principal paid revenue bonds/lease purchase/advances	(247,473)	(3,831,395)	(2,313,236)	(719,353)
Interest paid revenue bonds/lease purchase/advances	(129,657)	(1,661,882)	(682,878)	4,568
Net cash provided (used) by capital and related financing activities	(7,552,790)	(20,262,284)	(9,484,561)	(1,358,798)
Cash flows from investing activities				
Cash interest received	947,357	882,109	617,616	616,750
Net cash provided (used) by investing activities	947,357	882,109	617,616	616,750
Net increase (decrease) in pooled cash and investments	(4,575,271)	(18,952,626)	(6,116,210)	2,134,211
Cash and investments, beginning of year	23,606,534	32,951,436	16,632,621	9,819,899
Cash and investments, end of year	\$ 19,031,263	\$ 13,998,810	\$ 10,516,411	\$ 11,954,110
Cash and investments at June 30 consisted of:				
Current assets				
Cash and investments	\$ 6,784,169	\$ 2,603,558	\$ 958,763	\$ 11,265,842
Non-current assets				
Restricted cash and investments	12,247,094	11,395,252	9,557,648	688,268
Total cash and investments, June 30	\$ 19,031,263	\$ 13,998,810	\$ 10,516,411	\$ 11,954,110

(Continued)

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, 2019

	Enterprise Funds		
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities			
Cash received from customers	\$ 877,730	\$ 66,854,801	\$ 20,161,112
Cash paid to suppliers	(2,292,350)	(51,810,222)	(5,625,492)
Cash paid to employees	(3,030,789)	(12,891,273)	(1,512,676)
Claims paid	-	-	(16,927,887)
Other receipts	10,047	162,200	-
Net cash provided (used) by operating activities	(4,435,362)	2,315,505	(3,904,943)
Cash flows from non-capital financing activities			
Grants and contributions	2,551,172	2,551,172	-
Transfers in	3,603,941	4,985,104	5,050,000
Transfers out	-	-	(2,400,000)
Loans for development impact fees	-	(47,325)	-
Advance to/from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	6,155,113	7,488,951	2,650,000
Cash flows from capital and related financing activities			
Purchase/transfer of capital assets	(124,336)	(29,470,337)	(5,121)
Cash proceeds from sale of capital assets	-	122,502	2,536
Acquisition of other assets	-	-	-
Grants	-	33,460	-
Capital contributions	-	298,122	-
Proceeds from revenue bonds and notes payable	-	(185,209)	-
Principal paid revenue bonds/lease purchase/ advances	-	(7,111,457)	-
Interest paid revenue bonds/lease purchase/ advances	-	(2,469,849)	-
Net cash provided (used) by capital and related financing activities	(124,336)	(38,782,769)	(2,585)
Cash flows from investing activities			
Cash interest received	62,951	3,126,783	551,282
Net cash provided (used) by investing activities	62,951	3,126,783	551,282
Net increase (decrease) in pooled cash and investments	1,658,366	(25,851,530)	(706,246)
Cash and investments, beginning of year	72,132	83,082,622	13,325,968
Cash and investments, end of year	\$ 1,730,498	\$ 57,231,092	\$ 12,619,722
Cash and investments at June 30 consisted of:			
Current assets			
Cash and investments	\$ 1,730,498	\$ 23,342,830	\$ 12,619,722
Non-current assets			
Restricted cash and investments	-	33,888,262	-
Total cash and investments, June 30	\$ 1,730,498	\$ 57,231,092	\$ 12,619,722

(Continued)

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, 2019

	Enterprise Funds			
	Gas	Water	Waste Water	Solid Waste
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (830,643)	\$ 1,791,590	\$ (1,781,346)	\$ 547,622
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	2,684,618	3,647,895	4,374,902	1,622,494
Noncash pension expense	430,113	372,867	344,763	296,535
Noncash OPEB expense (benefit)	(20,934)	(18,629)	(18,116)	(16,519)
Provision for uncollectible accounts	147,145	(71,931)	(76,393)	(98,313)
Decrease in liability for landfill closure costs	-	-	-	(36,000)
Change in assets and liabilities:				
Accounts receivable	78,034	(305,717)	(185,596)	(182,752)
Inventories	(97,343)	(318,597)	(522,627)	444,801
Due to/from other funds	-	-	-	-
Due from other governmental agencies	-	-	212,272	-
Accounts payable	(1,882,578)	(5,109,762)	(1,086,846)	(74,279)
Estimated liability for insurance claims	-	-	-	-
Wages payable and accrued liabilities	2,540	16,878	31,119	11,077
Compensated absences	93,013	500,223	151,643	405,415
Deferred gain of revenue	1,483,375	-	-	-
Net pension liability, net of noncash expense	520,516	470,782	477,007	442,573
OPEB liability, net of noncash expense	(173,368)	(154,283)	(150,030)	(136,807)
Deferred outflows - NPL and OPEB	(318,283)	(291,328)	(302,194)	(285,425)
Deferred inflows - NPL and OPEB	(92,427)	(81,738)	(79,788)	(70,498)
Customer deposits	6,384	6,791	633	6,335
Total adjustments	2,860,805	(1,336,550)	3,170,752	2,328,637
Net cash provided (used) by operating activities	\$ 2,030,162	\$ 455,040	\$ 1,389,406	\$ 2,876,259
Non-cash investing/financing activities				
Capital contributions of capital assets	\$ 298,123	\$ 1,059,483	\$ 875,992	\$ -
Total non-cash investing/financing activities	\$ 298,123	\$ 1,059,483	\$ 875,992	\$ -

(Continued)

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, 2019

	Enterprise Funds		
	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (4,885,965)	\$ (5,158,742)	\$ (3,476,108)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	655,566	12,985,475	60,559
Noncash pension expense	255,267	1,699,545	132,354
Noncash OPEB expense (benefit)	(14,882)	(89,080)	(6,722)
Provision for uncollectible accounts	-	(99,492)	-
Decrease in liability for landfill closure costs	-	(36,000)	-
Change in assets and liabilities:			
Accounts receivable	(53,266)	(649,297)	(548,637)
Inventories	-	(493,766)	(18,132)
Due to/from other funds	(384,945)	(384,945)	-
Due from other governmental agencies	-	212,272	-
Accounts payable	(1,895)	(8,155,359)	255,091
Estimated liability for insurance claims	-	-	(286,277)
Wages payable and accrued liabilities	22,886	84,500	3,520
Compensated absences	17,061	1,167,355	(181)
Deferred gain of revenue	-	1,483,375	-
Net pension liability, net of noncash expense	406,039	2,316,917	166,694
OPEB liability, net of noncash expense	(123,252)	(737,740)	(55,662)
Deferred outflows - NPL and OPEB	(271,045)	(1,468,275)	(199,166)
Deferred inflows - NPL and OPEB	(56,931)	(381,382)	67,724
Customer deposits	-	20,144	-
Total adjustments	450,603	7,474,247	(428,835)
Net cash provided (used) by operating activities	\$ (4,435,362)	\$ 2,315,505	\$ (3,904,943)
Non-cash investing/financing activities			
Capital contributions of capital assets	\$ -	\$ 2,233,598	\$ -
Total non-cash investing/financing activities	\$ -	\$ 2,233,598	\$ -

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

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City of Las Cruces

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2019

Assets

Pooled cash and investments	\$	4,097,191
Accounts receivable		99,525
Receivable from other government agencies		327,625
Capital assets, net		1,340,630
Deferred outflows		1,314,410
<hr/>		
Total assets	\$	7,179,381
<hr/>		

Liabilities

Accounts and contract payable	\$	699,992
Accrued wages payable		275,650
Net pension liability		3,687,757
Net OPEB liability		2,452,275
Deferred inflows		951,041
Revenue collected in advance		4,890
Fund held for others		(892,224)
<hr/>		
Total liabilities	\$	7,179,381
<hr/>		

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

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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.

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

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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, 2019

**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.

Debt Service Fund

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Special Revenue 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.

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 and also includes the water development fund.

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 and also includes the waste water development fund.

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.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

**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, 2019

**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 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, 2019

**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

Accounts and contracts payables

The liability for accounts and contracts payables reported in the government-wide and proprietary fund statement consist of unpaid amounts due to vendors and amounts for unpaid contracts.

Long-term Debt

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference from the effective interest method is minimal.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employee Retirement Authority ("PERA") and additions to/deduction from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability

For purposes of measuring the net post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and post-employment expenses, information about the fiduciary net position of the Retiree Health Care Act ("RCHA") and additions to/deduction from RCHA's fiduciary net position have been determined on the same basis as they are reported by RCHA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

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

Pollution Remediation

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

Fund Balance

Prior to FY2011, the City reported the governmental fund balances as Reserved and Unreserved. Effective FY2011, the City implemented GASB 54 and reports the governmental fund balances in five categories, which include:

- 1) Non-spendable fund balance – amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or long-term receivables.
- 2) Restricted fund balance – amounts that can be spent only for the specific purposes imposed by creditors, grantors, contributors, or laws and regulations of other governments. An example is federal grants.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

- 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.

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 \$18,146,723 for the year ended June 30, 2019.

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, 2019

**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:	\$ 1,702,416	\$ -	\$ 1,702,416
Restricted:			
Economic Development	404,793	7,266,289	7,671,082
Public Safety			
Police	-	568,166	568,166
Fire	246,676	706,415	953,091
Municipal Court	-	667,551	667,551
Housing and Community Development			
MPO Planning	64,157	-	64,157
Affordable Housing Trust	-	534,294	534,294
Housing & Community	-	86,207	86,207
Parks and Recreation	723,102	4,411,979	5,135,081
Public works			
Streets Maintenance & Operations	-	37,497,196	37,497,196
Flood Control	-	7,957,175	7,957,175
Facilities Maintenance	-	37,793,531	37,793,531
Downtown	-	1,304,045	1,304,045
Griggs & Walnut	-	3,577,178	3,577,178
Quality of Life	752,400	-	752,400
Debt Service	-	12,405,231	12,405,231
Health Related Programs			
Held for Investments Proceeds to Benefit	-	46,932,765	46,932,765

(Continued)

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

	General Fund	Other Funds	Total
Committed:			
Health-related programs	\$ -	\$ 211,865	\$ 211,865
Debt Service	9,007,794	37,548	9,045,342
Public Safety			
Police	3,972,450	-	3,972,450
Public Works	-	1,456	1,456
Transportation	5,391,042	-	5,391,042
Quality of life	1,370,000	-	1,370,000
Subtotal	23,634,830	161,958,891	185,593,721
Assigned to:			
Economic Development	2,083,962	-	2,083,962
Public Works	308,349	-	308,349
Transportation	160,823	-	160,823
Vehicle Acquisition Fund			
Parks & Recreation Vehicle	32,000	-	32,000
Quality of Life Replacement	12,000	-	12,000
City Replacement	65,000	-	65,000
Police Vehicle Replacement	524,505	-	524,505
Unassigned (deficit)	20,205,335	(906,173)	19,299,162
Total fund balance	\$ 47,026,804	\$ 161,052,718	\$ 208,079,522

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. The City includes unspent bond proceeds in the amount of \$58,911,208 in governmental activities, \$3,411,829 in the Gas Enterprise Fund, \$6,170,709 in the Water Enterprise Fund, and \$3,960,234 in the Waste Water Enterprise Fund. The City deducts capital-related accounts payable from the net investment in capital assets, consisting of \$3,309,057 for governmental activities, \$375,497 for the Gas Enterprise Fund, \$178,116 for the Water Enterprise Fund, and \$17,063 in the Waste Water Enterprise Fund.
- 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."

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

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, 2019, the City implemented the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, and Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

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. 84: *Fiduciary Activities*
- Statement No. 87: *Leases*
- 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*
- Statement No. 91: *Conduit Debt Obligations*

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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	\$ 89,469,842
Business-type activities	23,342,830
Total primary government	112,812,672
South Central Solid Waste Authority	4,619,587

Restricted cash and investments

Governmental activities	120,517,210
Business-type activities	33,888,262
Total primary government	154,405,472
Fiduciary funds (less amount due to fiscal agent)	4,097,191
South Central Solid Waste Authority	5,514,522
Total cash and investments	\$ 281,449,444

Total cash and investments at fair value are as follows:

	Pooled Cash & Investments	Other Cash & Investments	Total
Carrying amount of bank deposits	\$ 9,592,017	\$ 827,963	\$ 10,419,980
Investments	159,093,603	83,907,939	243,001,542
Cash on hand	-	16,797	16,797
Cash with fiscal agent	-	27,342,964	27,342,964
Accrued interest	668,161	-	668,161
Total cash and investments	\$ 169,353,781	\$ 112,095,663	\$ 281,449,444

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, 2019, the City's deposits, totaling \$14,012,345 was insured by FDIC or collateralized by a letter of credit with FHLB CINCINNATI valued at \$25,000,000 and thus was not exposed to custodial credit risk.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 3: CASH AND INVESTMENTS (Continued)

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) accounts of deposit at federally-insured financial institutions; e) pooled funds maintained by the State Treasurer; and f) mutual funds whose portfolios consist solely of allowed investments.

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

As of June 30, 2019, the City had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity Yrs
Pooled Investments		
U.S. agency coupon and discount bonds	\$ 152,748,895	9.01
U.S. treasury bills and notes	5,343,636	0.21
Negotiable CD's	1,001,072	0.79
Total Pooled Cash Investments	159,093,603	
Telshor Facility Fund		
U.S. agency coupons	21,857,708	5.06
External investment equity pools	22,800,860	N/A
U.S. treasury bills	1,991,640	0.20
Total Telshor Facility Fund	46,650,208	
Water and Waste Water		
U.S. agency coupon bonds	6,433,344	2.81
Total Water and Waste	6,433,344	
Gas		
U.S. agency coupon bonds	836,439	0.03
Total Water and Waste	836,439	
Capital Projects		
U.S. agency coupon bonds	10,188,683	0.06
U. S. treasury bills	14,970,293	0.10
Total Capital Project	25,158,976	

(Continued)

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 3: CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Weighted Avg Maturity Yrs
Debt Service		
U.S. agency coupon bonds	\$ 1,982,620	0.41
Total debt service	1,982,620	
TIDD		
U.S. agency coupon bonds	2,846,352	0.06
Total TIDD	2,846,352	
Total investments	\$ 243,001,542	

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 \$114,702,875 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 years to maturity.

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, 2019, the City's investments in coupon bonds of U.S. agencies were rated AA+ or better by Standard & Poor's and Aaa by Moody's Investors Service. The external investment pools of the NM State Investment Council are not rated.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. As of June 30, 2019, 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, 2019, 35% of the City's investment pool was in Fannie Mae (FNMA), 29% was in Federal Home Loan Mortgage Corporation (FHLMC), 27% in Federal Home Loan Bank (FHLB), 5% was in Federal Farm Credit Bank (FFCB), 3% was in U.S. Treasuries and 1% was in Certificates of Deposits. Of the Telshor Fund, 33% was in FHLB and 41% was in FFCB, 11% was in FNMA, 6% was in FAMC and 9% was in U.S. Treasuries. Of the Water and Wastewater Funds portfolio, 100% was in FHLB. Of the Gas Funds portfolio, 100% was in FHLB. Of the TIDD Funds portfolio, 100% was in FNMA. Of the Debt Service Fund portfolio 100% was FHLB. Of the Capital Projects, 26% was in FHLB, 15% was in FHLMC and 59% was in U.S. Treasuries.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 3: CASH AND INVESTMENTS (Continued)

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 valuation method for recurring fair value measurements of investments is the market approach.

The City has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Level 1	Level 2
New Mexico State Investment Councils Pool	\$ 17,656,116	\$ 5,144,744
U.S. Agencies Securities	11,807,729	185,086,310
U.S. Treasuries Securities	22,305,569	-
Negotiable CDs	-	1,001,074
Total pooled investments	\$ 51,769,414	\$ 191,232,128

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

The City's investment in pools at June 30, 2019 are shown below:

	Reported Amount	Weighted Average Fair Value	Maturity
State Investment Council Large Cap Active Equity Pool	\$ 7,786,450	\$ 7,786,450	N/A
State Investment Council Large Cap Index Equity Pool	5,144,744	5,144,744	N/A
State Investment Council Non-U.S. Developed Equity Pool	3,220,062	3,220,062	N/A
State Investment Council Mid/Small Cap Equity Pool	6,649,604	6,649,604	N/A

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 4: CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
<i>Capital assets not being depreciated</i>				
Land and land rights	\$ 27,794,614	\$ 412,271	\$ -	\$ 28,206,885
Land improvements	19,125,120	-	-	19,125,120
Construction in progress	1,421,957	1,727,291	-	3,149,248
Total capital assets not being depreciated	48,341,691	1,439,644	-	50,481,253
<i>Other capital assets</i>				
Buildings and building improvements	153,998,650	6,543,534	-	160,542,183
Airport runways	28,519,373	1,037,479	-	29,556,852
Infrastructure	48,246	1,257,867	-	1,306,113
Park improvements	24,541,028	591,326	-	25,132,354
Land improvement remediation	1,667,011	107,562	-	1,774,573
Machinery and equipment	55,209,702	5,733,757	(1,005,070)	59,938,390
Roads network	350,616,974	21,602,174	(470,294)	371,748,855
Flood control network	37,348,228	3,915,974	(25,480)	41,238,722
Total other capital assets at cost	651,949,211	40,789,673	(1,500,843)	691,238,043
<i>Less accumulated depreciation for</i>				
Buildings and building improvements	(46,048,583)	(4,804,333)	-	(50,852,916)
Airport runway	(11,977,466)	(867,030)	-	(12,844,497)
Park improvements	(6,654,406)	(728,730)	-	(7,383,136)
Land improvement remediation	(598,968)	(110,646)	-	(709,614)
Machinery and equipment	(41,480,174)	(3,851,994)	699,641	(44,632,526)
Roads network	(186,249,943)	(9,774,515)	445,058	(195,579,400)
Flood control network	(13,112,594)	(1,045,957)	25,480	(14,133,071)
Total accumulated depreciation	(306,122,134)	(21,183,205)	1,170,178	(326,135,160)
Total other capital assets at historic cost, net	345,827,077	19,606,468	(330,665)	415,584,136
Governmental activities capital assets, net	\$ 394,168,768	\$ 21,046,112	\$ (330,665)	\$ 415,584,136

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 4: CAPITAL ASSETS (Continued)

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

	Governmental Activities
Police	\$ 1,346,258
Fire	1,087,899
Quality of Life	1,108,809
Public works	13,473,952
Information technology (Gen Govt)	1,833,536
Transportation	114,611
Parks and Recreation	1,210,364
Economic Development	946,669
Community development	548
ISF depreciation expense	60,559
Total depreciation expense	\$ 21,183,205

The received donated assets in the amount of \$3,981,664 and a contribution of \$1,184,187 from ASCMV.

Land and land rights increased by \$47 thousand with the purchase of land located at 1700 E. Nevada for the Nevada Street Neighborhood Initiatives.

Construction in progress increased by approximately \$1.4 million from the Mesa Outdoor Fitness Park, two fire engines, and the 2018 GO Bond projects: park development, a new animal shelter, and the Fire Station 3 replacement. Ongoing projects include the Amador Hotel, Community Competition Pool, and Downtown Underground Infrastructure.

Airport Infrastructure increased by approximately \$1 million due to the Airfield Electrical Vault Expansion, Terminal Apron Rehabilitation, and Airport Wildlife Perimeter Fence. City infrastructure increased by \$1.25 million from the Public Safety Radio Combiner project and the University/I-25 Interchange Improvements.

Park Improvements increased by approximately \$591 thousand, which included work done on Calle Abuelo Park, Highland Community Park, Pioneer Women's Park, Veteran's Memorial Park, Klein Park Electrical Improvements, Metro Verde South Tract B Park, I-10/I-25 Landscape Improvements, the East Mesa Recreation Trail, playground equipment at various city parks, and various trail improvements.

Roads increased by approximately \$21.6 million, which included the Metro Verde South, Legends West North, and Sonoma Ranch North subdivisions, as well as street, sidewalk, lighting, and traffic control improvements on various city streets.

The City spent approximately \$5.7 million for equipment and vehicle purchases for Las Cruces Police and Fire Departments, Public Works, Parks & Recreation, Economic Development, and other city departments. 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, 2019

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 water rights	\$ 15,443,482	\$ -	\$ -	\$ 15,443,482
Construction in progresss	599,674	11,289	-	610,963
Total capital assets not being depreciated	16,043,156	11,289	-	16,054,445
<i>Other capital assets</i>				
Buildings and building improvements	11,460,277	1,403,646	-	12,863,923
Land improvements	335,172	3,519	-	338,691
Distribution and collection system	82,411,937	2,189,176	-	84,601,113
Utilities transmission	291,076,885	26,435,539	(486,900)	317,025,524
Machinery and equipment	34,236,759	1,426,440	(1,343,565)	34,319,634
Total other capital assets at historic cost	419,521,030	31,458,320	(1,830,464)	449,148,885
<i>Less accumulated depreciation for</i>				
Buildings and building improvements	(4,630,954)	(443,562)	-	(5,074,516)
Land improvements	(250,104)	(5,308)	-	(255,412)
Distribution and collection system	(42,685,072)	(1,457,637)	-	(44,142,708)
Utilities transmission	(100,371,713)	(7,586,147)	486,899	(107,470,961)
Machinery and equipment	(20,848,481)	(3,492,821)	1,331,138	(23,010,164)
Total accumulated depreciation	(168,786,324)	(12,985,475)	1,818,037	(179,953,761)
Total other capital assets at historic cost, net	250,734,707	18,472,845	(12,428)	269,195,125
Business type activities capital assets, net	\$ 266,777,863	\$ 18,484,134	\$ (12,428)	\$ 285,249,570

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

	Business Type Activities
Gas	\$ 2,684,618
Water	3,647,895
Wastewater	4,374,902
Solid waste	1,622,494
Other	655,566
Total depreciation expense	\$ 12,985,475

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 4: CAPITAL ASSETS (Continued)

The City received donations in the amount of \$2,233,598.

There were no increases or decreases in land and water rights. Construction in progress increased by \$11, 289 for construction of transit-related infrastructure.

Buildings and building improvements increased by approximately \$1.4 million primarily due to purchasing various utilities metal buildings for gas, water, wastewater, and solid waste; as well as adjusting the utilities building for upgrades, and other services.

Land improvements increased by \$3 thousand for a project to fence the recycling section of the Foothills Landfill.

Distribution and collection system increased by approximately \$2.1 million primarily due to six donated subdivisions.

Utilities transmission increased by \$25.7 million primarily due to gas, water, and wastewater infrastructure additions and associated infrastructure adjustment costs for interest. Decreases in utilities transmission were due to utilities infrastructure disposals.

The City spent approximately \$1.4 million for equipment and vehicle purchases for Utilities and Transit departments. Decreases in machinery and equipment were due to the retirement of items sent to auction, trade-ins, and items not located during the fixed asset verification.

NOTE 5: RECEIVABLES AND PAYABLES

Governmental activities receivables were as follows at June 30, 2019:

	General Fund	Debt Service	Telshor Facility	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	\$ 1,068,431	\$ -	\$ -	\$ 4,646,992	\$ 556,707	\$ 6,272,130
Dockets	5,201,161	-	-	-	-	5,201,161
Interest	-	-	109,148	3,254,851	-	3,363,999
Contracts	-	-	-	4,282,266	-	4,282,266
Special assessments	-	6,936,243	-	5,354,577	-	12,290,820
Less: allowance for doubtful accounts	(5,266,300)	-	-	(3,272,488)	-	(8,538,788)
Total governmental receivables	\$ 1,003,292	\$ 6,936,243	\$ 109,148	\$ 14,266,198	\$ 556,707	\$ 22,871,588

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 5: RECEIVABLES AND PAYABLES (Continued)

Governmental Activities

Special assessments receivables of \$4,974,340 and related interest receivables of \$2,904,298 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.

Governmental activities due from other governments were as follows at June 30, 2019:

	General Fund	Debt Service	Other Governmental Funds	Total Governmental Activities
Taxes				
Property tax	\$ 819,519	\$ 220,464	\$ 341,279	\$ 1,381,262
GRT tax	14,704,067	-	1,591,778	16,295,845
Gas tax	-	-	304,798	304,798
TIDD tax	-	-	88,351	88,351
MVD tax	96,325	-	-	96,325
Federal	524	-	224,173	224,697
State	19,536	-	1,545,465	1,565,001
Local	-	-	56,273	56,273
Other	338,776	-	-	338,776
Total governmental due from other governments	\$ 15,978,747	\$ 220,464	\$ 4,152,117	\$ 20,351,328

Business-type activities receivables were as follows at June 30, 2019:

	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivables, Net
Gas	\$ 2,073,910	\$ (791,794)	\$ 1,282,116
Water	3,568,237	(415,220)	3,153,017
Waste water	1,980,192	(340,654)	1,639,538
Solid waste	2,372,913	(454,232)	1,918,681
Other enterprise funds	229,221	(4,100)	225,121
Total business-type activities	\$ 10,224,473	\$ (2,006,000)	\$ 8,218,473

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 5: RECEIVABLES AND PAYABLES (Continued)

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.

Due from other governments for business-type activities consists of receivables from the Federal and State governments for transit-related grants in the nonmajor proprietary funds, of \$714,003 and \$475, respectively, and contractual amounts due from other governments in the Water Proprietary Fund of \$9,756.

Governmental activities accounts payable and accrued liabilities at June 30, 2019 were as follows:

	Vendors	Accrued Salaries and Benefits	Accrued Taxes	Total Accounts Payables and Accrued Liabilities
<i>Governmental activities</i>				
General Fund	\$ 2,531,580	\$ 1,807,030	\$ 71,035	\$ 4,409,645
Debt Service	-	-	-	-
Telshor Facility	-	-	-	-
Other governmental	6,750,169	60,695	-	6,810,864
Internal service funds	822,169	31,466	-	853,635
Total governmental activities	\$ 10,103,918	\$ 1,899,191	\$ 71,035	\$ 12,074,144

Business-type activities accounts payable and accrued liabilities at June 30, 2019 were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Taxes Payable	Total Payables and Accrued Liabilities
<i>Business-type activities</i>					
Gas	\$ 642,132	\$ 111,001	\$ 28,333	\$ 61,657	\$ 843,123
Water	808,997	110,786	174,312	91,388	1,185,483
Waste water	396,370	112,590	74,885	51,741	635,586
Solid waste	113,756	54,999	3,655	61,536	233,946
Other enterprise funds	36,508	76,287	-	2,527	115,322
Total business-type activities	\$ 1,997,763	\$ 465,663	\$ 281,185	\$ 268,849	\$ 3,013,460

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 6: INTERFUND ASSETS, LIABILITIES AND TRANSFERS

Primary Government

Governmental interfund receivable and interfund payables as of June 30, 2019 were as follows:

	Interfund Receivable	Interfund Payable	Total
Governmental activities			
<i>General fund</i>			
Nonmajor governmental funds	\$ 2,356,860	\$ -	\$ 2,356,860
<i>Nonmajor governmental funds</i>			
General fund	-	(2,356,860)	(2,356,860)
Total governmental activities	\$ 2,356,860	\$ (2,356,860)	\$ -

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, 2019 were as follows:

	Interfund Receivable	Interfund Payable	Total
Business-type activities			
<i>Major enterprise funds</i>			
Water Fund	\$ -	\$ (1,144,597)	\$ (1,144,597)
Water Fund	-	(2,166,714)	(2,166,714)
Water Fund	1,144,597	-	1,144,597
Waste Water Fund	2,166,714	-	2,166,714
Total business-type activities	\$ 3,311,311	\$ (3,311,311)	\$ -

The business-type activities interfund balance reflect long-term advance of pooled cash between utilities. The water development fund, included in the water fund borrowed cash from the waste water development fund, included in the waste water 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, 2019

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

Interfund transfers for the fiscal year ended June 30, 2019 consisted of the following:

Transfers From	Transfers To	Amount		Purpose
		2019	2018	
BETWEEN GOVERNMENTAL AND BUSINESS-TYPE COLUMNS:				
Operating or Debt Subsidy:				
General Fund	Transit Funds	\$ 1,956,445	\$ 2,136,615	Operating subsidy for transit fund
Gasoline Tax Fund	Transit Funds	615,094	837,700	Operating subsidy for transit fund
Telshor Facility fund	Transit Funds	897,929	-	Operating subsidy for transit fund
General Fund	Theatre Fund	120,000	120,000	Operating subsidy for theatre fund
Nonmajor				
governmental funds	Theatre Fund	14,473	-	Operating subsidy for theatre fund
SCSWA	Debt Service	11,242		Debt service subsidy from pledged
Revenue Allocation:				
Environmental gross receipts tax fund	Wastewater fund	1,381,162	1,592,537	Transfer share of tax revenue

(Continued)

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

Transfers From	Transfers To	Amount		Purpose
		2019	2018	
BETWEEN FUNDS WITHIN GOVERNMENTAL OR BUSINESS-TYPE COLUMNS				
Operating or Debt Subsidy:				
General fund	General fund	3,204,584	4,445,000	Transfer between general funds
General fund	Debt service funds	8,122,444	8,422,958	Debt Service for subsidy from pledged revenues
General fund	Nonmajor governmental funds	892,291	1,470,000	Transfer to prisoner care and affordable housing
General fund	Internal service funds	2,650,000	6,965,000	Funding for City fleet and insurance funds
Debt service funds	Debt service funds	-	14,580	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 funds	-	305	Transfer excess debt service funds to non major funds
Nonmajor governmental funds	Debt service funds	6,763,745	5,313,739	Debt service subsidy from pledged revenues
Nonmajor governmental funds	General fund	3,089,336	2,627,381	Transfers for administrative and engineering costs
Internal service funds	General fund	-	-	Move services to general fund, administrative fees
Internal service funds	Internal service funds	2,400,000	-	Transfer between internal service funds
Telshor Facility fund	General fund	-	448,024	Funding for general operations and vehicle acquisition
Nonmajor governmental funds	Nonmajor governmental funds	-	5,406,582	Transfer between nonmajor governmental funds
Capital Contributions:				
Nonmajor governmental funds	Nonmajor governmental funds	3,070,000	2,678,460	Transfer to capital projects
General fund	Nonmajor governmental funds	513,770	6,100,000	Transfer to capital improvement reserves
Revenue Allocation:				
Telshor Facility fund	Nonmajor governmental funds	1,000,000	872,429	Recurring allocation of special revenue
Environmental gross receipts tax fund	Nonmajor governmental funds	358,148	388,733	Transfer share of tax revenue
Gasoline tax fund	Nonmajor governmental funds	-	2,774,882	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, 2019

NOTE 7: LONG-TERM LIABILITIES

Primary Government

Changes in long-term liabilities are as follows:

Governmental activities

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
General obligation bonds	\$ -	\$ 18,000,000	\$ -	\$ 18,000,000	\$ 4,050,000
Tax Revenue bonds	99,845,000	-	8,330,000	91,515,000	8,790,000
Unamortized premium/discount on sales tax revenue bonds	5,734,548	-	451,047	5,283,501	451,049
Bonds from direct borrowing and direct placements	-	9,600,000	545,000	9,055,000	1,055,000
Unamortized premium/discount from direct borrowing and direct placements	-	1,286,141	-	1,286,141	107,179
Note payable	12,557,332	3,994,664	2,806,619	13,745,377	2,719,871
Pollution remediation	7,359,858	-	-	7,359,858	-
Estimated liability for insurance claims	7,117,750	134,353	421,322	6,830,781	1,936,783
Compensated absences	3,831,259	6,198,440	5,819,716	4,209,983	842,017
	\$ 136,445,747	\$ 39,213,598	\$ 18,373,704	\$ 157,285,641	\$ 19,951,899

Business-Type Activities

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Utility revenue bonds	\$ 94,445,000	\$ -	\$ 5,200,000	\$ 89,245,000	\$ 5,530,000
Unamortized premium/discount on utility revenue bonds	5,052,101	-	337,134	4,714,967	337,134
Notes payable from direct borrowing and direct placement	6,714,765	-	741,704	5,973,061	607,858
Landfilled closure and post- closure costs (Note 8)	828,000	-	36,000	792,000	36,000
Compensated absences	1,082,472	1,719,535	1,570,009	1,231,998	246,398
	\$ 108,122,338	\$ 1,719,535	\$ 7,884,847	\$ 101,957,026	\$ 6,757,390
Total long-term debt	\$ 244,568,085	\$ 40,933,133	\$ 26,258,551	\$ 259,242,667	\$ 26,709,289

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, 2019

NOTE 7: LONG-TERM LIABILITIES (Continued)

General Obligation Bonds

The City held a special election on August 21, 2018. The electors of the City authorized the issuance of general obligation bonds to secure funds for the following purpose in the following amounts: Question 1 - \$16.9 million to construct improvements to parks, including sport fields and other related facilities; Question 2 - \$9.8 million to construct a new animal shelter facility and related improvement facilities; Question 3 - \$6.2 million to construct a replacement fire station facility for Fire Station 3, including acquisition of necessary land; Question 4 - \$2.7 million to construct and improve recreational walking, jogging, and biking trails including acquisition of necessary land.

In 2019, the City issued \$18 million in General Obligation Bonds, Series 2019 with an average coupon rate of 4.41%. The proceeds of these bonds were used as follows: Question 1 - \$6,491,090, Question 2 - \$6,103,470, Question 3 - \$4,156,980 and Question 4 - \$1,248,460. The bonds require annual principal payments and semi-annual interest payments through August 1, 2030.

The Constitution of the State of New Mexico limits the amount of general-purpose general obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2019, assessed valuation is \$2,441,185,014 for a maximum bonding capacity of \$97,647,401. Total general obligation debt outstanding at year end was \$18,000,000 with remaining debt capacity of \$79,647,401.

General obligation bonds payable is as follows:

Purpose	Original Date	Due Date	Issue	Balance Outstanding	Interest Rates %
Facilities and improve trails/parks	3/13/2019	2030	\$ 18,000,000	\$ 18,000,000	3-5
				\$ 18,000,000	\$ 18,000,000

Future debt service requirement for general obligation bonds is:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 4,050,000	\$ 632,844	\$ 4,682,844
2021	4,100,000	526,050	4,626,050
2022	985,000	398,925	1,383,925
2023	985,000	349,675	1,334,675
2024	985,000	300,425	1,285,425
2025-2029	4,925,000	788,000	5,713,000
2030-2034	1,970,000	59,100	2,029,100
	\$ 18,000,000	\$ 3,055,019	\$ 21,055,019

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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 \$510,000 and \$190,000, respectively. Interest payments were \$46,950 and \$17,700, 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 \$675,000 and \$915,206, 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 \$37.1 million in 2019. Series 2011B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2019, such pledged revenues totaled \$7.5 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$940,000 and \$95,000, respectively. Interest payments were \$195,925 and \$9,969, 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 \$184,350 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 \$7.5 million. Series 2014B bonds are secured by certain future gross receipts tax through maturity. In fiscal year 2019, such pledged revenues totaled \$7.5 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 \$146,719 and \$22,200 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 \$37.1 million in 2019. For the current year, principal and interest paid was \$670,000 and \$524,088 respectively.

In 2015, Hold Harmless Gross Receipts Revenue Bonds, Series 2015A and 2015B were issued to fund street and facility improvements and economic development projects. The Series 2015A and 2015B bonds are secured by certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$10.2 million. Principal payments on the bonds for the current year for the Series A and Series B bonds were \$840,000 and \$155,000 respectively. Interest payments were \$763,775 and \$139,779, respectively.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 7: LONG-TERM LIABILITIES (Continued)

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 \$37.1 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 \$510,000 and \$282,253 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 2019, such pledged revenues totaled \$7.5 million. Principal and interest payments on the Series 2016 bonds in the current year were \$710,000 and \$156,700 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 \$37.1 million. Principal and interest payments on the bonds in the current year were \$1,735,000 and \$435,550 respectively.

In 2018, the City issued \$9.6 million in Hold Harmless Gross Receipts Revenue Bonds, Series 2018 in a private placement with the New Mexico Finance Authority. The proceeds of these bonds were used for the construction of a competitive pool enclosure. The Series 2018 bonds are secured by certain future gross receipts tax through maturity. For the current year, such pledged revenues totaled \$10.2 million. Principal and interest payments on the bonds in the current year were \$545,000 and \$134,957 respectively.

In the event of default, the holder or holders of not less than 25% in aggregate principal amount of the bonds may proceed against the City to protect and enforce their rights under the Bond Ordinances.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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	\$ 1,055,000	2.5-3.0
Gross receipts tax refunding	Flood control refunding	9/28/2010	2021	4,390,000	400,000	2.5-3.0
Gross receipts tax refunding	Convention center refunding	9/28/2010	2037	24,330,000	19,105,000	2.0-5.0
Gross receipts tax refunding	Facilities and improve streets	7/19/2011	2023	9,640,000	4,130,000	3.0-4.0
Gross receipts tax refunding	Flood control	7/19/2011	2021	1,530,000	200,000	2.0-3.63
Gross receipts tax refunding	Facilities and improve streets	7/29/2014	2026	10,000,000	5,745,000	2.0-4.0
Gross receipts tax refunding	Street improvement	7/29/2014	2028	8,000,000	4,055,000	2.0-4.0
Gross receipts tax refunding	Flood control	7/29/2014	2024	1,500,000	690,000	2.0-3.0
Gross receipts tax refunding	City Hall refunding	3/11/2015	2035	19,195,000	14,920,000	2.25-4.0
Gross receipts tax refunding	Facilities and improve streets	11/27/2015	2035	23,075,000	19,415,000	3.0-5.0
Gross receipts tax refunding	Economic Development	10/27/2015	2035	4,020,000	3,485,000	3.0-4.13
Gross receipts tax refunding	Streets in assessment district	4/5/2016	2031	8,585,000	7,575,000	3.1-3.75
Gross receipts tax refunding	Flood control	8/24/2016	2028	5,000,000	2,990,000	2.0-5.0
Gross receipts tax refunding	Facilities and improve streets	6/22/2017	2029	10,570,000	7,750,000	3.0-5.0
Total bonds				142,090,000	91,515,000	
Gross receipts tax revenue	Pool Cover	9/28/2018	2027	9,600,000	9,055,000	1.46-2.51
Total bonds from direct borrowing and direct placement				9,600,000	9,055,000	
Total tax revenue bonds payable				\$ 151,690,000	\$ 100,570,000	

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 7: LONG-TERM LIABILITIES (Continued)

Future debt service requirements for governmental activities revenue bonds are:

Year Ending June 30,	Bonds		Bonds from Direct Borrowings and Direct Placement		Total
	Principal	Interest	Principal	Interest	
2020	\$ 8,790,000	\$ 3,497,268	\$ 1,055,000	\$ 191,980	\$ 13,534,248
2021	7,205,000	3,128,793	1,080,000	174,889	11,588,682
2022	6,580,000	2,842,643	1,090,000	155,557	10,668,200
2023	6,855,000	2,571,093	1,115,000	134,629	10,675,722
2024	5,900,000	2,301,819	1,140,000	111,771	9,453,590
2025-2029	27,525,000	8,234,363	3,575,000	177,204	39,511,567
2030-2034	21,280,000	3,820,243	-	-	25,100,243
2035-2037	7,380,000	503,131	-	-	7,883,131
	\$ 91,515,000	\$ 26,899,353	\$ 9,055,000	\$ 946,030	\$ 128,415,383

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, 2019, 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, 2019, no Industrial Revenue bonds are outstanding. In November 2018, F&A Dairy Products redeemed all outstanding Industrial Revenue bonds.

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, 2019.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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	\$ 500,000	3.25-5.50
2010 NMFA Note	Fire apparatus	7/30/2010	2020	938,875	163,724	0.59-3.34
2010 NMFA Note	Griggs Walnut	1/18/2008	2032	1,478,799	1,051,362	2.00
2010 HUD Loan	Facilities	7/21/2010	2030	2,000,000	1,416,000	2.00
2011 NMFA Note	Fire apparatus	11/18/2011	2019	964,250	-	0.23-1.83
2014 NMFA Note	SCSWA projects	6/20/2014	2023	2,780,000	1,430,000	0.25-3.31
2014 NMFA Note	Fire apparatus	12/12/2014	2022	443,325	182,419	0.21-1.86
2016 NMFA Note	Various heavy equipment	2/24/2017	2023	3,203,527	2,077,504	1.05-2.05
2016 NMFA Note	Street improvements	6/9/2017	2030	5,115,000	3,465,000	0.94-2.59
2018 NMFA Note	Fire apparatus	7/27/2018	2025	1,419,664	1,253,368	1.48-2.21
2018 NMFA Note	Street heavy equipment	11/21/2018	2025	2,575,000	2,206,000	1.88-2.59
				\$ 25,918,330	\$ 13,745,377	

The 2010 NMFA-Fire apparatus loan is secured through maturity by fire protection fund revenues which totaled \$785,327 in 2019. The 2010 NMFA Griggs Walnut Plume note is secured by the 1995 environmental gross receipts tax revenues which totaled \$1,874,371 in 2019. The 2010 HUD loan is secured by The Museum of Nature and Science property in the City. The 2014 SCSWA Projects loan is secured by the SCSWA operating revenues and City and County Environmental Gross Receipts taxes. The 2016 NMFA streets improvement is secured by the first 1/4% increment of the municipal gross receipts tax revenues which totaled \$7.5 million in 2019. The 2018 Gas Tax loan is secured by gasoline tax revenues which totaled \$1,741,423 in 2019. The 2018 NMFA fire apparatus loan is secured by the second 1/4% increment of the municipal gross receipts tax revenue which totaled \$7.5 million in 2019.

The remaining notes payable in the table above are secured through maturity by the state-shared gross receipts tax which totaled \$37.1 million in 2019.

Principal and interest paid on the outstanding notes in the current year was \$2,806,619 and \$350,171 respectively.

In the event of default, NMFA may take any action necessary to collect the payments then due and to become due or to enforce performance of any agreement of the City in the Loan Agreement or the Intercept Agreement. Intercept agreement allows NMFA to have the pledged revenues paid directly to them rather than the City.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 7: LONG-TERM LIABILITIES (Continued)

Debt Service Requirements

Future debt service requirements for governmental activities notes payable are:

Year Ending June 30,	Notes from Direct Borrowing and Direct Placement		Total
	Principal	Interest	
2020	\$ 2,719,871	\$ 328,879	\$ 3,048,750
2021	1,940,866	272,009	2,212,875
2022	1,725,191	225,312	1,950,503
2023	1,701,935	189,078	1,891,013
2024	1,199,312	150,947	1,350,259
2025-2029	3,683,026	367,895	4,050,921
2030-2032	775,176	26,232	801,408
	<u>\$ 13,745,377</u>	<u>\$ 1,560,352</u>	<u>\$ 15,305,729</u>

Business-Type Activities

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, 2019

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 2015, the City issued \$17.1 million in joint utility improvement revenue bonds (Series 2015A). 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.

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 22.2 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.

In the event of default, the holder or holders of not less than 25% in aggregate principal amount of the bonds may proceed against the City to protect and enforce their rights under the Bond Ordinance.

Joint utility revenue bonds are summarized as follows as of June 30, 2019:

Purpose	Issue Date	Due Date	Original Issued	Oustanding	Interest Rates %
Series 2010 refunding bond	9/14/2010	2027	\$ 24,840,000	\$ 17,740,000	2.0-4.0
Series 2014 refunding bond	8/26/2014	2025	7,125,000	4,125,000	2.0-4.0
Series 2014B system improvement bond	8/26/2014	2034	3,425,000	2,770,000	3.0-5.0
Series 2015 refunding and rehabilitation bond	5/12/2015	2035	16,895,000	12,475,000	2.0-5.0
Series 2015A improvement bond	12/16/2015	2035	17,065,000	15,205,000	2.38-5.0
Series 2016 Improvement revenue bond	10/19/2016	2036	16,375,000	14,840,000	2.13-5.0
Series 2018 Improvement revenue bond	2/22/2018	2038	22,180,000	22,090,000	2.0-4.0
			\$ 107,905,000	\$ 89,245,000	

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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
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	6,910,000	2,287,807	9,197,807
2025-2029	26,635,000	7,611,007	34,246,007
2030-2034	19,920,000	4,032,005	23,952,005
2035-2038	11,350,000	867,162	12,217,162
	<u>\$ 89,245,000</u>	<u>\$ 26,413,220</u>	<u>\$ 115,658,220</u>

The 2010, 2014A, 2014B, and 2015 JU revenue bond ordinances provide that the net revenue of the City's joint 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 joint utility 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, 2019 exceeded the maximum annual debt service requirement. Bond reserve accounts have been established to accumulate funds where necessary.

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, 2019

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, 2019:

	Water	Waste Water	Gas	Solid Waste
Residential	32,655	31,621	38,378	33,189
Commercial/other	4,527	3,462	3,146	2,741
Total	37,182	35,083	41,524	35,930

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.

In the event of default, the New Mexico Finance Authority may take any action necessary to collect the payments then due and to become due or to enforce performance of any agreement of the City in the Loan Agreement.

Details of business-type activities notes payable are:

Type	Purpose	Original Date	Due Date	Original Issue	Outstanding	Interest Rates %
2011 NMFA Note	Solid Waste Vehicles	12/16/2011	2019	\$ 1,016,561	\$ -	0.32-2.11
2015 NMFA Note	Solid Waste Equipment	1/9/2015	2022	2,775,819	1,168,061	0.21-2.01
2017 NMFA Note	Joint Utility Improvement Bond	12/1/2017	2037	5,135,000	4,805,000	0.95-3.48
				\$ 8,927,380	\$ 5,973,061	

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

Year Ending June 30,	Principal	Interest	Total
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	235,000	110,767	345,767
2025-2029	1,250,000	482,156	1,732,156
2030-2034	1,430,000	306,281	1,736,281
2035-2037	975,000	67,853	1,042,853
	\$ 5,973,061	\$ 1,489,087	\$ 7,462,148

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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 \$792,000 as of the year ended June 30, 2019. 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, 2019. 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.

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.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 9: POLLUTION REMEDIATION OBLIGATION – CHANGE IN ACCOUNTING ESTIMATE (Continued)

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, 2019, 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. As of June 30, 2019, the City's outstanding pollution remediation obligation with this Order was estimated at \$7,359,858. There was no change compared to fiscal year 2018. The City is still in litigation regarding the liability, although a settlement is expected to be reached by December 31, 2019.

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 777 active participants in the plan as of June 30, 2019.

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

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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, 2019

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

Employees covered by benefit terms. At June 30, 2019, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	93,349

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 \$1,457,909 for the year ended June 30, 2019.

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

At June 30, 2019, the City reported a liability of \$63,488,112 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2019, the City's proportion was 1.50874 percent.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

For the year ended June 30, 2019, the City recognized OPEB benefit of \$401,235. At June 30, 2019 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
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ 11,853,447
Net difference between projected and actual earnings on pension plan investments	-	792,156
Changes in proportion and differences between contributions and proportionate share of contributions		1,495,590
City's contributions subsequent to the measurement date	1,457,909	-
Difference between expected and actual experience	-	3,758,181
Total	\$ 1,457,909	\$ 17,899,373

Deferred outflows of resources totaling \$1,457,909 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, 2020. 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:		
2020	\$	(4,484,006)
2021		(4,484,006)
2022		(4,484,006)
2023		(3,534,949)
2024		(912,408)
Total	\$	(17,899,373)

Two of the City's agencies funds, ASCMV, and MVRDA, and the component unit, SCSWA have the following deferred inflows of \$239,299, \$475,374 and \$665,041 respectively; deferred outflows of \$19,222, \$38,696, and \$54,150 respectively; and net OPEB liabilities of \$772,777, \$1,679,498, and \$2,353,760 respectively. For further information see ASCMV, MVRDA, and SCSWA's separately issued financials statements.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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 members
Projected payroll increases	3.5% to 12.50%, based on years of service including inflation
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
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

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.

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	2.1%
U.S. equity - large cap	7.1
Non U.S. - emerging markets	10.2
Non U.S. - developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity - small/mid cap	7.1

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. 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, 2029. 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, 4.08% 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 (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
<u>\$ 76,835,566</u>	<u>\$ 63,488,112</u>	<u>\$ 52,967,344</u>

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:

1% Decrease	Current Trend Rates	1% Increase
<u>\$ 51,329,683</u>	<u>\$ 63,488,112</u>	<u>\$ 68,082,208</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, 2018.

Payable Changes in the Net OPEB Liability. At June 30, 2019, the City did not have a payable due to NMRHCA for the year ended June 30, 2019.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 12: MULTIPLE-EMPLOYER COST SHARING PENSION PLANS

General Information about the Pension Plan

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, 2018 available at <http://s3.amazonaws.com/boardaudio/cafr/CAFR2018Final.pdf>.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

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.

Contributions. The contribution requirements of defined benefit plan members and ASCMV 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 FY18 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY18 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

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 \$8,086,946 and employer paid member benefits that were “picked up” by the employer were \$3,346,212 for the year ended June 30, 2019. 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, 2017. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2018, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2017.

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, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer.

Regular and any adjustment contributions that applied to fiscal year ended June 30, 2018 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.

Two of the City’s agency funds, MVRDA and High Intensive Drug Trafficking Area (“HITDA”), and the component unit, SCSWA have the following deferred inflows of \$116,421, \$69,627 and \$373,773 respectively; deferred outflows of \$489,277, \$228,057 and \$1,379,152 respectively; and NPL of \$1,765,309, \$387,069 and \$5,667,572 respectively. For further information see the agencies and component unit’s separately issued financials statements.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

In addition, the City's agency fund, ASCMV is a participating employer in the PERA Fund Division: General Municipal, with a separate proportionate share of net pension liability. ASCMV reports deferred inflows of \$50,320, deferred outflows of \$539,158, and NPL of \$1,535,379. For further information see ASCMV's separately issued financials statements.

For PERA Fund Division: General Municipal, at June 30, 2019, the City of Las Cruces reported a liability of \$71,990,380 for its proportionate share of the net pension liability. At June 30, 2019, the Municipal's proportion was 4.9331 percent, which was slightly lower from its proportional measured as of June 30, 2018.

For the year ended June 30, 2019, the City of Las Cruces recognized PERA Fund Division Municipal's pension expense of \$7,125,286, which excludes the City's fiduciary funds and discretely presented component units. At June 30, 2019, 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	\$ 5,722,557	\$ 385,986
Differences between expected and actual experience	1,824,243	1,762,537
Net difference between projected and actual earnings on pension plan investment	4,681,164	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,452	533,829
City of Las Cruces contributions subsequent to the measurement date	3,998,222	-
Total	\$ 16,249,639	\$ 2,682,351

The City made contributions subsequent to the measurement date June 30, 2018 in the amount of \$3,998,222. 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, 2019. 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:		
2020	\$	6,400,487
2021		2,424,236
2022		514,258
2023		230,085
Total	\$	9,569,066

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

For PERA Fund Division: Police, at June 30, 2019, the City of Las Cruces reported a liability of \$33,450,650 for its proportionate share of the net pension liability. At June 30, 2019, the Police proportion was 4.9026 percent, which was higher from its proportion measured as of June 30, 2018, of 4.8996 percent.

For the year ended June 30, 2019, the City of Las Cruces recognized PERA Fund Division Police's pension expense of \$3,451,069. At June 30, 2019, 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	\$ 3,816,765	\$ 204,497
Differences between expected and actual experience	1,637,589	3,315,826
Net difference between projected and actual earnings on pension plan investment	2,301,880	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,628	168,104
City of Las Cruces contributions subsequent to the measurement date	2,129,015	-
Total	\$ 9,897,877	\$ 3,688,427

The City made contributions subsequent to the measurement date June 30, 2018 in the amount of \$2,129,015. 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, 2019. 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:		
2020	\$	2,580,861
2021		594,778
2022		784,410
2023		120,386
Total	\$	4,080,435

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

For PERA Fund Division: Fire, at June 30, 2019, the City of Las Cruces reported a liability of \$42,749,150 for its proportionate share of the net pension liability. At June 30, 2019, the Fire proportion was 6.6789 percent, which was higher from its proportion measured as of June 30, 2018, of 6.1198 percent.

For the year ended June 30, 2019, the City of Las Cruces recognized PERA Fund Division Fire's pension expense of \$5,507,106. At June 30, 2019, 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	\$ 2,468,903	\$ 156,101
Differences between expected and actual experience	686,989	3,117,683
Net difference between projected and actual earnings on pension plan investment	1,499,101	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,364,253	107,527
City of Las Cruces contributions subsequent to the measurement date	1,959,709	-
Total	\$ 9,978,955	\$ 3,381,311

The City made contributions subsequent to the measurement date June 30, 2018 in the amount of \$1,959,709. 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, 2019. 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:		
2020	\$	2,439,980
2021		974,963
2022		1,139,433
2023		83,559
Total	\$	4,637,935

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board for use in the June 30, 2017 actuarial valuation.

Actuarial valuation date	June 30, 2017
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	7.25% annual rate, net of investment expense
· Projected benefit payment	100 years
· Payroll Growth	3.00%
· Projected salary increases	3.25% to 13.50% annual rate
· Includes inflation at	2.50% annual rate first 9 years, 2.75% all other years
· Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
· Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 20, 2018 (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%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Total	100.0%	

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

Discount rate: Previously, a select and ultimate rate of return assumption had been added for funding purposes but new economic assumptions were adopted for the June 30, 2018 valuations including the change to a 7.25 percent static rate. The discount rate used to measure the total pension liability is 7.25 percent. 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 7.25% 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 (6.25%) or one percentage point higher (8.25%) than the single discount rate. These calculations include the total liability attributable to the City, its component unit, and its fiduciary funds.

PERA Fund Division – Municipal	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Las Cruces' proportionate share of the net pension liability	\$ 62,060,672	\$ 71,990,380	\$ 81,920,088
PERA Fund Division – Police	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Las Cruces' proportionate share of the net pension liability	\$ 28,836,767	\$ 33,450,650	\$ 38,064,533
PERA Fund Division – Fire	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Las Cruces' proportionate share of the net pension liability	\$ 36,852,716	\$ 42,749,150	\$ 48,645,584

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY18 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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 were moved from the General Fund to the internal services funds which is the direct cause for increase in the amount reported for Health Programs.

The insurance fund tracks claim 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.

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

	Programs Cost (Benefits)	Premiums
Health Program	\$ 15,537,458	\$ (14,658,796)
Workers Compensation	-	(805,722)
Liability Insurance	1,104,150	-
Unemployment Insurance	-	(35,001)
Total	\$ 16,641,608	\$ (15,499,519)

Changes in the insurance fund's estimated liability for insurance claims were:

Estimated liability for insurance claims, beginning of year	\$ 7,117,750
Current year claims and changes in estimates	16,640,568
Payment of claims liabilities	(16,927,537)
Estimated liability for insurance claims, end of year	\$ 6,830,781

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 14: DEVELOPMENT IMPACT FEES

Development impact fee activity for the year ended June 30, 2019 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	\$	1,446,354
Investment Income		204,360
Expenditures		(759,889)
Net Parks Impact Fees	\$	890,825

Public Safety Impact Fees

Impact Fees Collected	\$	666,050
Investment Income		52,954
Expenditures		-
Transfers Out		(1,292,016)
Net Public Safety Impact Fees	\$	(573,012)

Water Impact Fees

Impact Fees Collected	\$	861,102
Transfers In		252,954
Investment Income		21,475
Expenditures		(1,010,238)
Net Water Impact Fees	\$	125,293

Wastewater Impact Fees

Impact Fees Collected	\$	1,347,293
Investment Income		176,453
Expenditures		(1,808,448)
Net Wastewater Impact Fees	\$	(284,703)

Total Impact Fees

Collections	\$	4,320,798
Investment Income		455,242
Expenditures		(3,578,575)
Transfers		(1,039,062)
Net Impact Fees	\$	158,403

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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 lease amount	Total	City Portion
Total lease amount	\$ 150,000,000	\$ 75,000,000
Less:		
Hospital liabilities assumed by PHC	9,247,375	4,623,688
Amounts deposited into escrow to cover		
medical malpractice and other contingencies	14,445,892	7,222,946
Payment of outstanding hospital bonds	50,038,987	25,019,493
Payment of outstanding 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 expended care services	19,200,000	9,600,000
Hospital property taxes	5,000,000	2,500,000
	\$ 26,465,680	\$ 13,232,840

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

City of Las Cruces
Notes to Financial Statements
June 30, 2019

**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 received \$4,199,501 as final distributions from the escrow accounts in fiscal year 2019. The total MMCI cash distribution from the escrow accounts were \$27,075,089, including interest of \$2,863,530. The City's total portion was \$13,537,544, including interest of \$1,431,765.

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 FY19 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.

An annual operating budget was prepared by Spectra and provided to the City. The operating budget included a projection of operating revenues and expenses for the fiscal year. The annual budget was subject to the review and approval of the City. The City agreed to provide a one-time facility operating fee of \$50,000 and restored any deficit in this balance to the operating account on a monthly basis. During FY19, the City paid \$151,882 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 \$69,587 in FY19.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 16: LAS CRUCES CONVENTION CENTER (Continued)

Spectra maintained independent records, in accordance with generally accepted accounting principles, of the operations and maintenance of the convention center. The City had the right to audit the records. Additionally, Spectra provided monthly financial statements to the City, and a copy of their audited annual financial statements. The City has not received a copy of the FY19 audited annual financial statements due to the contract expiring on June 30, 2019. Beginning July 1, 2019, a new company, SMG, will be taking over the operations and management of the convention center. On October 1, 2019, SMG merged with ASM Global. Due to this merge, ASM Global will be taking over the operations and management of the convention center.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 17: MAJOR CONSTRUCTION COMMITMENTS

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Government					
Downtown Two-Way Conversion: Church & Water Streets	Capital Projects	\$ 11,789,476	\$ 9,872,988	\$ 1,916,488	2015 TIDD Street Bond
Arroyo Road	VAD Street Projects	1,533,925	1,471,365	62,561	2016 Voluntary Assessment District Bond
Palmer Subdivision Reconstruction	Capital Projects	4,228,709	2,618,769	1,609,939	2015A Hold Harmless Bond
Roadrunner Parkway Extension	Capital Projects	2,532,286	1,642,454	889,832	Various Street and Flood Control Bonds
Convention Center Expansion	Capital Projects	4,958,915	4,310,283	648,632	2015A Hold Harmless Bond
Sonoma Ranch Boulevard Mile 2	VAD Street Projects	2,866,853	2,171,464	695,390	2016 Voluntary Assessment District Bond
Red Hawk Golf Road Reconstruction	VAD Street Projects	2,426,890	852,800	1,574,090	2016 Voluntary Assessment District Bond
Las Cruces International Airport - Terminal Parking Apron Reconstruction	Capital Projects Reimbursement Grants	158,621	103,104	55,517	Federal Grants/State Legislative Appropriations
Casa de Peregrinos Emergency Food Services Center	Capital Projects Reimbursement Grants	85,800	7,789	78,011	State Legislative Appropriations
Alameda Estate Reconstruction	2015A Hold Harmless Street Projects	1,607,107	183,087	1,424,019	2015A Hold Harmless Bond
East Mesa Recreation Area - Outdoor Fitness Court	Public Park Development	78,950	-	78,950	Park Development Impact Fees
Crack Sealing Maintenance Project 2018-2019	GRT Street Maintenance	268,098	159,636	108,462	Gross Receipts Tax
Calle Abuelo Neighborhood Park	Public Park Development	109,368	28,222	81,146	Park Development Impact Fees
University Avenue Pedestrian Crossing HAWK Signal	Capital Projects	238,357	112,397	125,960	State Legislative Appropriations
2018-2019 Pavement Replacement	Capital Projects	1,069,886	903,237	166,649	2016 Flood Bonds/2017 NMFA Loans
South Telshor Boulevard ADA Improvements - Phase III	Capital Projects	177,285	51,097	126,188	Local Government Road Fund/Gross Receipts Tax
West Court Avenue Improvements	Capital Projects	1,408,578	-	1,408,578	2016 Flood Bonds/2015A Hold Harmless Bonds
Rio Grande Theatre - Retrofit Braced Frames/Structural Steel Connection Points	2015A Hold Harmless Street Projects	131,354	-	131,354	2015A Hold Harmless Bond
Total		\$ 35,670,458	\$ 24,488,692	\$ 11,181,766	

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 17: MAJOR CONSTRUCTION COMMITMENTS (Continued)

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Joint Utilities					
Gas Infrastructure Rehabilitation	Gas Capital Improvements	\$ 425,101	\$ 217,052	\$ 208,050	Gas Utility Rates
Talavera Gas Pipeline Extension	Gas Capital Improvements	1,517,991	460,674	1,057,317	Gas Utility Rates
Gas Infrastructure Reconstruction Projects	Gas 2015A Bond Projects	1,736,742	862,682	874,060	2015 Joint Utility Bond
Gas Infrastructure - Energy Performance Equipment	Gas 2018 JU Projects	5,400,320	4,077,412	1,322,908	2018 Joint Utility Bond
Water Infrastructure Reconstruction Projects	Water 2015A Bond Projects	4,615,975	3,150,087	1,465,887	2015 Joint Utility Bond
Water 2017 Projects - Infrastructure Rehabilitation	Water 2017 JU Improvements				
	Revenue Bond	1,125,350	257,882	867,468	2017 Joint Utility Bond
Water Infrastructure - Energy Performance Equipment	Water 2018 JU Improvements				
	Revenue Bond	16,323,680	13,873,524	2,450,156	2018 Joint Utility Bond
Water Infrastructure Rehabilitation	Water Capital Improvements	154,655	24,360	130,295	Water Utility Rates
Water Infrastructure - Investment-Grade Energy Audit	Water 2007 NMFA Projects	68,756	-	68,756	Water Development Impact Fees
Water Infrastructure Rehabilitation - Vistas Subdivision	Water 2007 NMFA Projects	597,819	440,523	157,296	Water Development Impact Fees
Water Infrastructure Improvements - West Court	Water 2014 Bond Projects	74,147	-	74,147	2014 Joint Utility Bond
Wastewater Infrastructure Development - JHWWTF Gas Engine	Wastewater Development	1,075,057	949,768	125,288	Wastewater Development Impact Fees
Wastewater Infrastructure Development	Wastewater Development	41,818	-	41,818	Wastewater Development Impact Fees
Wastewater 2015A Infrastructure Reconstruction Projects	Wastewater 2015A Bond Projects	2,122,131	1,148,970	973,161	2016 Joint Utility Bond
Wastewater Infrastructure Development	Wastewater 2017 JU Improvements				
	Revenue Bond	822,234	239,708	582,526	2017 Joint Utility Bond
Wastewater Infrastructure Development - JHWWTF Equipment Replacements	Wastewater 2017 JU Improvements				
	Revenue Bond	961,382	146,699	814,683	2017 Joint Utility Bond
Wastewater Infrastructure Reconstruction Projects	Wastewater Capital Improvements	3,031,489	2,341,707	689,782	2017 Joint Utility Bond
Wastewater Infrastructure Reconstruction - JHWWTF Roofing Improvements	Wastewater Capital Improvements	67,623	-	67,623	2017 Joint Utility Bond

(Continued)

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 17: MAJOR CONSTRUCTION COMMITMENTS

Project	Fund	Contract Amount	Spent to Date	Commitment Remaining	Source of Payment
Joint Utilities (Continued)					
Wastewater Investment- Grade Energy Audit	Wastewater 2006 Bond Rehabilitation Projects	\$ 30,900	\$ -	\$ 30,900	2006 Joint Utility Bond
Wastewater 2014 Infrastructure Reconstruction Projects	Wastewater 2014 Bond Projects	44,569	26,442	18,127	2014 Joint Utility Bond
Total		\$ 40,237,739	\$ 28,217,490	\$ 12,020,248	

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. 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.

The tax revenues that go to the TIDD are used for downtown public improvements and revitalization of the downtown area. TIDD priorities have been set by the TIDD Board for the following years. These priorities include rebuilding public bathrooms and redoing Parking Lot 7, located behind the Rio Grande Theater; reconstruction of Campo Street to make it more pedestrian friendly and connect downtown to the Mesquite neighborhood. Projects for future years include the restoration of the Historic Amador Hotel and construction of a parking garage.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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, 2019. 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.

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, 2019. Request for copies of financial statements can be made to the City of Las Cruces' Chief Administrative Officer.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

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.

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 \$154,000 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 2019, the City of Las Cruces and Dona Ana County paid approximately \$3 million and \$1 million, respectively, to SCSWA for solid waste services provided.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

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

Animal Service Center of the Mesilla Valley

Animal Service Center of the Mesilla Valley was formed through a joint powers agreement (JPA) between the City 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 2019, ASCMV received \$1,250,000 from the City and \$1,250,000 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, 2019. 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. Under these Acts, municipalities may grant tax abatements for the purpose of attracting or retaining businesses and economic development within their jurisdictions.

For the fiscal year ended June 30, 2019, the City abated property taxes totaling \$34,496 under the Community Development Incentive Act. A property tax abatement of 100% of the Commercial / Personal property tax for ten years was given to an energy company for constructing and operating a new photovoltaic generating facility in the City.

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 a cheese 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 2019 amounted to \$11,869. The abatement was only effective for the months July through November 2018. The cheese manufacturer, F&A Dairy, sold the company to Saputo Cheese USA, Inc. on November 30, 2018 and paid off the bond.

NOTE 22: SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2019, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 2, 2019, which is the date on which the financial statements were available to be issued.

City of Las Cruces
Notes to Financial Statements
June 30, 2019

NOTE 22: SUBSEQUENT EVENTS (Continued)

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 \$8,870,000. The targeted closing date is September 27, 2019. This loan will have a net effective interest rate of 2.70% and a final maturity date of June 1, 2035. This loan will be secured by a subordinate lien on the State Shared Gross Receipts Tax. This loan is designated for the construction of Metro Verde Phase II Voluntary Assessment District project.

In November 2019, the City of Las Cruces was notified that the City's Clerks office had inadvertently posted personal information associated with a campaign disclosure report. On November 20, 2019, the City self-reported the described non-compliance incident concerning its existing procedure, policies, and the state's statutes related to campaign disclosure requirements, to its independent public accounting firm concerned with the annual financial audit, the Office of the State Auditor of New Mexico, and the New Mexico Attorney General. The City did report as required to all parties.

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 transit fund's fund balance was restated in the amount of \$106,395 to recognize a receivable from 2018 not previously accrued. The governmental activities net position was restated in the amount of \$4,402,903 to recognize prior year unearned revenue.

Required Supplementary Information

CITY OF LAS CRUCES . NEW MEXICO

City of Las Cruces

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

	2019	2018	2017	2016	2015
City of Las Cruces proportion of the net pension liability (asset)					
Municipal	4.93%	4.97%	5.01%	5.03%	4.64%
Police	4.90%	4.90%	4.91%	5.01%	5.10%
Fire	6.68%	6.12%	5.79%	5.87%	5.72%
City of Las Cruces proportionate share of the net pension liability (asset)					
Municipal	\$ 71,990,380	\$ 63,198,637	\$ 73,329,081	\$ 49,796,563	\$ 36,171,147
Police	33,450,650	27,220,489	36,200,879	23,390,154	16,640,441
Fire	42,749,150	35,014,102	38,617,182	29,442,649	23,884,004
City of Las Cruces covered payroll					
Municipal	\$ 46,232,164	\$ 44,588,361	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Police	11,906,454	11,625,976	11,333,930	10,991,888	11,050,695
Fire	9,051,778	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	156.56%	141.74%	170.80%	128.91%	96.65%
Police	280.95%	234.14%	319.40%	212.79%	150.58%
Fire	472.27%	412.55%	520.62%	437.25%	356.78%
Plan fiduciary net position as a percentage of the total pension liability					
	71.13%	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)
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015
Municipal					
Contractually obligated contribution	\$ 3,998,222	\$ 4,260,265	\$ 4,008,076	\$ 3,983,174	\$ 6,016,189
Contributions in related to the contractually required contribution	3,988,222	4,260,265	4,008,076	3,983,174	6,016,189
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Las Cruces covered payroll	\$ 46,232,164	\$ 44,610,105	\$ 42,932,089	\$ 38,628,050	\$ 37,425,872
Contributions as a percentage of covered payroll	8.65%	9.55%	9.34%	10.31%	16.07%
Police					
Contractually obligated contribution	\$ 2,129,015	\$ 1,957,872	\$ 1,340,980	\$ 2,180,472	\$ 1,740,991
Contributions in related to the contractually required contribution	2,129,015	1,957,872	1,340,980	2,180,472	1,740,991
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Las Cruces covered payroll	\$ 11,906,454	\$ 10,359,111	\$ 11,333,930	\$ 10,991,888	\$ 11,050,695
Contributions as a percentage of covered payroll	17.88%	18.90%	11.83%	19.84%	15.75%
Fire					
Contractually obligated contribution	\$ 1,959,709	\$ 1,837,467	\$ 1,094,091	\$ 1,659,724	\$ 1,323,824
Contributions in related to the contractually required contribution	1,959,709	1,837,467	1,094,091	1,659,724	1,323,824
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Las Cruces covered payroll	\$ 9,051,778	\$ 8,487,145	\$ 7,417,574	\$ 6,733,578	\$ 6,694,291
Contributions as a percentage of covered payroll	21.65%	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, 2019	As of and for the Year Ended June 30, 2018
City of Las Cruces' proportion of the net OPEB liability	1.58074%	1.49262%
City of Las Cruces' proportionate share of the net OPEB liability	\$ 63,488,112	\$ 67,640,543
City of Las Cruces' covered-employee payroll	\$ 67,823,495	\$ 41,631,772
City of Las Cruces' proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	93.61%	162.47%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	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.

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

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, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	\$ 1,457,909	\$ 1,300,015
Contributions in relation to the contractually required contribution	(1,457,909)	(1,300,015)
Contribution deficiency (excess)	\$ -	\$ -
City of Las Cruces' covered-employee payroll	\$ 67,823,495	\$ 41,631,772
Contributions as a percentage of covered-employee payroll	2.15%	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.

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

City of Las Cruces

Notes to Required Supplementary Information

June 30, 2019

Public Employees Retirement Association (PERA)

Changes of benefit terms The Public Employee Retirement Association (PERA) Fund, COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY18 audit available at https://reports.saonm.org/media/audits/366_Public_Employees_Retirement_Association_FY2018_Final.pdf

Changes of assumptions The PERA of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2018-PERA-Valuation-Report-FINAL.pdf>.

The summary of Key Findings for the PERA Fund (on page 2 of the report).

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 FY18 audit available at http://www.nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NM_RHCA_Audited_FS_6.30.18.pdf.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2018 report is available at http://www.nmrhca.org/uploads/FileLinks/4310380076d642ecb015117ae3cdbae8/5559596_NMRHCA_GASB74_Report_as_of_June_30_2018.pdf. See the notes to the financial statements beginning on page 15 which summarizes actuarial assumptions and methods effective with the June 30, 2018 valuation.

See independent auditors' report.

Combining and Individual Fund Financial Statements

CITY OF LAS CRUCES . NEW MEXICO

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Community Development Block Grant	Court Awarded Funds	Fire	Police Protection
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	16,942	-	1,024,557	177,370
Receivables, net	4,320,139	-	-	-
Due from other governmental units	94,588	-	-	-
Total assets	\$ 4,431,669	\$ -	\$ 1,024,557	\$ 177,370
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 58,606	\$ -	\$ 142,403	\$ 6,706
Due to other funds	-	48,855	-	-
Accrued liabilities	4,583	-	-	948
Unearned revenue	4,282,272	-	600,594	26,242
Total liabilities	4,345,461	48,855	742,997	33,896
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	281,560	143,474
Housing and community development	86,208	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	(48,855)	-	-
Total fund balances	86,208	(48,855)	281,560	143,474
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,431,669	\$ -	\$ 1,024,557	\$ 177,370

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program	Court Automation
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	389	73,715	23,470	510,275
Receivables, net	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 389	\$ 73,715	\$ 23,470	\$ 510,275
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 226	\$ -	\$ 21,935	\$ 13,700
Due to other funds	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	226	-	21,935	13,700
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	163	73,715	1,535	496,575
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	163	73,715	1,535	496,575
Total liabilities, deferred inflows of resources, and fund balances	\$ 389	\$ 73,715	\$ 23,470	\$ 510,275

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Prisoner Care	Juvenile Recreation	Convention & Visitors Bureau	DWI Prevention
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	83,142	2,362,263	10,772
Receivables, net	-	-	491,960	-
Due from other governmental units	-	-	-	-
Total assets	\$ -	\$ 83,142	\$ 2,854,223	\$ 10,772
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 244,354	\$ -	\$ 30,935	\$ -
Due to other funds	177,222	-	-	-
Accrued liabilities	-	-	16,854	-
Unearned revenue	-	-	-	-
Total liabilities	421,576	-	47,789	-
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	2,806,434	-
Public safety programs	-	83,142	-	10,772
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	(421,576)	-	-	-
Total fund balances	(421,576)	83,142	2,806,434	10,772
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 83,142	\$ 2,854,223	\$ 10,772

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Judicial Education	Environmental Gross Receipts Tax	Healthcare Services from MMC Lease	Special Revenue Grants
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	1,662	450,026	-
Receivables, net	-	-	-	454,632
Due from other governmental units	-	319,687	-	244,159
Total assets	\$ -	\$ 321,349	\$ 450,026	\$ 698,791
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ 237,284	\$ 42,929
Due to other funds	552	-	-	467,621
Accrued liabilities	-	-	877	8,576
Unearned revenue	-	-	-	178,209
Total liabilities	552	-	238,161	697,335
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	321,349	-	-
Committed for:				
Health related programs	-	-	211,865	-
Debt service	-	-	-	-
Public works	-	-	-	1,456
Unassigned (deficit)	(552)	-	-	-
Total fund balances	(552)	321,349	211,865	1,456
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 321,349	\$ 450,026	\$ 698,791

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Gasoline Tax Street Maintenance Fund	Keep Las Cruces Beautiful	Older Americans Act Program	Affordable Housing Trust
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	2,894,519	-	-	534,293
Receivables, net	-	-	213,057	-
Due from other governmental units	304,798	11,167	118,044	-
Total assets	\$ 3,199,317	\$ 11,167	\$ 331,101	\$ 534,293
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 85,193	\$ 733	\$ 63,234	\$ -
Due to other funds	-	9,793	265,421	-
Accrued liabilities	6,890	-	4,149	-
Unearned revenue	-	286	-	-
Total liabilities	92,083	10,812	332,804	-
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	534,293
Parks and recreation	-	355	-	-
Public works	3,107,234	-	-	-
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	(1,703)	-
Total fund balances	3,107,234	355	(1,703)	534,293
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,199,317	\$ 11,167	\$ 331,101	\$ 534,293

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue				Special Assessments/ Northrise Morningstar
	Alarm F & F	Street Maintenance	Special Revenue Flood Control		
Assets					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	-
Restricted cash and investments	3,211	3,289,667	2,773,428		37,548
Receivables, net	-	-	-		716,311
Due from other governmental units	-	1,272,091	341,279		-
Total assets	\$ 3,211	\$ 4,561,758	\$ 3,114,707	\$	753,859
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts and contracts payable	\$ 1,400	\$ 167,299	\$ 240,223	\$	-
Due to other funds	-	-	-		-
Accrued liabilities	-	6,104	11,714		-
Unearned revenue	-	-	-		-
Total liabilities	1,400	173,403	251,937		-
Deferred inflows of resources					
Special assessment receipts	-	-	-		716,311
Unavailable revenue	-	-	256,611		-
Total deferred inflows of resources	-	-	256,611		716,311
Fund balances					
Nonspendable:					
Restricted for:					
Economic development	-	-	-		-
Public safety programs	1,811	-	-		-
Housing and community development	-	-	-		-
Parks and recreation	-	-	-		-
Public works	-	4,388,355	2,606,159		-
Debt service	-	-	-		-
Committed for:					
Health related programs	-	-	-		-
Debt service	-	-	-		37,548
Public works	-	-	-		-
Unassigned (deficit)	-	-	-		-
Total fund balances	1,811	4,388,355	2,606,159		37,548
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,211	\$ 4,561,758	\$ 3,114,707	\$	753,859

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Downtown Revitalization	Valley View Heske Garden	Griggs Walnut Plume	TIDD Dedicated Revenues
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	54,524	171,622	3,595,853	6,381,358
Receivables, net	50	-	-	850
Due from other governmental units	-	-	-	88,351
Total assets	\$ 54,574	\$ 171,622	\$ 3,595,853	\$ 6,470,559
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 5,833	\$ -	\$ 18,674	\$ 2,059,445
Due to other funds	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	5,833	-	18,674	2,059,445
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	48,741	-	-	4,411,114
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	171,622	-	-
Public works	-	-	3,577,179	-
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	48,741	171,622	3,577,179	4,411,114
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,574	\$ 171,622	\$ 3,595,853	\$ 6,470,559

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			Capital Projects
	Las Cruces Convention Center	Public Safety Impact Fee	Sonoma Ranch	Public Parks
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 4,246,522
Restricted cash and investments	124,888	841,849	-	75,746
Receivables, net	121,267	7,536	7,878,638	-
Due from other governmental units	-	-	-	-
Total assets	\$ 246,155	\$ 849,385	\$ 7,878,638	\$ 4,322,268
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 82,266
Due to other funds	-	-	93,080	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	93,080	82,266
Deferred inflows of resources				
Special assessment receipts	-	-	7,878,637	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	7,878,637	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	849,385	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	4,240,002
Public works	-	-	-	-
Debt service	246,155	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	(93,079)	-
Total fund balances	246,155	849,385	(93,079)	4,240,002
Total liabilities, deferred inflows of resources, and fund balances	\$ 246,155	\$ 849,385	\$ 7,878,638	\$ 4,322,268

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects			
	Street Improvement	Capital Grants Projects	Sales Tax-Street Maintenance	VAD Street Project
Assets				
Pooled cash and investments	\$ 1,508,117	\$ -	\$ 3,767,002	\$ 3,169,311
Restricted cash and investments	59,017	-	104,507	173,282
Receivables, net	-	-	42,500	-
Due from other governmental units	-	1,357,953	-	-
Total assets	\$ 1,567,134	\$ 1,357,953	\$ 3,914,009	\$ 3,342,593
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ 231,765	\$ 87,065	\$ 340,731
Due to other funds	-	953,908	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	92,239	69,261	-
Total liabilities	-	1,277,912	156,326	340,731
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,567,134	80,041	3,757,683	3,001,862
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	1,567,134	80,041	3,757,683	3,001,862
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,567,134	\$ 1,357,953	\$ 3,914,009	\$ 3,342,593

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects			
	Flood Control	Completed Debt Projects	2016 Flood	2003 Sales Tax Facilities & Parks
Assets				
Pooled cash and investments	\$ 2,788,256	\$ -	\$ 2,879,888	\$ -
Restricted cash and investments	43,763	-	158,460	55,299
Receivables, net	4,779	-	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 2,836,798	\$ -	\$ 3,038,348	\$ 55,299
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ 23,811	\$ -	\$ 500,319	\$ -
Due to other funds	-	184,563	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	23,811	184,563	500,319	-
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	2,812,987	-	2,538,029	55,299
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	(184,563)	-	-
Total fund balances	2,812,987	(184,563)	2,538,029	55,299
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,836,798	\$ -	\$ 3,038,348	\$ 55,299

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects			
	State Equipment Acquisition	2003 Sales Tax Street Light	2005 GRT Public Improvements	2017 FAC
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 11,310,386
Restricted cash and investments	143,620	-	-	424,801
Receivables, net	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 143,620	\$ -	\$ -	\$ 11,735,187
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 11,486
Due to other funds	-	5,929	5,627	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	5,929	5,627	11,486
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	143,620	-	-	11,723,701
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	(5,929)	(5,627)	-
Total fund balances	143,620	(5,929)	(5,627)	11,723,701
Total liabilities, deferred inflows of resources, and fund balances	\$ 143,620	\$ -	\$ -	\$ 11,735,187

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects			
	Convention Center	2015A HHS	2015B HHS	2017 NMFA
Assets				
Pooled cash and investments	\$ -	\$ 7,131,824	\$ 3,868,172	\$ -
Restricted cash and investments	-	-	-	4,409,006
Receivables, net	-	-	14,479	-
Due from other governmental units	-	-	-	-
Total assets	\$ -	\$ 7,131,824	\$ 3,882,651	\$ 4,409,006
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ 852,000	\$ 271,462	\$ 6,215
Due to other funds	144,289	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	144,289	852,000	271,462	6,215
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	6,279,824	3,611,189	4,402,791
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	(144,289)	-	-	-
Total fund balances	(144,289)	6,279,824	3,611,189	4,402,791
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 7,131,824	\$ 3,882,651	\$ 4,409,006

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects			
	TIDD Street Projects	Community Investment Projects	2018 Gas Tax Loan	GO Bond Project 2019
Assets				
Pooled cash and investments	\$ -	\$ 4,890,115	\$ -	\$ -
Restricted cash and investments	1,304,045	189,406	1,766,104	17,592,567
Receivables, net	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 1,304,045	\$ 5,079,521	\$ 1,766,104	\$ 17,592,567
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ 255,485	\$ 633,191	\$ 13,261
Due to other funds	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	255,485	633,191	13,261
Deferred inflows of resources				
Special assessment receipts	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable:				
Restricted for:				
Economic development	-	-	-	-
Public safety programs	-	-	-	-
Housing and community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,304,045	4,824,036	1,132,913	17,579,306
Debt service	-	-	-	-
Committed for:				
Health related programs	-	-	-	-
Debt service	-	-	-	-
Public works	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	1,304,045	4,824,036	1,132,913	17,579,306
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,304,045	\$ 5,079,521	\$ 1,766,104	\$ 17,592,567

(Continued)

See independent auditors' report.

City of Las Cruces
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Capital Projects

	2018 HHGRT	Total
Assets		
Pooled cash and investments	\$ -	\$ 45,559,593
Restricted cash and investments	9,635,738	61,572,704
Receivables, net	-	14,266,198
Due from other governmental units	-	4,152,117
Total assets	\$ 9,635,738	\$ 125,550,612
Liabilities, deferred inflows of resources, and fund balances		
Liabilities		
Accounts and contracts payable	\$ -	\$ 6,750,169
Due to other funds	-	2,356,860
Accrued liabilities	-	60,695
Unearned revenue	-	5,249,103
Total liabilities	-	14,416,827
Deferred inflows of resources		
Special assessment receipts	-	8,594,948
Unavailable revenue	-	256,611
Total deferred inflows of resources	-	8,851,559
Fund balances		
Nonspendable:		
Restricted for:		
Economic development	-	7,266,289
Public safety programs	-	1,942,132
Housing and community development	-	620,501
Parks and recreation	-	4,411,979
Public works	9,635,738	88,129,125
Debt service	-	567,504
Committed for:		
Health related programs	-	211,865
Debt service	-	37,548
Public works	-	1,456
Unassigned (deficit)	-	(906,173)
Total fund balances	9,635,738	102,282,226
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,635,738	\$ 125,550,612

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Community Development Block Grant	Court Awarded Funds	Fire	Police Protection
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	3,664	-	-	-
Fees and fines	-	-	-	135
Investment income (loss)	16,821	(3,826)	39,641	11,586
Intergovernmental:				
Federal	906,347	-	-	31,806
State	-	-	785,327	136,800
Local	-	-	-	-
Other	102,049	-	-	-
Total revenues	1,028,881	(3,826)	824,968	180,327
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	253,199
Fire	-	-	564,585	-
Community development	1,024,011	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	985	-	220,742	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	1,024,996	-	785,327	253,199
Revenues over (under) expenditures	3,885	(3,826)	39,641	(72,872)
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	4,637
Transfers in	-	67,291	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	67,291	-	4,637
Net change in fund balance	3,885	63,465	39,641	(68,235)
Fund balance - beginning of year	82,323	(112,320)	241,919	211,709
Fund balance - end of year	\$ 86,208	\$ (48,855)	\$ 281,560	\$ 143,474

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Emergency Medical Services	Traffic Safety	Safe Traffic Operations Program	Court Automation
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	18,464	-	83,896
Investment income (loss)	516	4,055	-	29,361
Intergovernmental:				
Federal	-	-	-	-
State	20,540	-	-	-
Local	-	-	-	-
Other	-	-	-	8,651
Total revenues	21,056	22,519	-	121,908
Expenditures				
Current:				
General government	-	-	-	79,521
Police	-	22,136	-	-
Fire	21,805	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	50,463	19,447
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	21,805	22,136	50,463	98,968
Revenues over (under) expenditures	(749)	383	(50,463)	22,940
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(749)	383	(50,463)	22,940
Fund balance - beginning of year	912	73,332	51,998	473,635
Fund balance - end of year	\$ 163	\$ 73,715	\$ 1,535	\$ 496,575

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Prisoner Care	Juvenile Recreation	Convention & Visitors Bureau	DWI Prevention
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	2,144,835	-
State-shared	-	9,069	-	-
Charges for services	-	-	-	-
Fees and fines	151,375	-	-	12,137
Investment income (loss)	35,586	4,380	115,852	670
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	126,336	-
Total revenues	186,961	13,449	2,387,023	12,807
Expenditures				
Current:				
General government	1,565,894	-	-	-
Police	-	-	-	12,528
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	2,243,711	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	1,565,894	-	2,243,711	12,528
Revenues over (under) expenditures	(1,378,933)	13,449	143,312	279
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	750,000	-	-	-
Transfers (out)	-	-	(220,773)	-
Total other financing sources (uses)	750,000	-	(220,773)	-
Net change in fund balance	(628,933)	13,449	(77,461)	279
Fund balance - beginning of year	207,357	69,693	2,883,895	10,493
Fund balance - end of year	\$ (421,576)	\$ 83,142	\$ 2,806,434	\$ 10,772

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Judicial Education	Environmental Gross Receipts Tax	Healthcare Services from MMC Lease	Special Revenue Grants
Revenues				
Taxes:				
Gross receipts	\$ -	\$ 1,874,371	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	22,309	-	-	-
Investment income (loss)	65	-	22,392	-
Intergovernmental:				
Federal	-	-	-	1,011,198
State	-	-	-	1,146,947
Local	-	-	-	48,361
Other	-	-	-	4,488
Total revenues	22,374	1,874,371	22,392	2,210,994
Expenditures				
Current:				
General government	24,053	61,102	1,377,577	-
Police	-	-	-	931,502
Fire	-	-	-	567,036
Community development	-	-	-	237,960
Quality of life	-	-	-	63,265
Economic development	-	-	-	17,332
Public works	-	-	-	-
Parks and recreation	-	-	-	393,899
Capital outlay	-	-	-	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	24,053	61,102	1,377,577	2,210,994
Revenues over (under) expenditures	(1,679)	1,813,269	(1,355,185)	-
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	1,000,000	-
Transfers (out)	-	(1,824,666)	-	-
Total other financing sources (uses)	-	(1,824,666)	1,000,000	-
Net change in fund balance	(1,679)	(11,397)	(355,185)	-
Fund balance - beginning of year	1,127	332,746	567,050	1,456
Fund balance - end of year	\$ (552)	\$ 321,349	\$ 211,865	\$ 1,456

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Gasoline Tax Street Maintenance Fund	Keep Las Cruces Beautiful	Older Americans Act Program	Affordable Housing Trust
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	1,741,423	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	175,532	-	-	-
Intergovernmental:				
Federal	-	-	268,581	-
State	-	18,854	768,265	-
Local	-	-	-	-
Other	-	-	183,715	-
Total revenues	1,916,955	18,854	1,220,561	-
Expenditures				
Current:				
General government	14,746	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	17,554
Quality of life	-	-	1,222,262	-
Economic development	-	-	-	-
Public works	479,001	-	-	-
Parks and recreation	-	18,854	-	-
Capital outlay	710,176	-	-	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	1,203,923	18,854	1,222,262	17,554
Revenues over (under) expenditures	713,032	-	(1,701)	(17,554)
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	24,747
Transfers in	-	-	-	-
Transfers (out)	(1,137,519)	-	-	-
Total other financing sources (uses)	(1,137,519)	-	-	24,747
Net change in fund balance	(424,487)	-	(1,701)	7,193
Fund balance - beginning of year	3,531,721	355	(2)	527,100
Fund balance - end of year	\$ 3,107,234	\$ 355	\$ (1,703)	\$ 534,293

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Alarm F & F	Street Maintenance	Special Revenue Flood Control	Special Assessments/ Northrise Morningstar
Revenues				
Taxes:				
Gross receipts	\$ -	\$ 7,494,417	\$ -	\$ -
Property	-	-	4,677,668	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	193,090	-	-	-
Investment income (loss)	1,067	160,262	91,296	4,024
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	24,598	10,297
Total revenues	194,157	7,654,679	4,793,562	14,321
Expenditures				
Current:				
General government	193,090	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	1,032,604	1,191,227	-
Parks and recreation	-	-	52,927	-
Capital outlay	-	20,182	72,067	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	193,090	1,052,786	1,316,221	-
Revenues over (under) expenditures	1,067	6,601,893	3,477,341	14,321
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(5,917,466)	(3,310,177)	-
Total other financing sources (uses)	-	(5,917,466)	(3,310,177)	-
Net change in fund balance	1,067	684,427	167,164	14,321
Fund balance - beginning of year	744	3,703,928	2,438,995	23,227
Fund balance - end of year	\$ 1,811	\$ 4,388,355	\$ 2,606,159	\$ 37,548

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			
	Downtown Revitalization	Valley View Heske Garden	Griggs Walnut Plume	TIDD Dedicated Revenues
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ 787,951
Property	-	-	-	94,839
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	150,781	-
Fees and fines	-	-	-	-
Investment income (loss)	2,728	9,146	185,942	22,820
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	14,998	3,750
Total revenues	2,728	9,146	351,721	909,360
Expenditures				
Current:				
General government	-	-	526,190	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	75,000	-	-	82,020
Public works	-	-	-	-
Parks and recreation	-	5,000	-	-
Capital outlay	-	-	-	39,475
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	75,000	5,000	526,190	121,495
Revenues over (under) expenditures	(72,272)	4,146	(174,469)	787,865
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	75,000	-	358,148	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	75,000	-	358,148	-
Net change in fund balance	2,728	4,146	183,679	787,865
Fund balance - beginning of year	46,013	167,476	3,393,500	3,623,249
Fund balance - end of year	\$ 48,741	\$ 171,622	\$ 3,577,179	\$ 4,411,114

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue			Capital Projects
	Las Cruces Convention Center	Public Safety Impact Fee	Sonoma Ranch	Public Parks
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	1,303,403	-	-	1,446,354
Investment income (loss)	1,887	52,954	(11,745)	206,298
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	666,050	-	-
Total revenues	1,305,290	719,004	(11,745)	1,652,652
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	227,303
Capital outlay	-	-	-	532,586
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	-	-	-	759,889
Revenues over (under) expenditures	1,305,290	719,004	(11,745)	892,763
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,250,000)	(1,292,016)	-	-
Total other financing sources (uses)	(1,250,000)	(1,292,016)	-	-
Net change in fund balance	55,290	(573,012)	(11,745)	892,763
Fund balance - beginning of year	190,865	1,422,397	(81,334)	3,347,239
Fund balance - end of year	\$ 246,155	\$ 849,385	\$ (93,079)	\$ 4,240,002

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Capital Projects			
	Street Improvement	Capital Grants Projects	Sales Tax-Street Maintenance	VAD Street Project
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	57,392	-	205,365	232,930
Intergovernmental:				
Federal	-	652,548	-	-
State	-	2,169,978	-	-
Local	-	113,770	-	-
Other	30,000	-	530,024	-
Total revenues	87,392	2,936,296	735,389	232,930
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	519,401	-	-
Public works	2,207	17,348	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	2,513,318	4,352,154	3,527,615
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	2,207	3,050,067	4,352,154	3,527,615
Revenues over (under) expenditures	85,185	(113,771)	(3,616,765)	(3,294,685)
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	395,338	-	-	-
Transfers in	-	113,770	2,200,000	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	395,338	113,770	2,200,000	-
Net change in fund balance	480,523	(1)	(1,416,765)	(3,294,685)
Fund balance - beginning of year	1,086,611	80,042	5,174,448	6,296,547
Fund balance - end of year	\$ 1,567,134	\$ 80,041	\$ 3,757,683	\$ 3,001,862

See independent auditors' report.

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City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Capital Projects			
	Flood Control	Completed Debt Projects	2016 Flood	2003 Sales Tax Facilities & Parks
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	147,201	-	218,351	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	36,481	-	-	-
Total revenues	183,682	-	218,351	-
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	10,312	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	1,032,502	-	2,416,809	-
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	1,042,814	-	2,416,809	-
Revenues over (under) expenditures	(859,132)	-	(2,198,458)	-
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	870,000	-	-	-
Transfers (out)	(4)	-	-	(1)
Total other financing sources (uses)	869,996	-	-	(1)
Net change in fund balance	10,864	-	(2,198,458)	(1)
Fund balance - beginning of year	2,802,123	(184,563)	4,736,487	55,300
Fund balance - end of year	\$ 2,812,987	\$ (184,563)	\$ 2,538,029	\$ 55,299

See independent auditors' report.

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City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Capital Projects			
	State Equipment Acquisition	2003 Sales Tax Street Light	2005 GRT Public Improvements	2017 FAC
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	23,838	-	-	667,427
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	-	-
Total revenues	23,838	-	-	667,427
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	1,515,512	-	-	456,047
Debt service				
Debt issuance cost	55,969	-	-	-
Total expenditures	1,571,481	-	-	456,047
Revenues over (under) expenditures	(1,547,643)	-	-	211,380
Other financing sources (uses)				
Issuance of debt	1,419,664	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,419,664	-	-	-
Net change in fund balance	(127,979)	-	-	211,380
Fund balance - beginning of year	271,599	(5,929)	(5,627)	11,512,321
Fund balance - end of year	\$ 143,620	\$ (5,929)	\$ (5,627)	\$ 11,723,701

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Capital Projects			
	Convention Center	2015A HHS	2015B HHS	2017 NMFA
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	-	225,719	85,085	93,980
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	-	-
Total revenues	-	225,719	85,085	93,980
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	87,629	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	6,627,937	348,957	692,666
Debt service				
Debt issuance cost	-	-	-	-
Total expenditures	-	6,715,566	348,957	692,666
Revenues over (under) expenditures	-	(6,489,847)	(263,872)	(598,686)
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(6,489,847)	(263,872)	(598,686)
Fund balance - beginning of year	(144,289)	12,769,671	3,875,061	5,001,477
Fund balance - end of year	\$ (144,289)	\$ 6,279,824	\$ 3,611,189	\$ 4,402,791

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Capital Projects			
	TIDD Street Projects	Community Investment Projects	2018 Gas Tax Loan	GO Bond Project 2019
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment income (loss)	133,370	301,978	15,891	28,418
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	-	-	-	-
Total revenues	133,370	301,978	15,891	28,418
Expenditures				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Community development	-	-	-	-
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	4,245,292	1,598,282	1,383,041	117,444
Debt service				
Debt issuance cost	-	-	74,937	182,501
Total expenditures	4,245,292	1,598,282	1,457,978	299,945
Revenues over (under) expenditures	(4,111,922)	(1,296,304)	(1,442,087)	(271,527)
Other financing sources (uses)				
Issuance of debt	-	-	2,575,000	18,000,000
Premium on issuance of debt	-	-	-	190,169
Sale of capital assets	-	-	-	-
Transfers in	-	400,000	-	-
Transfers (out)	-	-	-	(339,336)
Total other financing sources (uses)	-	400,000	2,575,000	17,850,833
Net change in fund balance	(4,111,922)	(896,304)	1,132,913	17,579,306
Fund balance - beginning of year	5,415,967	5,720,340	-	-
Fund balance - end of year	\$ 1,304,045	\$ 4,824,036	\$ 1,132,913	\$ 17,579,306

See independent auditors' report.

(Continued)

City of Las Cruces

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

Capital Projects

	2018 HHGRT	Total
Revenues		
Taxes:		
Gross receipts	\$ -	\$ 10,156,739
Property	-	4,772,507
Lodgers	-	2,144,835
State-shared	-	1,750,492
Charges for services	-	154,445
Fees and fines	-	3,231,163
Investment income (loss)	166,819	3,783,074
Intergovernmental:		
Federal	-	2,870,480
State	-	5,046,711
Local	-	162,131
Other	-	1,741,437
Total revenues	166,819	35,814,014
Expenditures		
Current:		
General government	-	3,842,173
Police	-	1,219,365
Fire	-	1,153,426
Community development	-	1,279,525
Quality of life	-	1,285,527
Economic development	-	2,937,464
Public works	-	2,820,328
Parks and recreation	-	697,983
Capital outlay	-	32,493,699
Debt service		
Debt issuance cost	131,081	444,488
Total expenditures	131,081	48,173,978
Revenues over (under) expenditures	35,738	(12,359,964)
Other financing sources (uses)		
Issuance of debt	9,600,000	31,594,664
Premium on issuance of debt	-	190,169
Sale of capital assets	-	424,722
Transfers in	-	5,834,209
Transfers (out)	-	(15,291,958)
Total other financing sources (uses)	9,600,000	22,751,806
Net change in fund balance	9,635,738	10,391,842
Fund balance - beginning of year	-	91,890,384
Fund balance - end of year	\$ 9,635,738	\$ 102,282,226

See independent auditors' report.

City of Las Cruces

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

Debt Service Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Property	\$ -	\$ 4,368,570	\$ 4,587,022	\$ 218,452
Investment income (loss)	114,954	118,451	737,264	618,813
Other	360,258	360,258	1,815,987	1,455,729
Total revenues	475,212	4,847,279	7,140,273	2,292,994
Expenditures				
Debt service				
Principal payment	10,401,144	11,699,536	11,681,619	17,917
Interest and other charges	4,276,417	4,394,601	4,372,161	22,440
Total expenditures	14,677,561	16,094,137	16,053,780	40,357
Revenues over (under) expenditures	(14,202,349)	(11,246,858)	(8,913,507)	2,252,637
Other financing sources (uses)				
Premiums on issuance of debt	100,331	1,196,304	1,095,972	(100,332)
Transfers in	13,465,377	14,893,479	14,897,434	3,955
Total other financing sources (uses)	13,565,708	16,089,783	15,993,406	(96,377)
Net change in fund balance	(636,641)	4,842,925	7,079,899	2,156,260
Fund balances- beginning of year	4,757,828	4,757,828	4,757,828	-
Fund balance- end of year	\$ 4,121,187	\$ 9,600,753	\$ 11,837,727	\$ 2,156,260

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Community Development Block Grant For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 7,842	\$ 7,842	\$ 3,664	\$ (4,178)
Investment income (loss)	18,282	18,282	16,821	(1,461)
Intergovernmental				-
Federal	2,759,966	2,778,552	906,347	(1,872,205)
Other	110,302	110,302	102,049	(8,253)
Total revenues	2,896,392	2,914,978	1,028,881	(1,886,097)
Expenditures				
Current				
Community development	2,721,858	2,844,576	1,024,011	1,820,565
Capital outlay	99,939	99,939	985	98,954
Total expenditures	2,821,797	2,944,515	1,024,996	1,919,519
Revenues over (under) expenditures	74,595	(29,537)	3,885	(3,805,616)
Net change in fund balance	74,595	(29,537)	3,885	(3,805,616)
Fund balances- beginning of year	82,323	82,323	82,323	-
Fund balance- end of year	\$ 156,918	\$ 52,786	\$ 86,208	\$ (3,805,616)

See independent auditors' report.

City of Las Cruces

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

Court Awarded Funds

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 4,360	\$ 4,360	\$ (3,826)	\$ (8,186)
Total revenues	4,360	4,360	(3,826)	(8,186)
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	4,360	4,360	(3,826)	(8,186)
Other financing sources (uses)				
Transfers in	-	67,291	67,291	-
Total other financing sources (uses)	-	67,291	67,291	-
Net change in fund balance	4,360	71,651	63,465	(8,186)
Fund balances- beginning of year	(112,320)	(112,320)	(112,320)	-
Fund balance- end of year	\$ (107,960)	\$ (40,669)	\$ (48,855)	\$ (8,186)

See independent auditors' report.

City of Las Cruces

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

Fire Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 13,196	\$ 13,196	\$ 39,641	\$ 26,445
Intergovernmental				-
State	1,005,309	1,364,573	785,327	(579,246)
Local	-	5,000	-	(5,000)
Other	506	506	-	(506)
Total revenues	1,019,011	1,383,275	824,968	(558,307)
Expenditures				
Current				
Fire	717,500	936,177	564,585	371,592
Capital outlay	332,000	477,588	220,742	256,846
Total expenditures	1,049,500	1,413,765	785,327	628,438
Revenues over (under) expenditures	(30,489)	(30,490)	39,641	(1,186,745)
Net change in fund balance	(30,489)	(30,490)	39,641	(1,186,745)
Fund balances- beginning of year	241,919	241,919	241,919	-
Fund balance- end of year	\$ 211,430	\$ 211,429	\$ 281,560	\$ (1,186,745)

See independent auditors' report.

City of Las Cruces

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

Police Protection Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 79,421	\$ 79,421	\$ 135	\$ (79,286)
Investment income (loss)	3,793	3,793	11,586	7,793
Intergovernmental				
Federal	33,808	50,087	31,806	(18,281)
State	136,800	136,800	136,800	-
Total revenues	253,822	270,101	180,327	(89,774)
Expenditures				
Current				
Police	269,433	319,520	253,199	66,321
Total expenditures	269,433	319,520	253,199	66,321
Revenues over (under) expenditures	(15,611)	(49,419)	(72,872)	(156,095)
Other financing sources (uses)				
Sale of capital assets	33,195	33,195	4,637	(28,558)
Total other financing sources (uses)	33,195	33,195	4,637	(28,558)
Net change in fund balance	17,584	(16,224)	(68,235)	(184,653)
Fund balances- beginning of year	211,709	211,709	211,709	-
Fund balance- end of year	\$ 229,293	\$ 195,485	\$ 143,474	\$ (184,653)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Emergency Medical Services Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 155	\$ 155	\$ 516	\$ 361
Intergovernmental				
State	16,031	20,000	20,540	540
Total revenues	16,186	20,155	21,056	901
Expenditures				
Current				
Fire	16,223	21,805	21,805	-
Total expenditures	16,223	21,805	21,805	-
Revenues over (under) expenditures	(37)	(1,650)	(749)	901
Net change in fund balance	(37)	(1,650)	(749)	901
Fund balances- beginning of year	912	912	912	-
Fund balance- end of year	\$ 875	\$ (738)	\$ 163	\$ 901

See independent auditors' report.

City of Las Cruces

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

Traffic Safety Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 23,636	\$ 23,636	\$ 18,464	\$ (5,172)
Investment income (loss)	1,075	1,075	4,055	2,980
Total revenues	24,711	24,711	22,519	(2,192)
Expenditures				
Current				
Police	23,636	23,636	22,136	1,500
Total expenditures	23,636	23,636	22,136	1,500
Revenues over (under) expenditures	1,075	1,075	383	(3,692)
Net change in fund balance	1,075	1,075	383	(3,692)
Fund balances- beginning of year	73,332	73,332	73,332	-
Fund balance- end of year	\$ 74,407	\$ 74,407	\$ 73,715	\$ (3,692)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Safe Traffic Operations Program Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	21,935	50,463	50,463	-
Total expenditures	21,935	50,463	50,463	-
Revenues over (under) expenditures	(21,935)	(50,463)	(50,463)	-
Net change in fund balance	(21,935)	(50,463)	(50,463)	-
Fund balances- beginning of year	51,998	51,998	51,998	-
Fund balance- end of year	\$ 30,063	\$ 1,535	\$ 1,535	\$ -

See independent auditors' report.

City of Las Cruces

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

Court Automation Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 100,124	\$ 100,124	\$ 83,896	\$ (16,228)
Investment income (loss)	5,093	5,093	29,361	24,268
Other	27,654	27,654	8,651	(19,003)
Total revenues	132,871	132,871	121,908	(10,963)
Expenditures				
Current				
General government	133,151	133,151	79,521	53,630
Capital outlay	-	45,000	19,447	25,553
Total expenditures	133,151	178,151	98,968	79,183
Revenues over (under) expenditures	(280)	(45,280)	22,940	(90,146)
Net change in fund balance	(280)	(45,280)	22,940	(90,146)
Fund balances- beginning of year	473,635	473,635	473,635	-
Fund balance- end of year	\$ 473,355	\$ 428,355	\$ 496,575	\$ (90,146)

See independent auditors' report.

City of Las Cruces

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

Prisoner Care Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 201,125	\$ 201,125	\$ 151,375	\$ (49,750)
Investment income (loss)	20,978	20,978	35,586	14,608
Total revenues	222,103	222,103	186,961	(35,142)
Expenditures				
Current				
General government	1,472,290	1,592,290	1,565,894	26,396
Total expenditures	1,472,290	1,592,290	1,565,894	26,396
Revenues over (under) expenditures	(1,250,187)	(1,370,187)	(1,378,933)	(61,538)
Other financing sources (uses)				
Transfers in	750,000	750,000	750,000	-
Total other financing sources (uses)	750,000	750,000	750,000	-
Net change in fund balance	(500,187)	(620,187)	(628,933)	(61,538)
Fund balances- beginning of year	207,357	207,357	207,357	-
Fund balance- end of year	\$ (292,830)	\$ (412,830)	\$ (421,576)	\$ (61,538)

See independent auditors' report.

City of Las Cruces

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

Juvenile Recreation Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
State-shared	\$ 8,000	\$ 8,000	\$ 9,069	\$ 1,069
Investment income (loss)	1,121	1,121	4,380	3,259
Total revenues	9,121	9,121	13,449	4,328
Expenditures				
Capital outlay	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Revenues over (under) expenditures	(40,879)	(40,879)	13,449	(45,672)
Net change in fund balance	(40,879)	(40,879)	13,449	(45,672)
Fund balances- beginning of year	69,693	69,693	69,693	-
Fund balance- end of year	\$ 28,814	\$ 28,814	\$ 83,142	\$ (45,672)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Convention & Visitors Bureau Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Lodgers	\$ 2,028,916	\$ 2,028,916	\$ 2,144,835	\$ 115,919
Investment income (loss)	53,350	53,350	115,852	62,502
Other	1,750	1,750	126,336	124,586
Total revenues	2,084,016	2,084,016	2,387,023	303,007
Expenditures				
Current				
Economic development	2,508,533	2,681,855	2,243,711	438,144
Capital outlay	17,200	17,200	-	17,200
Total expenditures	2,525,733	2,699,055	2,243,711	455,344
Revenues over (under) expenditures	(441,717)	(615,039)	143,312	(152,337)
Other financing sources (uses)				
Transfers (out)	(206,300)	(220,773)	(220,773)	-
Total other financing sources (uses)	(206,300)	(220,773)	(220,773)	-
Net change in fund balance	(648,017)	(835,812)	(77,461)	(152,337)
Fund balances- beginning of year	2,883,895	2,883,895	2,883,895	-
Fund balance- end of year	\$ 2,235,878	\$ 2,048,083	\$ 2,806,434	\$ (152,337)

See independent auditors' report.

City of Las Cruces

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

DWI Prevention Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 2,028	\$ 13,251	\$ 12,137	\$ (1,114)
Investment income (loss)	106	106	670	564
Total revenues	2,134	13,357	12,807	(550)
Expenditures				
Current				
Police	1,775	11,880	12,528	(648)
Total expenditures	1,775	11,880	12,528	(648)
Revenues over (under) expenditures	359	1,477	279	98
Net change in fund balance	359	1,477	279	98
Fund balances- beginning of year	10,493	10,493	10,493	-
Fund balance- end of year	\$ 10,852	\$ 11,970	\$ 10,772	\$ 98

See independent auditors' report.

City of Las Cruces

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

Judicial Education Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 35,000	\$ 35,000	\$ 22,309	\$ (12,691)
Investment income (loss)	97	97	65	(32)
Total revenues	35,097	35,097	22,374	(12,723)
Expenditures				
Current				
General government	35,000	35,000	24,053	10,947
Total expenditures	35,000	35,000	24,053	10,947
Revenues over (under) expenditures	97	97	(1,679)	(23,670)
Net change in fund balance	97	97	(1,679)	(23,670)
Fund balances- beginning of year	1,127	1,127	1,127	-
Fund balance- end of year	\$ 1,224	\$ 1,224	\$ (552)	\$ (23,670)

See independent auditors' report.

City of Las Cruces

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

Environmental Gross Receipts Tax Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Gross receipts	\$ 1,860,000	\$ 1,860,000	\$ 1,874,371	\$ 14,371
Total revenues	1,860,000	1,860,000	1,874,371	14,371
Expenditures				
Current				
General government	55,125	55,125	61,102	(5,977)
Total expenditures	55,125	55,125	61,102	(5,977)
Revenues over (under) expenditures	1,804,875	1,804,875	1,813,269	20,348
Other financing sources (uses)				
Transfers (out)	(1,980,489)	(1,980,489)	(1,824,666)	155,823
Total other financing sources (uses)	(1,980,489)	(1,980,489)	(1,824,666)	155,823
Net change in fund balance	(175,614)	(175,614)	(11,397)	176,171
Fund balances- beginning of year	332,746	332,746	332,746	-
Fund balance- end of year	\$ 157,132	\$ 157,132	\$ 321,349	\$ 176,171

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Healthcare Services from MMC Lease Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 1,561	\$ 1,561	\$ 22,392	\$ 20,831
Total revenues	5,161	5,161	22,392	17,231
Expenditures				
Current				
General government	942,000	1,547,139	1,377,577	169,562
Total expenditures	942,000	1,547,139	1,377,577	169,562
Revenues over (under) expenditures	(936,839)	(1,541,978)	(1,355,185)	(152,331)
Other financing sources (uses)				
Transfers in	400,000	1,000,000	1,000,000	-
Total other financing sources (uses)	400,000	1,000,000	1,000,000	-
Net change in fund balance	(536,839)	(541,978)	(355,185)	(152,331)
Fund balances- beginning of year	567,050	567,050	567,050	-
Fund balance- end of year	\$ 30,211	\$ 25,072	\$ 211,865	\$ (152,331)

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City of Las Cruces

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

Special Revenue Grants Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental				
Federal	\$ 347,602	\$ 2,303,628	\$ 1,011,198	\$ (1,292,430)
State	931,296	2,197,257	1,146,947	(1,050,310)
Local	40,032	146,556	48,361	(98,195)
Other	-	7,000	4,488	(2,512)
Total revenues	1,318,930	4,654,441	2,210,994	(2,443,447)
Expenditures				
Current				
Police	441,590	810,629	931,502	(120,873)
Fire	-	1,941,283	567,036	1,374,247
Community development	460,770	482,000	237,960	244,040
Quality of life	21,344	192,388	63,265	129,123
Economic development	80,000	604,100	17,332	586,768
Public works	4,000	-	-	-
Parks and recreation	316,227	484,041	393,899	90,142
Capital outlay	10,000	140,000	-	140,000
Total expenditures	1,333,931	4,654,441	2,210,994	2,443,447
Revenues over (under) expenditures	(15,001)	-	-	(4,886,894)
Net change in fund balance	(15,001)	-	-	(4,886,894)
Fund balances- beginning of year	1,456	1,456	1,456	-
Fund balance- end of year	\$ (13,545)	\$ 1,456	\$ 1,456	\$ (4,886,894)

See independent auditors' report.

City of Las Cruces

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

Gasoline Tax Street Maintenance Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
State-shared	\$ 1,463,684	\$ 1,463,684	\$ 1,741,423	\$ 277,739
Investment income (loss)	7,540	7,540	175,532	167,992
Total revenues	1,471,224	1,471,224	1,916,955	445,731
Expenditures				
Current				
General government	4,000	15,000	14,746	254
Public works	609,432	598,432	479,001	119,431
Capital outlay	233,400	2,861,000	710,176	2,150,824
Total expenditures	846,832	3,474,432	1,203,923	2,270,509
Revenues over (under) expenditures	624,392	(2,003,208)	713,032	(1,824,778)
Other financing sources (uses)				
Transfers (out)	(704,528)	(1,137,519)	(1,137,519)	-
Total other financing sources (uses)	(704,528)	(1,137,519)	(1,137,519)	-
Net change in fund balance	(80,136)	(3,140,727)	(424,487)	(1,824,778)
Fund balances- beginning of year	3,531,721	3,531,721	3,531,721	-
Fund balance- end of year	\$ 3,451,585	\$ 390,994	\$ 3,107,234	\$ (1,824,778)

See independent auditors' report.

City of Las Cruces

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

Keep Las Cruces Beautiful Fund

For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental				
State	\$ -	\$ 19,621	\$ 18,854	\$ (767)
Total revenues	-	19,621	18,854	(767)
Expenditures				
Current				
Parks and recreation	-	19,621	18,854	767
Total expenditures	-	19,621	18,854	767
Revenues over (under) expenditures	-	-	-	(1,534)
Net change in fund balance	-	-	-	(1,534)
Fund balances- beginning of year	355	355	355	-
Fund balance- end of year	\$ 355	\$ 355	\$ 355	\$ (1,534)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Older Americans Act Program Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental				
Federal	\$ 272,793	\$ 398,539	\$ 268,581	\$ (129,958)
State	519,444	768,265	768,265	-
Other	187,000	183,713	183,715	2
Total revenues	979,237	1,350,517	1,220,561	(129,956)
Expenditures				
Current				
Quality of life	979,237	1,350,517	1,222,262	128,255
Total expenditures	979,237	1,350,517	1,222,262	128,255
Revenues over (under) expenditures	-	-	(1,701)	(258,211)
Net change in fund balance	-	-	(1,701)	(258,211)
Fund balances- beginning of year	(2)	(2)	(2)	-
Fund balance- end of year	\$ (2)	\$ (2)	\$ (1,703)	\$ (258,211)

See independent auditors' report.

City of Las Cruces

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

Affordable Housing Trust Fund For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental				
State	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
Community development	516,155	516,155	17,554	498,601
Total expenditures	516,155	516,155	17,554	498,601
Revenues over (under) expenditures	(516,155)	(516,155)	(17,554)	(498,601)
Other financing sources (uses)				
Sale of capital assets	4,394	4,394	24,747	20,353
Total other financing sources (uses)	4,394	4,394	24,747	20,353
Net change in fund balance	(511,761)	(511,761)	7,193	(478,248)
Fund balances- beginning of year	527,100	527,100	527,100	-
Fund balance- end of year	\$ 15,339	\$ 15,339	\$ 534,293	\$ (478,248)

See independent auditors' report.

City of Las Cruces

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

Alarm F & F Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 130,000	\$ 182,515	\$ 193,090	\$ 10,575
Investment income (loss)	-	-	1,067	1,067
Total revenues	130,000	182,515	194,157	11,642
Expenditures				
Current				
General government	130,000	182,515	193,090	(10,575)
Total expenditures	130,000	182,515	193,090	(10,575)
Revenues over (under) expenditures	-	-	1,067	22,217
Net change in fund balance	-	-	1,067	22,217
Fund balances- beginning of year	744	744	744	-
Fund balance- end of year	\$ 744	\$ 744	\$ 1,811	\$ 22,217

See independent auditors' report.

City of Las Cruces

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

Street Maintenance Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Gross receipts	\$ 7,618,166	\$ 7,618,166	\$ 7,494,417	\$ (123,749)
Investment income (loss)	25,140	25,140	160,262	135,122
Total revenues	7,643,306	7,643,306	7,654,679	11,373
Expenditures				
Current				
Public works	2,029,673	2,009,490	1,032,604	976,886
Capital outlay	-	20,183	20,182	1
Total expenditures	2,029,673	2,029,673	1,052,786	976,887
Revenues over (under) expenditures	5,613,633	5,613,633	6,601,893	(965,514)
Other financing sources (uses)				
Transfers (out)	(5,717,466)	(5,917,466)	(5,917,466)	-
Total other financing sources (uses)	(5,717,466)	(5,917,466)	(5,917,466)	-
Net change in fund balance	(103,833)	(303,833)	684,427	(965,514)
Fund balances- beginning of year	3,703,928	3,703,928	3,703,928	-
Fund balance- end of year	\$ 3,600,095	\$ 3,400,095	\$ 4,388,355	\$ (965,514)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Special Revenue Flood Control Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Property	\$ 4,337,549	\$ 4,337,549	\$ 4,677,668	\$ 340,119
Investment income (loss)	22,120	22,120	91,296	69,176
Other	-	-	24,598	24,598
Total revenues	4,359,669	4,359,669	4,793,562	433,893
Expenditures				
Current				
Public works	2,086,641	2,096,476	1,191,227	905,249
Parks and recreation	50,000	50,000	52,927	(2,927)
Capital outlay	139,600	214,690	72,067	142,623
Total expenditures	2,276,241	2,361,166	1,316,221	1,044,945
Revenues over (under) expenditures	2,083,428	1,998,503	3,477,341	(611,052)
Other financing sources (uses)				
Transfers (out)	(2,840,177)	(3,310,177)	(3,310,177)	-
Total other financing sources (uses)	(2,840,177)	(3,310,177)	(3,310,177)	-
Net change in fund balance	(756,749)	(1,311,674)	167,164	(611,052)
Fund balances- beginning of year	2,438,995	2,438,995	2,438,995	-
Fund balance- end of year	\$ 1,682,246	\$ 1,127,321	\$ 2,606,159	\$ (611,052)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Special Assessments/Northrise Morningstar Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 62,418	\$ 62,418	\$ 4,024	(58,394)
Other	32,000	32,000	10,297	(21,703)
Total revenues	94,418	94,418	14,321	(80,097)
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	94,418	94,418	14,321	(80,097)
Net change in fund balance	94,418	94,418	14,321	(80,097)
Fund balances- beginning of year	23,227	23,227	23,227	-
Fund balance- end of year	\$ 117,645	\$ 117,645	\$ 37,548	\$ (80,097)

See independent auditors' report.

City of Las Cruces

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

Downtown Revitalization Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 936	\$ 936	\$ 2,728	1,792
Total revenues	936	936	2,728	1,792
Expenditures				
Current				
Economic development	75,000	75,000	75,000	-
Total expenditures	75,000	75,000	75,000	-
Revenues over (under) expenditures	(74,064)	(74,064)	(72,272)	1,792
Other financing sources (uses)				
Transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	75,000	75,000	75,000	-
Net change in fund balance	936	936	2,728	1,792
Fund balances- beginning of year	46,013	46,013	46,013	-
Fund balance- end of year	\$ 46,949	\$ 46,949	\$ 48,741	\$ 1,792

See independent auditors' report.

City of Las Cruces

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

Valley View Heske Garden Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 3,120	\$ 3,120	\$ 9,146	\$ 6,026
Total revenues	3,120	3,120	9,146	6,026
Expenditures				
Current				
Parks and recreation	5,000	5,000	5,000	-
Total expenditures	5,000	5,000	5,000	-
Revenues over (under) expenditures	(1,880)	(1,880)	4,146	6,026
Net change in fund balance	(1,880)	(1,880)	4,146	6,026
Fund balances- beginning of year	167,476	167,476	167,476	-
Fund balance- end of year	\$ 165,596	\$ 165,596	\$ 171,622	\$ 6,026

See independent auditors' report.

City of Las Cruces

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

Griggs Walnut Plume Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 204,000	\$ 204,000	\$ 150,781	\$ (53,219)
Investment income (loss)	34,395	34,395	185,942	151,547
Other	-	-	14,998	14,998
Total revenues	238,395	238,395	351,721	113,326
Expenditures				
Current				
General government	2,110,262	1,841,406	526,190	1,315,216
Total expenditures	2,110,262	1,841,406	526,190	1,315,216
Revenues over (under) expenditures	(1,871,867)	(1,603,011)	(174,469)	(1,201,890)
Other financing sources (uses)				
Transfers in	388,733	388,733	358,148	(30,585)
Total other financing sources (uses)	388,733	388,733	358,148	(30,585)
Net change in fund balance	(1,483,134)	(1,214,278)	183,679	(1,232,475)
Fund balances- beginning of year	3,393,500	3,393,500	3,393,500	-
Fund balance- end of year	\$ 1,910,366	\$ 2,179,222	\$ 3,577,179	\$ (1,232,475)

See independent auditors' report.

City of Las Cruces

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

TIDD Dedicated Revenues Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Gross receipts	\$ 837,586	\$ 837,586	\$ 787,951	\$ (49,635)
Property	41,879	41,879	94,839	52,960
State-shared	2,139,836	2,139,836	-	(2,139,836)
Investment income (loss)	30,516	30,516	22,820	(7,696)
Other	181	181	3,750	3,569
Total revenues	3,049,998	3,049,998	909,360	(2,140,638)
Expenditures				
Current				
Economic development	136,800	136,800	82,020	54,780
Capital outlay	-	39,475	39,475	-
Debt service				
Principal payment	1,306,667	1,306,667	-	1,306,667
Total expenditures	1,443,467	1,482,942	121,495	1,361,447
Revenues over (under) expenditures	1,606,531	1,567,056	787,865	(3,502,085)
Net change in fund balance	1,606,531	1,567,056	787,865	(3,502,085)
Fund balances- beginning of year	3,623,249	3,623,249	3,623,249	-
Fund balance- end of year	\$ 5,229,780	\$ 5,190,305	\$ 4,411,114	\$ (3,502,085)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Las Cruces Convention Center Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 1,265,569	\$ 1,265,569	\$ 1,303,403	\$ 37,834
Investment income (loss)	1,000	1,000	1,887	887
Total revenues	1,266,569	1,266,569	1,305,290	38,721
Expenditures				
Current				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	1,266,569	1,266,569	1,305,290	38,721
Other financing sources (uses)				
Transfers (out)	(1,250,000)	(1,250,000)	(1,250,000)	-
Total other financing sources (uses)	(1,250,000)	(1,250,000)	(1,250,000)	-
Net change in fund balance	16,569	16,569	55,290	38,721
Fund balances- beginning of year	190,865	190,865	190,865	-
Fund balance- end of year	\$ 207,434	\$ 207,434	\$ 246,155	\$ 38,721

See independent auditors' report.

City of Las Cruces

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

Public Safety Impact Fee Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 15,000	\$ 15,000	\$ 52,954	\$ 37,954
Other	450,000	450,000	666,050	216,050
Total revenues	465,000	465,000	719,004	254,004
Expenditures				
Capital outlay	19,116	19,116	-	19,116
Total expenditures	19,116	19,116	-	19,116
Revenues over (under) expenditures	445,884	445,884	719,004	234,888
Other financing sources (uses)				
Transfers (out)	(1,288,765)	(1,292,016)	(1,292,016)	-
Total other financing sources (uses)	(1,288,765)	(1,292,016)	(1,292,016)	-
Net change in fund balance	(842,881)	(846,132)	(573,012)	234,888
Fund balances- beginning of year	1,422,397	1,422,397	1,422,397	-
Fund balance- end of year	\$ 579,516	\$ 576,265	\$ 849,385	\$ 234,888

See independent auditors' report.

City of Las Cruces

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

Sonoma Ranch Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 38,850.00	\$ 38,850.00	\$ (11,745)	\$ (50,595.00)
Total revenues	38,850	38,850	(11,745)	(50,595)
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	38,850	38,850	(11,745)	(50,595)
Net change in fund balance	38,850	38,850	(11,745)	(50,595)
Fund balances- beginning of year	(81,334)	(81,334)	(81,334)	-
Fund balance- end of year	\$ (42,484)	\$ (42,484)	\$ (93,079)	\$ (50,595)

See independent auditors' report.

City of Las Cruces

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

Public Parks Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees and fines	\$ 850,000	\$ 850,000	\$ 1,446,354	\$ 596,354
Investment income (loss)	25,617	25,617	206,298	180,681
Total revenues	875,617	875,617	1,652,652	777,035
Expenditures				
Current				
Parks and recreation	7,100	261,100	227,303	33,797
Capital outlay	1,749,575	1,485,575	532,586	952,989
Total expenditures	1,756,675	1,746,675	759,889	986,786
Revenues over (under) expenditures	(881,058)	(871,058)	892,763	(209,751)
Net change in fund balance	(881,058)	(871,058)	892,763	(209,751)
Fund balances- beginning of year	3,347,239	3,347,239	3,347,239	-
Fund balance- end of year	\$ 2,466,181	\$ 2,476,181	\$ 4,240,002	\$ (209,751)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Street Improvement Funds For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 18,000	\$ 18,000	\$ 57,392	\$ 39,392
Other	-	-	30,000	30,000
Total revenues	18,000	18,000	87,392	69,392
Expenditures				
Current				
Public works	173,000	173,000	2,207	170,793
Capital outlay	830,000	830,000	-	830,000
Total expenditures	1,003,000	1,003,000	2,207	1,000,793
Revenues over (under) expenditures	(985,000)	(985,000)	85,185	(931,401)
Other financing sources (uses)				
Sale of capital assets	-	-	395,338	395,338
Total other financing sources (uses)	-	-	395,338	395,338
Net change in fund balance	(985,000)	(985,000)	480,523	(536,063)
Fund balances- beginning of year	1,086,611	1,086,611	1,086,611	-
Fund balance- end of year	\$ 101,611	\$ 101,611	\$ 1,567,134	\$ (536,063)

See independent auditors' report.

City of Las Cruces

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

Capital Grants Projects Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental				
Federal	\$ 224,995	\$ 304,125	\$ 652,548	\$ 348,423
State	3,206,526	5,333,325	2,169,978	(3,163,347)
Local	168,919	119,699	113,770	(5,929)
Total revenues	3,600,440	5,757,149	2,936,296	(2,820,853)
Expenditures				
Current				
Economic development	66,948	731,394	519,401	211,993
Public works	310,469	316,295	17,348	298,947
Capital outlay	3,185,083	5,260,853	2,513,318	2,747,535
Total expenditures	3,562,500	6,308,542	3,050,067	3,258,475
Revenues over (under) expenditures	37,940	(551,393)	(113,771)	(6,079,328)
Other financing sources (uses)				
Transfers in	-	150,000	113,770	(36,230)
Total other financing sources (uses)	-	150,000	113,770	(36,230)
Net change in fund balance	37,940	(401,393)	(1)	(6,115,558)
Fund balances- beginning of year	80,042	80,042	80,042	-
Fund balance- end of year	\$ 117,982	\$ (321,351)	\$ 80,041	\$ (6,115,558)

See independent auditors' report.

City of Las Cruces

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

Sales Tax-Street Maintenance Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 56,000	\$ 56,000	\$ 205,365	\$ 149,365
Other	250,000	250,000	530,024	280,024
Total revenues	306,000	306,000	735,389	429,389
Expenditures				
Capital outlay	6,491,204	6,292,418	4,352,154	1,940,264
Total expenditures	6,491,204	6,292,418	4,352,154	1,940,264
Revenues over (under) expenditures	(6,185,204)	(5,986,418)	(3,616,765)	(1,510,875)
Other financing sources (uses)				
Transfers in	2,200,000	2,200,000	2,200,000	-
Total other financing sources (uses)	2,200,000	2,200,000	2,200,000	-
Net change in fund balance	(3,985,204)	(3,786,418)	(1,416,765)	(1,510,875)
Fund balances- beginning of year	5,174,448	5,174,448	5,174,448	-
Fund balance- end of year	\$ 1,189,244	\$ 1,388,030	\$ 3,757,683	\$ (1,510,875)

See independent auditors' report.

City of Las Cruces

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

VAD Street Project Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 20,000	\$ 20,000	\$ 232,930	\$ 212,930
Total revenues	20,000	20,000	232,930	212,930
Expenditures				
Capital outlay	5,800,000	6,007,760	3,527,615	2,480,145
Total expenditures	5,800,000	6,007,760	3,527,615	2,480,145
Revenues over (under) expenditures	(5,780,000)	(5,987,760)	(3,294,685)	(2,267,215)
Net change in fund balance	(5,780,000)	(5,987,760)	(3,294,685)	(2,267,215)
Fund balances- beginning of year	6,296,547	6,296,547	6,296,547	-
Fund balance- end of year	\$ 516,547	\$ 308,787	\$ 3,001,862	\$ (2,267,215)

See independent auditors' report.

City of Las Cruces

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

Flood Control Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 54,892	\$ 54,896	\$ 147,201	\$ 92,305
Other	20,000	20,000	36,481	16,481
Total revenues	74,892	74,896	183,682	108,786
Expenditures				
Current				
Public works	-	2,965	10,312	(7,347)
Capital outlay	3,308,692	3,745,979	1,032,502	2,713,477
Total expenditures	3,308,692	3,748,944	1,042,814	2,706,130
Revenues over (under) expenditures	(3,233,800)	(3,674,048)	(859,132)	(2,597,344)
Other financing sources (uses)				
Transfers in	400,000	870,000	870,000	-
Transfers (out)	-	(4)	(4)	-
Total other financing sources (uses)	400,000	869,996	869,996	-
Net change in fund balance	(2,833,800)	(2,804,052)	10,864	(2,597,344)
Fund balances- beginning of year	2,802,123	2,802,123	2,802,123	-
Fund balance- end of year	\$ (31,677)	\$ (1,929)	\$ 2,812,987	\$ (2,597,344)

See independent auditors' report.

City of Las Cruces

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

Completed Debt Projects Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances- beginning of year	(184,563)	(184,563)	(184,563)	-
Fund balance- end of year	\$ (184,563)	\$ (184,563)	\$ (184,563)	\$ -

See independent auditors' report.

City of Las Cruces

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

2016 Flood Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 6,000	\$ 6,000	\$ 218,351	\$ 212,351
Total revenues	6,000	6,000	218,351	212,351
Expenditures				
Capital outlay	4,534,464	4,534,464	2,416,809	2,117,655
Total expenditures	4,534,464	4,534,464	2,416,809	2,117,655
Revenues over (under) expenditures	(4,528,464)	(4,528,464)	(2,198,458)	(1,905,304)
Net change in fund balance	(4,528,464)	(4,528,464)	(2,198,458)	(1,905,304)
Fund balances- beginning of year	4,736,487	4,736,487	4,736,487	-
Fund balance- end of year	\$ 208,023	\$ 208,023	\$ 2,538,029	\$ (1,905,304)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 2003 Sales Tax Facilities & Park Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	130,065	-	-	-
Total expenditures	130,065	-	-	-
Revenues over (under) expenditures	(130,065)	-	-	-
Other financing sources (uses)				
Transfers out	-	(2)	(1)	1
Total other financing sources (uses)	-	(2)	(1)	1
Net change in fund balance	(130,065)	(2)	(1)	1
Fund balances- beginning of year	55,300	55,300	55,300	-
Fund balance- end of year	\$ (74,765)	\$ 55,298	\$ 55,299	\$ 1

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual State Equipment Acquisition Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 7,000	\$ 7,000	\$ 23,838	\$ 16,838
Total revenues	7,000	7,000	23,838	16,838
Expenditures				
Capital outlay	259,924	1,629,940	1,515,512	114,428
Debt service				
Debt issuance cost	-	49,648	55,969	(6,321)
Total expenditures	259,924	1,679,588	1,571,481	108,107
Revenues over (under) expenditures	(252,924)	(1,672,588)	(1,547,643)	(91,269)
Other financing sources (uses)				
Issuance of debt	-	1,416,664	1,419,664	3,000
Total other financing sources (uses)	-	1,416,664	1,419,664	3,000
Net change in fund balance	(252,924)	(255,924)	(127,979)	(88,269)
Fund balances- beginning of year	271,599	271,599	271,599	-
Fund balance- end of year	\$ 18,675	\$ 15,675	\$ 143,620	\$ (88,269)

See independent auditors' report.

City of Las Cruces

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

2003 Sales Tax Street Light Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances- beginning of year	(5,929)	(5,929)	(5,929)	-
Fund balance- end of year	\$ (5,929)	\$ (5,929)	\$ (5,929)	\$ -

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
2005 GRT Public Improvements Fund
 For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances- beginning of year	(5,627)	(5,627)	(5,627)	-
Fund balance- end of year	\$ (5,627)	\$ (5,627)	\$ (5,627)	\$ -

See independent auditors' report.

City of Las Cruces

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

2017 FAC Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 80,000	\$ 80,000	\$ 667,427	\$ 587,427
Total revenues	80,000	80,000	667,427	587,427
Expenditures				
Capital outlay	11,694,353	11,594,736	456,047	11,138,689
Total expenditures	11,694,353	11,594,736	456,047	11,138,689
Revenues over (under) expenditures	(11,614,353)	(11,514,736)	211,380	(10,551,262)
Net change in fund balance	(11,614,353)	(11,514,736)	211,380	(10,551,262)
Fund balances- beginning of year	11,512,321	11,512,321	11,512,321	-
Fund balance- end of year	\$ (102,032)	\$ (2,415)	\$ 11,723,701	\$ (10,551,262)

See independent auditors' report.

City of Las Cruces

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

Convention Center Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances- beginning of year	(144,289)	(144,289)	(144,289)	-
Fund balance- end of year	\$ (144,289)	\$ (144,289)	\$ (144,289)	\$ -

See independent auditors' report.

City of Las Cruces

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

2015A HHS Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 30,000	\$ 30,000	\$ 225,719	\$ 195,719
Total revenues	30,000	30,000	225,719	195,719
Expenditures				
Current				
Public works	1,051,394	928,590	87,629	840,961
Capital outlay	12,412,881	12,008,703	6,627,937	5,380,766
Total expenditures	13,464,275	12,937,293	6,715,566	6,221,727
Revenues over (under) expenditures	(13,434,275)	(12,907,293)	(6,489,847)	(6,026,008)
Net change in fund balance	(13,434,275)	(12,907,293)	(6,489,847)	(6,026,008)
Fund balances- beginning of year	12,769,671	12,769,671	12,769,671	-
Fund balance- end of year	\$ (664,604)	\$ (137,622)	\$ 6,279,824	\$ (6,026,008)

See independent auditors' report.

City of Las Cruces

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

2015B HHS Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 5,000	\$ 5,000	\$ 85,085	\$ 80,085
Total revenues	5,000	5,000	85,085	80,085
Expenditures				
Current				
Economic development	-	104,655	-	104,655
Capital outlay	3,957,925	3,802,730	348,957	3,453,773
Total expenditures	3,957,925	3,907,385	348,957	3,558,428
Revenues over (under) expenditures	(3,952,925)	(3,902,385)	(263,872)	(3,478,343)
Net change in fund balance	(3,952,925)	(3,902,385)	(263,872)	(3,478,343)
Fund balances- beginning of year	3,875,061	3,875,061	3,875,061	-
Fund balance- end of year	\$ (77,864)	\$ (27,324)	\$ 3,611,189	\$ (3,478,343)

See independent auditors' report.

City of Las Cruces

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

2017 NMFA Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 32,000	\$ 32,000	\$ 93,980	\$ 61,980
Total revenues	32,000	32,000	93,980	61,980
Expenditures				
Capital outlay	5,056,895	5,012,192	692,666	4,319,526
Total expenditures	5,056,895	5,012,192	692,666	4,319,526
Revenues over (under) expenditures	(5,024,895)	(4,980,192)	(598,686)	(4,257,546)
Net change in fund balance	(5,024,895)	(4,980,192)	(598,686)	(4,257,546)
Fund balances- beginning of year	5,001,477	5,001,477	5,001,477	-
Fund balance- end of year	\$ (23,418)	\$ 21,285	\$ 4,402,791	\$ (4,257,546)

See independent auditors' report.

City of Las Cruces

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

TIDD Street Projects Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 50,000	\$ 50,000	\$ 133,370	\$ 83,370
Total revenues	50,000	50,000	133,370	83,370
Expenditures				
Capital outlay	4,458,919	5,565,919	4,245,292	1,320,627
Total expenditures	4,458,919	5,565,919	4,245,292	1,320,627
Revenues over (under) expenditures	(4,408,919)	(5,515,919)	(4,111,922)	(1,237,257)
Net change in fund balance	(4,408,919)	(5,515,919)	(4,111,922)	(1,237,257)
Fund balances- beginning of year	5,415,967	5,415,967	5,415,967	-
Fund balance- end of year	\$ 1,007,048	\$ (99,952)	\$ 1,304,045	\$ (1,237,257)

See independent auditors' report.

City of Las Cruces

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Community Investment Projects Fund For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ 50,000	\$ 50,000	\$ 301,978	\$ 251,978
Total revenues	50,000	50,000	301,978	251,978
Expenditures				
Capital outlay	6,100,000	3,454,053	1,598,282	1,855,771
Total expenditures	6,100,000	3,454,053	1,598,282	1,855,771
Revenues over (under) expenditures	(6,050,000)	(3,404,053)	(1,296,304)	(1,603,793)
Other financing sources (uses)				
Transfers in	-	400,000	400,000	-
Total other financing sources (uses)	-	400,000	400,000	-
Net change in fund balance	(6,050,000)	(3,004,053)	(896,304)	(1,603,793)
Fund balances- beginning of year	5,720,340	5,720,340	5,720,340	-
Fund balance- end of year	\$ (329,660)	\$ 2,716,287	\$ 4,824,036	\$ (1,603,793)

See independent auditors' report.

City of Las Cruces

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

2018 Gas Tax Loan Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 15,891	\$ 15,891
Total revenues	-	-	15,891	15,891
Expenditures				
Capital outlay	-	2,466,375	1,383,041	1,083,334
Debt service				
Debt issuance cost	-	108,625	74,937	33,688
Total expenditures	-	2,575,000	1,457,978	1,117,022
Revenues over (under) expenditures	-	(2,575,000)	(1,442,087)	(1,101,131)
Other financing sources (uses)				
Issuance of debt	-	2,575,000	2,575,000	-
Total other financing sources (uses)	-	2,575,000	2,575,000	-
Net change in fund balance	-	-	1,132,913	(1,101,131)
Fund balances- beginning of year	-	-	-	-
Fund balance- end of year	\$ -	\$ -	\$ 1,132,913	\$ (1,101,131)

See independent auditors' report.

City of Las Cruces

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

GO Bond Project 2019 Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 28,418	\$ 28,418
Total revenues	-	-	28,418	28,418
Expenditures				
Capital outlay	-	17,649,331	117,444	17,531,887
Debt service				
Debt issuance cost	-	190,170	182,501	7,669
Total expenditures	-	17,839,501	299,945	17,539,556
Revenues over (under) expenditures	-	(17,839,501)	(271,527)	(17,511,138)
Other financing sources (uses)				
Issuance of debt	-	18,000,000	18,000,000	-
Premium on issuance of debt	-	190,170	190,169	(1)
Transfers (out)	-	(356,340)	(339,336)	17,004
Total other financing sources (uses)	-	17,833,830	17,850,833	17,003
Net change in fund balance	-	(5,671)	17,579,306	(17,494,135)
Fund balances- beginning of year	-	-	-	-
Fund balance- end of year	\$ -	\$ (5,671)	\$ 17,579,306	\$ (17,494,135)

See independent auditors' report.

City of Las Cruces

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

2018 HHGRT Fund

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 166,819	\$ 166,819
Total revenues	-	-	166,819	166,819
Expenditures				
Capital outlay	-	9,435,000	-	9,435,000
Debt service				
Debt issuance cost	-	165,000	131,081	33,919
Total expenditures	-	9,600,000	131,081	9,468,919
Revenues over (under) expenditures	-	(9,600,000)	35,738	(9,302,100)
Other financing sources (uses)				
Issuance of debt	-	9,600,000	9,600,000	-
Total other financing sources (uses)	-	9,600,000	9,600,000	-
Net change in fund balance	-	-	9,635,738	(9,302,100)
Fund balances- beginning of year	-	-	-	-
Fund balance- end of year	\$ -	\$ -	\$ 9,635,738	\$ (9,302,100)

See independent auditors' report.

City of Las Cruces
Combining Statement of Net Position
Enterprise Funds
June 30, 2019

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Assets				
Current assets				
Pooled cash and investments	\$ 1,632,182	\$ -	\$ 98,316	\$ 1,730,498
Accounts receivable, net of allowance for uncollectible accounts	225,121	-	-	225,121
Due from other governments	714,478	-	-	714,478
Total current assets	2,571,781	-	98,316	2,670,097
Noncurrent assets				
Capital assets:				
Land, water rights and construction in process	1,015,670	-	-	1,015,670
Other capital assets, net of depreciation	5,771,284	59,048	-	5,830,332
Net capital assets	6,786,954	59,048	-	6,846,002
Total noncurrent assets	6,786,954	59,048	-	6,846,002
Total assets	9,358,735	59,048	98,316	9,516,099
Deferred outflows of resources				
Deferred outflows related to pensions	1,527,505	-	9,483	1,536,988
Deferred outflows related to OPEB	45,080	-	1,212	46,292
Total deferred outflows of resources	1,572,585	-	10,695	1,583,280
Liabilities				
Current liabilities				
Accounts payable	31,832	-	4,676	36,508
Accrued liabilities	73,552	-	5,262	78,814
Current portion of noncurrent liabilities	35,105	-	1,562	36,667
Total current liabilities	140,489	-	11,500	151,989
Noncurrent liabilities				
Compensated absences	140,420	-	6,250	146,670
Net pension liability	3,820,136	-	14,618	3,834,754
Net OPEB liability	1,947,878	-	49,299	1,997,177
Total noncurrent liabilities	5,908,434	-	70,167	5,978,601
Total liabilities	6,048,923	-	81,667	6,130,590
Deferred inflows of resources				
Deferred inflows related to pensions	182,942	-	9,452	192,394
Deferred inflows related to OPEB	554,245	-	15,063	569,308
Total deferred inflows related of resources	737,187	-	24,515	761,702
Net position				
Net investment in capital assets	6,786,954	59,048	-	6,846,002
Unrestricted	(2,641,744)	-	2,829	(2,638,915)
Total net position	\$ 4,145,210	\$ 59,048	\$ 2,829	\$ 4,207,087

See independent auditors' report.

City of Las Cruces

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Enterprise Funds

For the Year Ended June 30, 2019

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Operating revenues				
Sales/charges	\$ 794,204	\$ -	\$ 110,861	\$ 905,065
Rental/lease income	-	-	25,930	25,930
Other	10,047	-	-	10,047
Total operating revenues	804,251	-	136,791	941,042
Operating expenses				
Personnel services	3,125,302	-	140,629	3,265,931
Supplies	61,395	-	9,999	71,394
Utilities	39,835	-	2,150	41,985
Professional services	127,562	-	98,490	226,052
Motor pool charges	590,662	-	-	590,662
Motor fuel	457,321	-	-	457,321
Repairs and maintenance	118,873	-	-	118,873
Depreciation and amortization	650,874	4,692	-	655,566
Insurance	98,032	-	-	98,032
Pension expense	252,440	-	2,827	255,267
OPEB (benefit)	(14,384)	-	(498)	(14,882)
Other	56,382	-	4,424	60,806
Total operating expenses	5,564,294	4,692	258,021	5,827,007
Operating income (loss)	(4,760,043)	(4,692)	(121,230)	(4,885,965)
Nonoperating revenues (expenses)				
Investment income	57,994	-	4,957	62,951
Grants - federal	1,853,677	-	-	1,853,677
Grants - state	12,848	-	-	12,848
Total nonoperating revenue (expenses)	1,924,519	-	4,957	1,929,476
Income (loss) before transfers	(2,835,524)	(4,692)	(116,273)	(2,956,489)
Transfers in	3,469,468	-	134,473	3,603,941
Change in net position	633,944	(4,692)	18,200	647,452
Net position, beginning of year, as originally stated	3,404,871	63,740	(15,371)	3,453,240
Restatement, note 23	106,395	-	-	106,395
Net position, beginning of year, as restated	3,511,266	63,740	(15,371)	3,559,635
Total net position, end of year	\$ 4,145,210	\$ 59,048	\$ 2,829	\$ 4,207,087

See independent auditors' report.

City of Las Cruces
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Cash flows from operating activities				
Cash received from customers	\$ 740,938	\$ -	\$ 136,792	\$ 877,730
Cash paid to suppliers	(2,179,617)	-	(112,733)	(2,292,350)
Cash paid to employees	(2,893,484)	-	(137,305)	(3,030,789)
Internal activity—payments to other funds	-	-	-	-
Other receipts	10,047	-	-	10,047
Net cash used by operating activities	(4,322,116)	-	(113,246)	(4,435,362)
Cash flows from noncapital financing activities				
Operating Grants	2,551,172	-	-	2,551,172
Transfers in	3,469,468	-	134,473	3,603,941
Net cash provided by noncapital financing activities	6,020,640	-	134,473	6,155,113
Cash flows from capital financing activities				
Purchases of capital assets	(124,336)	-	-	(124,336)
Net cash used by capital financing activities	(124,336)	-	-	(124,336)
Cash flows from investing activities				
Interest Received	57,994	-	4,957	62,951
Net cash provided by investing activities	57,994	-	4,957	62,951
Net increase (decrease) in pooled cash and investments	1,632,182	-	26,184	1,658,366
Pooled cash and investments, beginning of year	-	-	72,132	72,132
Pooled cash and investments, end of year	\$ 1,632,182	\$ -	\$ 98,316	\$ 1,730,498
Cash and investments at June 30 consisted of:				
Current assets				
Cash and investments	\$ 1,632,182	\$ -	\$ 98,316	\$ 1,730,498
Noncurrent assets				
Restricted cash and investments	-	-	-	-
Total cash and investments, June 30	\$ 1,632,182	\$ -	\$ 98,316	\$ 1,730,498

(Continued)

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2019

	Transit	Alternative Fuel Station	Rio Grande Theatre	Total
Reconciliation of operating income to net cash used by operating activities				
Operating Income (Loss)	\$ (4,760,043)	\$ (4,692)	\$ (121,230)	\$ (4,885,965)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	650,874	4,692	-	655,566
Noncash pension expense	252,440	-	2,827	255,267
Noncash OPEB (benefit)	(14,384)	-	(498)	(14,882)
Change in assets and liabilities	-			
Accounts receivable	(53,266)	-	-	(53,266)
Due from/ (to) other funds	(384,945)	-	-	(384,945)
Accounts payable	(6,554)	-	4,659	(1,895)
Wages payable and accrued liabilities	20,130	-	2,756	22,886
Compensated absences	17,308	-	(247)	17,061
Net pension liability, net of noncash expense	382,122	-	23,917	406,039
OPEB liability, net of noncash expense	(119,125)	-	(4,127)	(123,252)
Deferred outflows - NPL and OPEB	(247,274)	-	(23,771)	(271,045)
Deferred inflows - NPL and OPEB	(59,399)	-	2,468	(56,931)
Total adjustments	437,927	4,692	7,984	450,603
Net cash used by operating activities	\$ (4,322,116)	\$ -	\$ (113,246)	\$ (4,435,362)

See independent auditors' report.

City of Las Cruces
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Internal Services	Self Insurance	Total
Assets			
Current assets			
Pooled cash and investments	\$ 167,756	\$ 12,451,966	\$ 12,619,722
Accounts receivable, net of allowance for uncollectible accounts	(4,435)	561,142	556,707
Inventory	406,557	-	406,557
Total current assets	569,878	13,013,108	13,582,986
Capital assets			
Other capital assets, net of depreciation	164,335	-	164,335
Total capital assets	164,335	-	164,335
Total noncurrent assets	164,335	-	164,335
Total assets	734,213	13,013,108	13,747,321
Deferred outflows of resources			
Deferred outflows related to pensions	746,996	103,625	850,621
Deferred outflows related to OPEB	21,664	2,068	23,732
Total deferred outflows of resources	768,660	105,693	874,353
Liabilities			
Current liabilities			
Accounts and contracts payable	36,608	785,561	822,169
Accrued liabilities	27,868	3,598	31,466
Current portion of noncurrent liabilities	11,755	1,937,131	1,948,886
Total current liabilities	76,231	2,726,290	2,802,521
Noncurrent liabilities			
Compensated absences	47,018	1,390	48,408
Estimated liability for insurance claims	-	4,893,999	4,893,999
Net pension liability	1,681,355	255,622	1,936,977
Net OPEB liability	961,165	87,791	1,048,956
Total noncurrent liabilities	2,689,538	5,238,802	7,928,340
Total liabilities	2,765,769	7,965,092	10,730,861
Deferred inflows of resources			
Deferred inflows related to pensions	165,839	21,089	186,928
Deferred inflows related to OPEB	265,061	25,504	290,565
Total deferred inflows related of resources	430,900	46,593	477,493
Net position			
Net investment in capital assets	164,335	-	164,335
Unrestricted	(1,858,131)	5,107,116	3,248,985
Total net position	\$ (1,693,796)	\$ 5,107,116	\$ 3,413,320

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, 2019

	Internal Services	Self Insurance	Total
Operating revenues			
Motor pool charges	\$ 2,677,622	\$ -	\$ 2,677,622
Rental/Lease Income	97,857	2,198,926	2,296,783
Charges for insurance	-	15,735,343	15,735,343
Total operating revenues	2,775,479	17,934,269	20,709,748
Cost of services	(2,819,360)	-	(2,819,360)
Gross margin	(43,881)	17,934,269	17,890,388
Operating expenses			
Personnel services	1,332,761	162,843	1,495,604
Supplies	60,509	1,759	62,268
Utilities	25,539	-	25,539
Professional services	914,023	511,787	1,425,810
Repairs and maintenance	73,202	-	73,202
Rent	9,919	-	9,919
Depreciation and amortization	60,559	-	60,559
Claims and judgements	-	16,641,610	16,641,610
Insurance	10,388	1,423,003	1,433,391
Pension Expense	119,084	13,270	132,354
Pension Expense - OPEB	(6,005)	(717)	(6,722)
Other	12,318	644	12,962
Total operating expenses	2,612,297	18,754,199	21,366,496
Operating income (loss)	(2,656,178)	(819,930)	(3,476,108)
Nonoperating revenues (expenses)			
Gain on sale of assets	2,536	-	2,536
Investment income	(8,839)	560,121	551,282
Total nonoperating revenue (expenses)	(6,303)	560,121	553,818
Income (loss) before transfers	(2,662,481)	(259,809)	(2,922,290)
Transfers in	2,650,000	2,400,000	5,050,000
Transfers (out)	-	(2,400,000)	(2,400,000)
Change in net position	(12,481)	(259,809)	(272,290)
Net position, beginning of year	(1,681,315)	5,366,925	3,685,610
Total net position, end of year	\$ (1,693,796)	\$ 5,107,116	\$ 3,413,320

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows Internal Service Funds For the Year Ended June 30, 2019

	Internal Services	Self Insurance	Total
Cash flows from operating activities			
Cash received from customers	\$ 2,779,915	\$ 17,381,197	\$ 20,161,112
Cash paid to suppliers	(4,015,969)	(1,609,523)	(5,625,492)
Cash paid to employees	(1,349,043)	(163,633)	(1,512,676)
Internal activity—payments to other funds	-	-	-
Internal activity—receipts from other funds	-	-	-
Claims paid	-	(16,927,887)	(16,927,887)
Other receipts	-	-	-
Net cash provided (used) by operating activities	(2,585,097)	(1,319,846)	(3,904,943)
Cash flows from noncapital financing activities			
Grants and contributions	-	-	-
Transfers in	2,650,000	2,400,000	5,050,000
Transfers out	-	(2,400,000)	(2,400,000)
Net cash provided (used) by noncapital financing activities	2,650,000	-	2,650,000
Cash flows from capital and related financing activities			
Purchase of capital assets	(5,121)	-	(5,121)
Sale of capital assets	2,536	-	2,536
Net cash used by capital and related financing activities	(2,585)	-	(2,585)
Cash flows from investing activities			
Cash investment income (loss)	(8,839)	560,121	551,282
Net cash provided by investing activities	(8,839)	560,121	551,282
Net increase (decrease) in cash and cash equivalents	53,479	(759,725)	(706,246)
Cash and cash equivalents, beginning of year	114,277	13,211,691	13,325,968
Cash and cash equivalents, end of year	\$ 167,756	\$ 12,451,966	\$ 12,619,722

Cash and investments at June 30 consisted of:

Current assets			
Cash and investments	\$ 167,756	\$ 12,451,966	\$ 12,619,722

(Continued)

See independent auditors' report.

City of Las Cruces

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2019

	Internal Services	Self Insurance	Total
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (2,656,178)	\$ (819,930)	\$ (3,476,108)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	60,559	-	60,559
Noncash pension expense	119,084	13,270	132,354
Noncash OPEB (benefit)	(6,005)	(717)	(6,722)
Change in assets and liabilities			
Accounts receivable	4,435	(553,072)	(548,637)
Inventories	(18,132)	-	(18,132)
Accounts and contracts payable	(72,579)	327,670	255,091
Estimated liability for insurance claims	-	(286,277)	(286,277)
Wages payable and accrued liabilities	1,653	1,867	3,520
Compensated absences	300	(481)	(181)
Net pension liability, net of noncash expense	145,925	20,769	166,694
OPEB liability, net of noncash expense	(49,730)	(5,932)	(55,662)
Deferred charges - NPL and OPEB	(176,430)	(22,736)	(199,166)
Deferred inflows - NPL and OPEB	62,001	5,723	67,724
Total adjustments	71,081	(499,916)	(428,835)
Net cash provided (used) by operating activities	\$ (2,585,097)	\$ (1,319,846)	\$ (3,904,943)

See independent auditors' report.

City of Las Cruces
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Mesilla Valley Regional Dispatch Authority				
Assets				
Pooled cash and investments	\$ 1,439,906	\$ 4,173,311	\$ 4,117,653	\$ 1,495,564
Accounts receivable	-	31,608	11,973	19,635
Receivable from other government agencies	32,763	1,992,228	1,900,032	124,959
Capital Assets, net	365,976	496,443	58,554	803,865
Deferred outflows	539,779	311,996	323,802	527,973
Total assets	\$ 2,378,424	\$ 7,005,586	\$ 6,412,014	\$ 2,971,996
Liabilities				
Accounts and contracts payable	\$ 6,727	\$ 1,159,161	\$ 825,967	\$ 339,921
Accrued wages payable	127,171	1,018,893	996,264	149,800
Net pension liability	1,529,862	436,113	200,666	1,765,309
OPEB liability	1,791,595	-	112,097	1,679,498
Deferred inflows	587,567	67,611	63,383	591,795
Funds held for others	(1,664,498)	2,744,838	2,634,667	(1,554,327)
Total liabilities	\$ 2,378,424	\$ 5,426,616	\$ 4,833,044	\$ 2,971,996
Metro Narcotics Fund				
Assets				
Pooled cash and investments	\$ 248,967	\$ 775,933	\$ 615,854	\$ 409,046
Receivable from other government agencies	21,062	381,444	341,009	61,497
Capital assets, net	227,852	77,681	68,621	236,912
Total assets	\$ 497,881	\$ 1,235,058	\$ 1,025,484	\$ 707,455
Liabilities				
Accounts and contracts payable	\$ 3,705	\$ 400,402	\$ 317,248	\$ 86,859
Accrued wages payable	3,900	23,266	25,363	1,803
Funds held for others	490,276	498,397	369,880	618,793
Total liabilities	\$ 497,881	\$ 922,065	\$ 712,491	\$ 707,455

(Continued)

See independent auditors' report.

City of Las Cruces

Schedule of Changes in Assets and Liabilities

Agency Funds

For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Branigan Estate Fund				
Assets				
Pooled cash and investments	\$ 1,788,351	\$ 39,553	\$ 135,045	\$ 1,692,859
Accounts receivable	125,545	-	47,170	78,375
Total assets	\$ 1,913,896	\$ 39,553	\$ 182,215	\$ 1,771,234
Liabilities				
Accounts and contracts payable	\$ 78,766	\$ 237,267	\$ 237,306	\$ 78,727
Fund held for others	1,835,130	460,941	603,564	1,692,507
Total liabilities	\$ 1,913,896	\$ 698,208	\$ 840,870	\$ 1,771,234
Gifts and Memorials Fund				
Assets				
Pooled cash and investments	\$ 206,340	\$ 7,697	\$ 37,761	\$ 176,276
Accounts receivable	1,000	-	500	500
Total assets	\$ 207,340	\$ 7,697	\$ 38,261	\$ 176,776
Liabilities				
Accounts and contracts payable	\$ 750	\$ 33,459	\$ 34,209	\$ -
Revenue collected in advance	5,340	-	450	4,890
Funds held for others	201,250	63,826	93,190	171,886
Total liabilities	\$ 207,340	\$ 97,285	\$ 127,849	\$ 176,776

(Continued)

See independent auditors' report.

City of Las Cruces
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Veteran's Memorial Wall				
Assets				
Pooled cash and investments	\$ 21,960	\$ 1,686	\$ 100	\$ 23,546
Total assets	\$ 21,960	\$ 1,686	\$ 100	\$ 23,546
Liabilities				
Accounts and contracts payable	\$ -	\$ 789	\$ 789	\$ -
Fund held for others	21,960	5,352	3,766	23,546
Total liabilities	\$ 21,960	\$ 6,141	\$ 4,555	\$ 23,546
Animal Services of Mesilla Valley				
Assets				
Pooled cash and investments	\$ 1,435,853	\$ 1,868,514	\$ 2,859,043	\$ 445,324
Accounts receivable	-	6,720	5,705	1,015
Receivable from other government agencies	92	1,250,000	1,250,092	-
Capital assets, net	265,991	72,545	38,683	299,853
Deferred outflows	292,227	500,265	234,112	558,380
Total assets	\$ 1,994,163	\$ 3,698,044	\$ 4,387,635	\$ 1,304,572
Liabilities				
Accounts and contracts payable	\$ 27,266	\$ 990,507	\$ 830,917	\$ 186,856
Accrued wages payable	197,897	712,316	789,393	120,820
Net pension liability	1,100,641	588,680	153,942	1,535,379
OPEB liability	849,114	102,295	178,632	772,777
Deferred inflows	267,316	46,043	23,740	289,619
Revenue collected in advance	-	44,000	44,000	-
Funds held for others	(448,161)	1,565,949	2,718,667	(1,600,879)
Total liabilities	\$ 1,994,073	\$ 4,049,790	\$ 4,739,291	\$ 1,304,572

(Continued)

See independent auditors' report.

City of Las Cruces
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
High Intensive Drug Trafficking Area				
Assets				
Pooled cash and investments	\$ (263,593)	\$ 1,031,838	\$ 913,669	\$ (145,424)
Receivable from other government agencies	240,202	1,078,225	1,177,258	141,169
Deferred outflows	213,314	21,735	6,992	228,057
Total assets	\$ 189,923	\$ 2,131,798	\$ 2,097,919	\$ 223,802
Liabilities				
Accounts and contracts payable	\$ 6,296	\$ 754,437	\$ 753,104	\$ 7,629
Accrued wages payable	2,125	42,037	40,935	3,227
Net pension liability	365,187	28,874	6,992	387,069
OPEB liability	292,728	-	292,728	-
Deferred inflows	74,452	-	4,825	69,627
Funds held for others	(550,865)	687,037	379,922	(243,750)
Total liabilities	\$ 189,923	\$ 1,512,385	\$ 1,478,506	\$ 223,802
Total - All Fiduciary Funds				
Assets				
Pooled cash and investments	\$ 4,877,784	\$ 7,898,532	\$ 8,679,125	\$ 4,097,191
Accounts receivable	126,545	38,328	65,348	99,525
Receivable from other government agencies	294,119	4,701,897	4,668,391	327,625
Capital Assets, net	859,819	646,669	165,858	1,340,630
Deferred outflows	1,045,320	833,996	564,906	1,314,410
Total assets	\$ 7,203,587	\$ 14,119,422	\$ 14,143,628	\$ 7,179,381
Liabilities				
Accounts and contracts payable	\$ 123,510	\$ 3,576,022	\$ 2,999,540	\$ 699,992
Accrued wages payable	331,093	1,796,512	1,851,955	275,650
Net pension liability	2,995,690	1,053,667	361,600	3,687,757
OPEB liability	2,933,437	102,295	583,457	2,452,275
Deferred inflows	929,335	113,654	91,948	951,041
Revenue collected in advance	5,340	44,000	44,450	4,890
Funds held for others	(114,908)	6,026,340	6,803,656	(892,224)
Total liabilities	\$ 7,203,497	\$ 12,712,490	\$ 12,736,606	\$ 7,179,381

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Supplementary Information

CITY OF LAS CRUCES . NEW MEXICO

City of Las Cruces

Schedule of Insurance in Force

June 30, 2019

Insurer	Deductible/SIR
Old Republic Insurance Company	None
National Union Fire Insurance Company of Pittsburgh	\$50,000
Midwest Employers Casualty Company	\$750,000 Each Accident \$750,000 Each Employee for Disease
Ironshore Indemnity Inc.	\$1,000 each claim for loss or damage separately occurring
Brit Global Specialty USA	Exhaustion of Underlying Policies
Indian Harbor Insurance Company	\$1,500,000 Each Law Enforcement Occurrence
Ironshore Specialty Insurance Company	\$1,000,000 Each Wrongful Act other than an Employment Practices Violation \$1,000,000 Each Employment Practices Violation
Indian Harbor Insurance Company	\$250,000 Each Pollution Condition
Various Lead by Lexington	\$10,000 Per Occurrence Property Limit, which will apply in the event a more specific deductible is not applicable to the loss \$50,000 Cyber Retention

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Amount of coverage		Risks Covered
Products-Completed Operations Aggregate Limit	\$10,000,000	Airport Liability-fire damage, malpractice, hangar keepers, non-owned aircraft
Personal Injury and Advertising Injury Aggregate Limit	\$10,000,000	
Malpractice Aggregate Limit	\$10,000,000	
Each Occurrence Limit	\$10,000,000	
Fire Damage Limit Any One Fire	\$100,000	
Fire Medical Expense Limit Any One Person	\$10,000	
Hangarkeepers Limit Any One Aircraft	\$10,000,000	
Hangerkeepers Limit Any One Occurence	\$10,000,000	
Employee Theft-Per Loss Coverage	\$10,000,000	Crime-Employee dishonesty, forgery, theft, robbery, fraud, outside the premises
Forgery or Alteration	\$10,000,000	
Inside Premises Theft of Money and Securities	\$10,000,000	
Inside Premises Robbery & Safe Burglary	\$10,000,000	
Other Property Outside the Premises	\$10,000,000	
Computer Fraud	\$10,000,000	
Funds Transfer Fraud	\$10,000,000	
Money Orders and Counterfeit Paper Currency	\$10,000,000	
Specific Limit Each Accident:		Excess Workers Comp and Employers Liability
(a) Policy Part One, Workers' Compensation:	STATUTORY	
(b) Policy Part Two, Employers Liability:	\$1,000,000	
Specific Limit Each Employee for Disease:		
(a) Policy Part One, Workers' Compensation:	STATUTORY	
(b) Policy Part Two, Employers Liability:	\$1,000,000	
At the Insured's premises: per schedule of location	\$1,800,000	Museum Collection and Temporary Loans Policy
Any other location, worldwide	\$450,000	
In transit on any one conveyance, worldwide	\$450,000	
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	\$1,800,000	
Earthquake Coverage	Included	
Each Occurrence	\$2,000,000	Excess Public Entity Liability
Aggregate	\$2,000,000	
Each Law Enforcement Occurrence Limit	\$3,000,000	Police Professional Liability
Policy Aggregate	\$3,000,000	
Aggregate	\$3,000,000	Public Officials Liability
Crisis Management Coverage Sublimit	\$25,000	
Each Pollution Condition	\$5,000,000	Pollution
Aggregate Liability Limit	\$5,000,000	
Property Occurrence Limit	\$400,000,000	Property
Boiler and Machinery Occurrence Limit	\$100,000,000	Boiler and Machinery
Cyber Annual Aggregate	\$2,000,000	Cyber

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City of Las Cruces
Schedule of Pledged Collateral
June 30, 2019

Summary of Collateralization

US Bank		
Ending bank balance	\$	14,012,345
Less: FDIC insurance		(250,000)
Total uninsured public funds	\$	13,762,345
US Bank -FHLB Letter of Credit (expiration 9-3-19)	\$	25,000,000
100% Collateral requirement		13,762,345
Pledged collateral in excess of requirement		11,237,655
Uninsured and uncollateralized	\$	-

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City of Las Cruces

Schedule of Special Appropriations

June 30, 2019

	Appropriation Number	MUNIS Project #	Appropriation Description	Original Appropriation
*	15-0761	11502	Amador Hotel Improvements	\$ 195,000
*	15-0762	10800	Cinematic Infrastructure	402,000
	15-0763	10834	Community Competition Pool	220,000
	15-0764	11565	Community of Hope Health Facility Improvements	505,000
	15-0765	10749	Downtown Electrical Infrastructure	25,000
	15-0767	11577	Jardin Homeless Daycare Center Improvements	50,000
	15-0768	10696	Mesilla Valley Animal Service Center Phase I	40,000
	15-0769	10883	Railroad Museum Improvements	25,000
	16-A2001	11578	Senior Center Improvements	80,000
*	16-A2421	11550	Amador Hotel Hazardous Material Abatement	100,000
	16-A2422	11664	La Clinica de Familia Behavioral Health Record Program	280,735
	16-A2425	11557	Fire Station Kitchen Improvements	20,000
	16-A2426	11551	Klein Park Improvements	100,000
	16-A2562	11560	Harrelson St. R.O.W. & Road Improvements	300,000
	16-A2563	11564	Las Cruces Ave. Improvements	75,000
	16-A2564	11561	Las Cruces R.O.W./Roads/Flood Control	766,000
	16-A2565	11562	Traffic System Network Improvements	100,000
	16-A2566	11563	University Ave. Pedestrian Crosswalk System	260,000
	18-C2492	11744	Branigan Cultural Center Improvements	149,500
	18-C2493	11743	Mesilla Valley Community of Hope Exterior Renovations	384,120
*	18-C2494	11745	Community of Hope Health Facility Kitchen	30,000
	18-C2495	11746	Casa de Peregrinos Emergency Food Program Facility	85,800
	18-C2496	11752	Fire Squad Vehicle Purchase	140,000
	18-C2497	11747	Fire Station 2 Improvements	90,000
	18-C2500	11748	Parks Playground Equipment	140,000
	18-C2501	11749	Pioneer Women's Park Improvements	33,000
	18-C2502	11755	Police Mobile Data Terminals	116,800
	18-C2631	11759	I10-I25 Interchange Improvements	425,800
	18-C2632	11753	Telshor-Spruce Improvements	260,000
	18-C4049	11572	La Clinica Cervantes Complex Equipment	183,017
	18-C4050	11549	Cinematic Infrastructure (2)	511,035
	18-C4052	11234	Traffic Signal Management Control Center	82,061
	18-C4053	11008	Women Veterans Memorial	3,382
	19-D4038	11550	Amador Hotel Hazardous Material Abatement	69,455
	19-D4039	11502	Amador Hotel Column Replacement	96,233
	19-D4040	11859	Cinematic Infrastructure	386,561
	19-D4041	11745	Community of Hope Health Facility Kitchen	30,000

* These appropriations were reauthorized in 2019 in appropriations 19-D4039, 19-D4040, 19-D4038, and 19-D4041.

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Amended Appropriation	Appropriation Expiration	Expended as of June 30, 2019	Outstanding Encumbrances	Unencumbered Amount
\$ 195,000	6/30/2019	\$ 98,767	\$ -	\$ 96,233
402,000	6/30/2019	5,470	-	396,530
220,000	6/30/2019	220,000	-	-
505,000	6/30/2019	505,000	-	-
25,000	6/30/2019	25,000	-	-
50,000	6/30/2019	50,000	-	-
40,000	6/30/2019	40,000	-	-
25,000	6/30/2019	25,000	-	-
80,000	6/30/2020	80,000	-	-
100,000	6/30/2020	30,545	-	69,455
280,735	6/30/2020	262,970	-	17,765
20,000	6/30/2020	20,000	-	-
100,000	6/30/2020	99,693	-	307
300,000	6/30/2020	300,000	-	-
75,000	6/30/2020	75,000	-	-
766,000	6/30/2020	766,000	-	-
100,000	6/30/2020	100,000	-	-
260,000	6/30/2020	142,250	-	117,750
149,500	6/30/2022	11,700	29,608	108,192
384,120	6/30/2022	23,389	9,547	351,185
30,000	6/30/2022	-	-	30,000
85,800	6/30/2022	7,789	78,011	-
140,000	6/30/2020	-	140,000	-
90,000	6/30/2022	7,463	4,018	78,519
140,000	6/30/2022	57,872	3,224	78,904
33,000	6/30/2022	23,780	2,435	6,784
116,800	6/30/2020	116,800	-	-
425,800	6/30/2022	6,958	14,010	404,832
260,000	6/30/2022	-	-	260,000
183,017	6/30/2020	183,017	-	-
511,035	6/30/2020	-	-	511,035
82,061	6/30/2020	82,061	-	-
3,382	6/30/2020	-	-	3,382
69,455	6/30/2021	-	-	69,455
96,233	6/30/2021	-	-	96,233
386,561	6/30/2021	-	-	386,561
30,000	6/30/2022	-	-	30,000

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City of Las Cruces

Schedule of Deposits and Investments

June 30, 2019

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit June 30, 2019
Deposit Accounts						
<i>US Bank</i>						
Community Development Checking	Checking		\$ -	\$ 641,051	\$ 641,051	\$ 642,151
Community Development Home	Checking		-	9,445	9,445	9,445
Community Development Savings	Savings		-	81,778	81,778	81,778
Metro Savings	Savings		-	95,689	95,689	95,689
Treasury Master	Checking		13,183,282	-	13,183,282	13,183,282
Payroll	Checking		(2,266,468)	-	(2,266,468)	-
Accounts Payable	Checking		(1,011,057)	-	(1,011,057)	-
Depository	Checking		(313,740)	-	(313,740)	-
Total deposit accounts			\$ 9,592,017	\$ 827,963	\$ 10,419,980	\$14,012,345

Investments

First Tennessee

BMO HARRIS BANK NA 2 4/1/2020	Investment	2	\$ 250,000	\$ -	\$ 250,000
FFCB 2.09 9/8/2026	Investment	2	-	9,815,800	9,815,800
FFCB 2.24 11/10/2027-16	Investment	2	4,941,900	-	4,941,900
FFCB 2.24 7/6/2027-17	Investment	2	2,966,220	-	2,966,220
FHLB 0 11/27/2019	Investment	2	4,956,550	-	4,956,550
FHLB 0 7/12/2019	Investment	2	-	836,439	836,439
FHLB 0 7/12/2019	Investment	2	-	1,778,807	1,778,807
FHLB 0 7/12/2019	Investment	2	-	999,330	999,330
FHLB 0 7/19/2019	Investment	2	-	1,198,680	1,198,680
FHLB 0 7/22/2019	Investment	2	-	6,491,680	6,491,680
FHLB 0 8/1/2019	Investment	2	5,988,600	-	5,988,600
FHLB 0 8/29/2019	Investment	2	5,978,280	-	5,978,280
FHLB 0 9/10/2019	Investment	2	2,987,220	-	2,987,220
FHLB 2.05 9/29/2026-18	Investment	2	-	3,920,800	3,920,800
FHLB 2.2 10/13/2026-17	Investment	2	-	969,238	969,238
FHLB 2.2 10/13/2026-17	Investment	2	-	1,487,289	1,487,289
FHLB 2.2 10/13/2026-17	Investment	2	989	-	989
FHLB 2.35 12/27/2024-16	Investment	2	818,182	-	818,182
FHLB 2.35 12/27/2024-16	Investment	2	-	1,000,000	1,000,000
FHLB Step 1/30/2023-18	Investment	2	-	1,000,360	1,000,360
FHLB Step 5/9/2031-16	Investment	2	7,484,250	-	7,484,250
FHLB Step 9/15/2027-18	Investment	2	9,921,200	-	9,921,200
FHLMC Step 2/23/2031-16	Investment	2	10,911,780	-	10,911,780
FHLMC Step 4/20/2032-17	Investment	2	5,000,300	-	5,000,300
FHLMC Step 5/23/2031-16	Investment	2	18,226,940	-	18,226,940
FHLMC Step 5/23/2031-16	Investment	2	11,844,480	-	11,844,480
FNMA 0 7/11/2019	Investment	2	1,998,780	-	1,998,780
FNMA 0 7/22/2019	Investment	2	-	2,846,352	2,846,352
FNMA Step 2/10/2031-17	Investment	2	3,995,360	-	3,995,360
FNMA Step 2/20/2031-17	Investment	2	7,962,240	-	7,962,240
FNMA Step 2/24/2031-17	Investment	2	7,991,120	-	7,991,120

(Continued)

See independent auditors' report.

City of Las Cruces

Schedule of Deposits and Investments

June 30, 2019

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit June 30, 2019
FNMA Step 3/10/2031-17	Investment	2	\$ 14,467,086	\$ -	\$ 14,467,086	
FNMA Step 4/7/2031-17	Investment	2	15,897,760	-	15,897,760	
PATRIOT BANK N//STAMFORD 2 12/30/2019	Investment	2	250,000	-	250,000	
PROSPECT BANK 2 11/29/2019	Investment	2	250,000	-	250,000	
T-Bill 0 7/5/2019	Investment	1	3,999,120	-	3,999,120	
T-Bill 0 9/12/2019	Investment	1	-	1,991,640	1,991,640	
<i>Stifel Nicolaus</i>						
FAMC 1.41 3/6/2020	Investment	2	-	1,490,460	1,490,460	
FHLMC 0.875 7/19/2019	Investment	1	-	3,697,003	3,697,003	
FNMA 1.4 11/26/2019-19	Investment	2	-	2,637,382	2,637,382	
JP MORGAN BANK Step 12/26/2020-19	Investment	2	251,072	-	251,072	
STIFELCASH	Investment	2	1	-	1	
<i>US Bank</i>						
FHLB 0 11/27/2019	Investment	2	-	1,982,620	1,982,620	
FHLB 0 8/28/2019	Investment	2	-	1,992,905	1,992,905	
FHLB 0 8/28/2019	Investment	2	298,932	-	298,932	
FHLB 1.5 10/21/2019	Investment	1	4,967,000	-	4,967,000	
FNMA 0.875 8/2/2019	Investment	1	3,143,726	-	3,143,726	
T-Bill 0 7/9/2019	Investment	1	-	692,522	692,522	
T-Bill 0 7/9/2019	Investment	1	-	1,081,368	1,081,368	
T-Bill 0 7/9/2019	Investment	1	-	207,984	207,984	
T-Bill 0 7/9/2019	Investment	1	-	1,016,793	1,016,793	
T-Bill 0 7/9/2019	Investment	1	-	692,522	692,522	
T-Bill 0 7/9/2019	Investment	1	-	1,081,368	1,081,368	
T-Bill 0 7/9/2019	Investment	1	-	207,984	207,984	
T-Bill 0 7/9/2019	Investment	1	-	1,016,793	1,016,793	
T-Bill 0 8/22/2019	Investment	1	-	2,072,245	2,072,245	
T-Bill 0 8/22/2019	Investment	1	-	3,235,794	3,235,794	
T-Bill 0 8/22/2019	Investment	1	-	622,355	622,355	
T-Bill 0 8/22/2019	Investment	1	-	3,042,566	3,042,566	
T-Note 1.5 4/15/2020	Investment	1	1,344,516	-	1,344,516	
<i>NM State Investment Council</i>						
Large Cap Active Equity Pool	Investment	1	-	7,786,450	7,786,450	
Large Cap Index Equity Pool	Investment	2	-	5,144,744	5,144,744	
Non-U.S. Developed Equity Pool	Investment	1	-	3,220,062	3,220,062	
Mid/Small Cap Equity Pool	Investment	1	-	6,649,604	6,649,604	
Total investments			\$ 159,093,603	\$ 83,907,939	\$ 243,001,542	

(Continued)

See independent auditors' report.

City of Las Cruces

Schedule of Deposits and Investments

June 30, 2019

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit June 30, 2019
Total deposits and investments			\$ 168,685,620	\$ 84,735,902	\$ 253,421,522	
<i>Other Cash:</i>						
Petty Cash & Change Funds	Cash		-	16,797	16,797	
<i>New Mexico Finance Authority</i>						
2018 Gasoline Tax Revenue						
4788-PP	Debt Service		-	2,536,442	2,536,442	
2018 Gasoline Tax Revenue						
4788-PP	Debt Service		-	241	241	
2018 MGRT 4738-PP	Debt Service		-	125,242	125,242	
2018 MGRT 4738-PP	Debt Service		-	40,114	40,114	
2018 A PPRF JU	Debt Service		-	2,468,100	2,468,100	
2018 A PPRF JU	Debt Service		-	2,575,825	2,575,825	
2018 A PPRF JU	Debt Service		-	85	85	
2018 A PPRF JU	Debt Service		-	86	86	
ZS PP-3116	Debt Service		-	284,181	284,181	
JB DW-1974	Debt Service		-	36	36	
2018 HHGRT 4756-PP	Debt Service		-	9,635,738	9,635,738	
2018 HHGRT 4756-PP	Debt Service		-	410	410	
RPL-2472	Debt Service		-	104	104	
JB PP-2248	Program Funds		-	163	163	
D. MST PP-3252	Debt Service		-	274	274	
PP-3661 VAF Loan	Debt Service		-	26,388	26,388	
PP-3661 VAF Loan	Debt Service		-	315	315	
D. MST PP-3228	Debt Service		-	37	37	
PP-3712	Debt Service		-	4,774,352	4,774,352	
PPRF 4879	Debt Service		-	2,025,001	2,025,001	
NMFA Loan 4806	Debt Service		-	952,381	952,381	
PPRF 4879	Debt Service		-	139,469	139,469	
NMFA Loan 4806	Debt Service		-	106,709	106,709	
2018 TIDD SPNG BD	TIDD		-	1,651,270	1,651,270	
<i>Accrued Interest Receivable</i>						
Accrued Interest - Pooled						
Investments	Accrued Int		668,161	-	668,161	
Total cash and investments			\$ 169,353,781	\$ 112,095,663	\$ 281,449,444	

See independent auditors' report.

City of Las Cruces

Schedule of Joint Powers Agreements

June 30, 2019

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
Dona Ana County/ Town of Mesilla/ City of Las Cruces	CLC	Metropolitan Planning Organization - transportation planning
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

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	FY 2019 Revenue	Audit Responsibility
1/29/2008	Perpetual	50%	\$ 1,250,000	City of Las Cruces
1/29/2008	Perpetual	50%	\$ 1,250,000	City of Las Cruces
3/13/2014	3/13/2020	\$35 per animal	\$ 3,000	City of Las Cruces
11/1/2015	10/31/2019	\$50 per animal	\$ 140	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	\$ 105	City of Las Cruces
7/1/2013	90 days notice	Proportionally to the required local match for Section 112 Planning Funds	\$ 19,688	City of Las Cruces
10/1/2001	Perpetual	\$ 332,671	\$ 332,671	City of Las Cruces
10/1/2001	Perpetual	\$ 332,671	\$ 332,671	City of Las Cruces
9/5/2006	Perpetual	\$ 1,854,643	\$ 1,854,643	City of Las Cruces
9/5/2006	Perpetual	\$ 1,644,683	\$ 1,644,683	City of Las Cruces
9/5/2006	Perpetual	\$ 52,542	\$ 51,817	City of Las Cruces
9/5/2006	Perpetual	\$ 40,204	\$ 40,204	City of Las Cruces
9/5/2006	Perpetual	\$ 181,697	\$ 177,958	City of Las Cruces
11/1/2011	Perpetual	\$ 78,133	\$ 77,564	City of Las Cruces
12/13/1994	Perpetual	1/16% Municipal Environmental Services Gross Receipts Tax (tax revenue)	\$ 3,030,258	City of Las Cruces
12/13/1994	Perpetual	1/8% County Environmental Services Gross Receipts Tax (tax revenue)	\$ 1,013,764	City of Las Cruces

See independent auditors' report.

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Statistical Section

CITY OF LAS CRUCES . NEW MEXICO

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City of Las Cruces
Statistical Section Table of Contents
June 30, 2019

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

GASB 44 provides the requirements for the schedules contained in this section of the City's CAFR.

Content

Financial Trends 248-263

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

Revenue Capacity 264-275

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

Debt Capacity 276-283

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

Demographic and Economic Information 285-287

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

Operating Information 289-303

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.

See independent auditors' report.

City of Las Cruces
Net Position by Category* (000's)
Last Ten Fiscal Years

	2010	2011	2012	2013
Governmental activities				
**Net investment in capital assets	\$ 258,566	\$ 276,355	\$ 251,703	\$ 277,394
Restricted	33,168	34,983	58,634	58,994
Unrestricted	57,690	64,435	76,973	70,628
*Subtotal governmental activities net position	349,424	375,773	387,310	407,016
Business-type activities				
**Net investment in capital assets	140,672	152,923	153,707	155,584
Restricted	22,870	21,757	18,590	15,846
Unrestricted	39,193	38,198	42,696	46,459
*Subtotal business-type activities net position	202,735	212,878	214,993	217,890
Primary government				
**Net investment in capital assets	399,238	429,278	405,410	432,979
Restricted	56,038	56,740	77,224	74,841
Unrestricted	96,883	102,633	119,669	117,087
*Total primary government net position	\$ 552,159	\$ 588,651	\$ 602,303	\$ 624,906

* 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.

See independent auditors' report.

	2014		2015		2016		2017		2018		2019
\$	275,761	\$	190,995	\$	300,431	\$	292,055	\$	276,032	\$	332,301
	62,860		80,631		116,782		133,723		139,744		163,899
	83,720		84,682		(41,017)		(45,091)		(98,842)		(170,808)
	422,341		356,309		376,197		380,687		316,934		325,392
	158,115		166,565		204,137		185,374		160,997		198,827
	13,718		26,407		29,918		28,393		47,500		33,888
	49,433		22,007		(12,506)		11,629		4,200		(15,222)
	221,266		214,978		221,549		225,396		212,697		217,493
	433,876		357,560		504,568		477,429		437,029		531,129
	76,578		107,038		146,701		162,116		187,244		197,787
	133,153		106,689		(53,523)		(33,462)		(94,642)		(186,030)
\$	643,607	\$	571,287	\$	597,746	\$	606,084	\$	529,631	\$	542,886

See independent auditors' report.

City of Las Cruces

Changes in Net Position (000's)

Last Ten Fiscal Years

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 16,101	\$ 16,667	\$ 18,105	\$ 13,125
Police	26,886	26,628	26,719	27,744
Fire	11,155	11,339	11,984	12,408
Community development	7,586	5,830	4,743	4,394
Quality of Life	-	-	9,033	9,011
Economic Development				
Public works	19,728	20,285	26,085	20,184
Transportation	-	-	4,045	10,448
Parks and recreation	-	-	9,214	8,482
Interest on long-term debt	4,564	3,862	3,844	3,469
Facilities	13,629	13,242	-	-
Debt issuance costs	-	-	-	-
Public services	10,506	9,833	-	-
Information technology	-	3,245	2,948	3,638
Total governmental activities	110,155	110,931	116,720	112,903
Business-type activities				
Gas	25,834	25,500	24,045	24,105
Water	14,474	13,997	14,194	14,607
Wastewater	11,217	11,212	11,832	12,383
Solid waste	10,431	10,151	11,145	11,399
Transit/other	4,310	4,363	4,370	4,450
Total business type activities	66,266	65,223	65,586	66,944
Total primary government	\$ 176,421	\$ 176,154	\$ 182,306	\$ 179,847

See independent auditors' report.

	2014		2015		2016		2017		2018		2019
\$	16,476	\$	17,465	\$	29,352	\$	31,681	\$	28,650	\$	28,864
	28,115		26,926		26,783		27,748		28,806		30,132
	12,733		13,828		14,247		14,618		17,738		19,832
	4,593		4,859		5,214		4,953		6,228		7,128
	9,315		9,273		9,553		9,489		7,358		8,209
							6,221		5,851		7,119
	21,168		21,885		21,483		25,792		29,862		29,207
	8,159		8,161		8,042		2,906		956		1,062
	9,120		9,798		10,325		10,458		12,026		13,477
	3,158		3,071		3,613		4,143		4,439		4,372
	-		-		-		-		-		-
	-		-		-		-		-		444
	-		-		-		-		-		-
	3,341		3,416		-		-		-		-
	116,178		118,683		128,612		138,009		141,914		149,846
	10,957		10,776		11,273		14,082		12,433		20,056
	14,306		15,009		15,994		18,703		18,741		19,308
	12,536		13,246		14,318		17,216		15,072		15,395
	11,438		10,942		11,627		11,386		13,612		13,354
	4,632		4,393		4,625		5,249		5,373		5,827
	53,869		54,366		57,837		66,636		65,231		73,940
\$	170,047	\$	173,049	\$	186,449	\$	204,645	\$	207,145	\$	223,786

(Continued)

See independent auditors' report.

City of Las Cruces

Changes in Net Position (000's)

Last Ten Fiscal Years

	2010	2011	2012	2013
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 3,736	\$ 4,793	\$ 1,793	\$ 1,871
Facilities	340	987	-	-
Police	3,544	3,405	4,282	4,441
Fire	1	146	1,889	1,971
Community development	2,615	2,889	790	4,560
Quality of life	610	409	1,363	1,378
Economic development				
Public works	1,491	2,711	2,444	1,468
Information technology	-	929	487	604
Transportation	-	-	534	1,617
Parks and recreation	-	-	1,435	1,334
Operating grants and contributions				
General government	1,701	102	973	898
Police	839	1,269	1,668	1,549
Fire	392	308	736	688
Community development	4,768	320	308	258
Quality of life	1,290	789	531	481
Economic development				
Public works	2,909	7,290	952	512
Information technology	-	-	190	211
Transportation	-	-	208	564
Parks and recreation	-	-	559	465
Capital grants and contributions				
General government	15,129	4,226	-	3,155
Community development	-	2,905	3,943	7,257
Quality of life	-	-	-	-
Economic development	-	-	-	-
Public works	10,857	2,524	650	476
Parks and recreation	-	-	-	-
Subtotal governmental activities revenues	50,222	36,002	25,735	35,759

See independent auditors' report.

	2014		2015		2016		2017		2018		2019
\$	1,905	\$	1,463	\$	11,406	\$	3,878	\$	6,833	\$	4,766
	-		-		-		-		-		-
	4,523		3,472		4,008		4,055		2,105		438
	2,007		1,541		2,242		2,288		-		-
	807		869		587		575		1,479		1,487
	1,404		1,077		947		934		94		100
							671		92		1,440
	1,495		1,147		934		2,000		1,455		1,761
	615		472		-		-		-		-
	1,647		1,264		850		-		-		-
	1,358		1,043		1,630		1,614		-		2,334
	915		702		261		238		478		-
	1,578		1,211		453		470		921		1,096
	700		537		110		131		934		1,373
	263		202		341		305		2,353		1,178
	490		376		598		582		95		1,083
							67		568		17
	521		400		464		402		2,475		-
	215		165		-		-		-		-
	574		441		353		345		-		-
	474		364		67		-		167		413
	549		5,672		3,682		5,070		-		-
	7,390		372		257		350		-		-
											10
	-		-		-		-		-		1,337
	485		-		-		-		-		1,390
	-		-		-		-		-		199
	29,915		22,789		29,190		23,976		20,049		20,423

(Continued)

See independent auditors' report.

City of Las Cruces

Changes in Net Position (000's)

Last Ten Fiscal Years

	2010	2011	2012	2013
Business-type activities:				
Charges for services				
Gas	\$ 24,693	\$ 24,498	\$ 24,150	\$ 24,243
Water	13,231	14,501	15,379	15,388
Waste water	10,822	10,897	11,599	12,004
Solid waste	10,204	10,361	11,050	11,735
Transit	564	640	660	637
Operating Grants and Contributions				
Water	8	-	1	241
Waste water	-	-	-	-
Transit	1,368	1,614	1,765	3,185
Other	-	-	-	-
Capital Grants and Contributions				
Gas	50	4,570	-	97
Water	1,069	2,548	-	602
Waste water	531	2,034	-	590
Transit	626	58	-	-
Subtotal business-type activities revenues	63,166	71,721	64,604	68,723
Total primary government revenues	113,388	107,723	90,339	104,482
Net (Expense)/Revenue				
Governmental activities	(59,933)	(74,929)	(90,985)	(77,144)
Business-type activities	(3,100)	6,498	(982)	1,780
Total primary government net expense	(63,033)	(68,431)	(91,967)	(75,365)

See independent auditors' report.

	2014		2015		2016		2017		2018		2019
\$	10,932	\$	10,736	\$	10,873	\$	13,841	\$	11,093	\$	19,096
	14,701		15,207		15,706		19,961		18,192		19,408
	11,970		11,570		11,767		15,173		12,729		12,912
	11,589		11,818		13,525		13,169		13,804		13,907
	737		620		768		864		745		941
	-		-		1,537		463		-		-
	-		-		1,256		628		-		-
	2,459		2,253		2,325		2,154		-		1,867
	-		-		-		-		-		-
	-		33		73		91		-		-
	-		139		168		102		-		-
	-		122		87		74		1,364		33
	-		-		-		-		2,093		-
	52,388		52,498		58,085		66,520		60,020		68,163
	82,303		75,287		87,275		90,496		80,069		88,586
	(86,263)		(95,894)		(99,422)		(114,033)		(121,865)		(129,423)
	(1,481)		(1,868)		248		(116)		(5,211)		(5,777)
	(87,744)		(97,762)		(99,174)		(114,149)		(127,076)		(135,200)

(Continued)

See independent auditors' report.

City of Las Cruces

Changes in Net Position (000's)

Last Ten Fiscal Years

	2010	2011	2012	2013
*General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Gross receipts	\$ 75,230	\$ 76,793	\$ 82,112	\$ 83,312
Property	13,216	13,904	13,281	13,972
Franchise	2,739	2,952	2,743	2,691
Investment income (loss)	3,569	3,462	4,172	(545)
Hospital net assets received	-	-	-	-
Telshor Facility income	139	5,473	-	-
Other	2,683	2,878	-	365
Donated capital assets	-	443	1,044	-
Licenses and permits	-	-	-	-
Fees, fines, franchise fees	-	-	-	-
Other	-	-	-	-
Gain(loss) on disposal of fixed assets/sale of investments				-
Transfers	(3,442)	(3,697)	(830)	(2,945)
Total governmental activities	94,134	102,208	102,522	96,850
Business-type activities:				
Investment income	1,302	306	2,258	(1,827)
Other	457	10	38	-
Donated capital assets	-	-	-	-
Gain(loss) on disposal of capital assets/sale of investr	-	(443)	46	-
Capital contributions				
Transfers	3,442	3,697	830	2,945
Total business-type activities	5,201	3,570	3,172	1,118
Total primary government	99,335	105,778	105,694	97,968
*Change in Net Position				
Governmental activities	34,201	27,279	11,537	19,706
Business-type activities	2,101	10,068	2,190	2,898
Total primary government	\$ 36,302	\$ 37,347	\$ 13,727	\$ 22,603

* 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 Transporation split into two separate departments/ Transportation and Economic Development

See independent auditors' report.

	2014		2015		2016		2017		2018		2019
\$	81,882	\$	93,684	\$	99,614	\$	99,866	\$	95,656	\$	95,581
	14,265		14,461		14,841		15,085		17,178		21,891
	2,701		2,438		2,873		2,809		2,185		2,145
	5,892		5,515		4,805		4,416		2,941		9,932
	-		-		-		-		-		-
	-		-		-		-		-		-
	11		-		-		-		4,681		1,722
	-		-		-		-		628		3,982
	-		-		-		-		-		-
	-		-		-		-		7,346		-
	-		-		-		-		-		11,320
	-		-		-		-		(4,686)		686
	(3,161)		(2,943)		(3,168)		(3,308)		(1,948)		(4,974)
	101,590		113,156		118,965		118,868		123,981		142,285
	1,465		2,797		2,714		119		(55)		3,127
	-		-		-		-		-		-
	-		-		-		-		1,545		2,234
	-		-		441		536		127		123
	231		-		-		-		-		-
	3,161		2,943		3,168		3,308		4,686		4,985
	4,857		5,740		6,323		3,964		6,303		10,468
	106,447		118,896		125,288		122,831		130,284		152,753
	15,327		17,262		19,543		4,835		2,116		12,861
	3,376		3,872		6,571		3,847		1,092		4,690
\$	18,703	\$	21,134	\$	26,114	\$	8,682	\$	3,208	\$	17,551

See independent auditors' report.

City of Las Cruces
Fund Balances - Governmental Funds
Last Ten Fiscal Years*

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Non-spendable	\$ 1,330,306	\$ 1,531,425	\$ 1,732,121	\$ 1,607,029
Restricted	853,513	43,994	109,896	26,654
Committed	5,809,607	5,142,436	6,120,361	7,464,550
Assigned	4,185,702	4,817,723	6,634,296	4,651,973
Unassigned	21,718,500	25,898,101	20,665,163	22,243,480
General fund subtotal	33,897,628	37,433,679	35,261,837	35,993,686
All other governmental funds				
Restricted	34,129,396	58,590,185	58,884,597	61,250,466
Committed	33,900,122	21,284,190	19,566,873	16,309,303
Assigned	-	-	-	-
Unassigned	-	(5,166)	-	(3,102)
All other governmental funds subtotal	68,029,518	79,869,209	78,451,470	77,556,667
	\$ 101,927,146	\$ 117,302,888	\$ 113,713,307	\$ 113,550,353

Notes:

- * The requirement for statistical data is ten years. GASB 54 was implemented in 2011, therefore, only data from 2011-2019 are shown. Prior years data is available upon request.

See independent auditors' report.

Fiscal Year				
2015	2016	2017	2018	2019
\$ 1,431,060	\$ 1,820,976	\$ 1,747,278	\$ 1,561,384	\$ 1,702,416
87,037	49,695	1,729,164	1,450,700	2,191,128
5,937,791	8,034,176	8,252,569	16,756,075	19,741,286
3,063,748	5,831,716	4,479,163	4,006,428	3,186,639
31,379,100	34,727,631	39,784,069	24,601,860	20,205,335
41,898,736	50,464,194	55,992,243	48,376,447	47,026,804
80,544,450	116,732,589	131,993,717	138,294,135	161,708,022
20,512,371	11,010,857	5,475,839	799,090	250,869
-	-	-	-	-
-	(205,952)	(190,492)	(534,064)	(906,173)
101,056,821	127,537,494	137,279,064	138,559,161	161,052,718
\$ 142,955,557	\$ 178,001,688	\$ 193,271,307	\$ 186,935,608	\$ 208,079,522

See independent auditors' report.

City of Las Cruces

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	2010	2011	2012	2013
Revenues				
Taxes**	\$ 91,184,536	\$ 93,649,128	\$ 95,393,242	\$ 97,283,814
Gross receipts	-	-	-	-
Property	-	-	-	-
Lodgers	-	-	-	-
State-shared	-	-	-	-
Charges for services	1,639,472	1,693,974	2,748,831	2,621,870
Fees and fines	3,313,826	3,242,061	3,094,954	4,223,526
Investment income (loss)	3,371,641	3,413,172	3,561,376	181,900
Franchise fees	2,683,038	2,877,685	2,742,676	2,691,014
Licenses and permits	1,240,495	1,358,315	1,278,941	1,266,098
Intergovernmental	35,021,604	12,021,639	10,717,386	13,359,243
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other	6,780,990	9,661,224	8,601,347	6,168,354
Total revenues	145,235,602	127,917,198	128,138,753	129,642,108
Expenditures				
Current				
General government	15,499,329	14,007,817	14,943,693	15,244,156
Police	25,629,244	25,131,037	25,616,229	26,298,016
Fire	10,461,299	10,704,845	11,300,825	11,670,358
Community development	7,541,002	5,797,178	4,724,846	4,384,737
Quality of life	9,085,863	8,331,342	8,153,572	8,161,447
Economic development				
Public works	10,260,104	10,401,815	14,620,521	11,027,114
Transportation	-	-	3,192,467	7,227,168
Parks and recreation	-	-	8,582,487	7,910,542
Capital outlay	60,876,060	25,235,059	16,511,279	20,881,103
Debt service				
Principal	7,554,567	48,897,966	13,058,688	8,843,242
Interest and other charges	4,194,303	4,244,129	4,040,062	3,391,926
Facilities	12,899,522	12,419,508	-	-
Development services	-	-	-	-
Information technology	-	2,795,580	2,913,463	3,575,895
Bond issuance costs	-	-	-	-
Total expenditures	164,001,293	167,966,276	127,658,132	128,615,704
Revenue over (under) expenditures	(18,765,691)	(40,049,078)	480,621	1,026,404

See independent auditors' report.

2014	2015	2016	2017	2018	2019
\$ 96,147,228	\$ 108,144,911	\$ 114,455,163	\$ 114,950,696	\$ 119,074,693	\$ -
-	-	-	-	-	94,943,406
-	-	-	-	-	21,608,568
-	-	-	-	-	2,144,835
-	-	-	-	-	2,388,129
2,978,651	2,871,940	2,957,652	3,036,531	2,978,759	3,444,809
3,601,721	2,960,103	3,238,041	2,208,315	3,709,207	3,780,235
5,502,991	4,632,666	4,021,081	4,428,153	2,974,495	9,230,148
2,700,727	2,438,470	2,873,464	2,809,073	3,898,194	3,628,782
1,090,909	1,072,697	1,577,456	1,655,125	1,471,630	1,473,546
6,219,035	7,265,804	6,784,524	8,335,866	-	-
-	-	-	-	2,381,697	2,870,480
-	-	-	-	5,426,056	5,046,711
-	-	-	-	183,661	178,104
8,237,485	8,798,356	7,211,763	8,203,588	7,202,817	12,264,313
126,478,747	138,184,947	143,119,144	145,627,347	149,301,209	163,002,066
15,309,810	15,540,303	21,270,277	19,370,272	20,865,804	22,633,215
26,682,809	25,964,438	25,031,978	25,467,920	25,064,845	26,755,974
11,960,199	13,231,354	13,190,791	13,613,317	15,179,537	17,435,953
4,590,232	4,855,907	5,210,672	4,952,654	5,006,504	5,729,694
8,470,577	8,408,291	8,669,918	8,533,485	7,001,487	7,751,009
			4,156,253	5,673,052	6,928,114
9,516,062	10,113,065	7,842,112	13,523,292	16,549,341	14,931,744
7,124,350	7,050,236	6,748,867	1,941,788	-	-
8,487,589	9,096,141	9,516,112	9,498,709	10,593,811	11,730,632
16,053,786	16,407,438	30,391,233	34,117,241	23,478,521	37,405,587
9,313,208	9,418,765	10,705,464	9,697,955	11,922,845	11,681,619
3,158,108	3,485,553	3,592,138	4,097,624	4,438,917	4,372,161
-	-	-	-	-	-
-	-	-	-	-	-
3,261,809	3,307,482	-	-	-	-
100,850	612,093	625,648	464,919	-	444,488
124,029,389	127,491,066	142,795,210	149,435,429	145,774,664	167,800,190
2,449,358	10,693,881	323,934	(3,808,082)	3,526,545	(4,798,124)

(Continued)

See independent auditors' report.

City of Las Cruces

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	2010	2011	2012	2013
Other financing sources (uses)				
Issuance of debt	\$ 187,874	\$ 46,400,106	\$ 17,462,973	\$ 44,638
Premiums on issuance of debt	-	-	-	-
Gain on capital assets	28,308	575,764	812,621	1,043,557
Bond premium (discount)	-	-	536,733	-
Hospital net position received	-	-	-	-
Capital leases	-	-	-	-
Proceeds of notes payable	-	-	-	-
Escrow refund	-	4,097,607	-	-
Payment to agency	-	-	-	-
Transfers in	19,719,483	26,035,390	22,493,222	20,070,575
Transfers out	(24,029,943)	(31,065,247)	(26,410,428)	(25,774,755)
Total other financing sources (uses)	(4,094,278)	46,043,620	14,895,121	(4,615,985)
Net change in fund balances	(22,859,969)	5,994,542	15,375,742	(3,589,581)
Debt service as a percentage of non-capital expenditures	11.39%	37.23%	15.38%	11.36%

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

- ** For 2010-2018 the City presented taxes in one category. In 2019 taxes were broken out in the categories presented above.

See independent auditors' report.

2014	2015	2016	2017	2018	2019
\$ 2,780,000	\$ 44,042,825	\$ 35,680,000	\$ 23,888,528	\$ 1,620,500	\$ 31,594,664
-	-	-	-	-	1,286,141
251,515	122,895	1,197,843	101,462	169,108	685,094
-	1,834,877	1,152,703	1,656,248	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,590,000)	(19,545,000)	-	-	-	-
(1,680,000)	-	-	-	-	-
20,982,459	21,933,451	34,732,300	24,900,335	33,743,360	27,025,560
(23,356,286)	(29,677,725)	(38,040,649)	(31,468,872)	(45,395,212)	(34,649,421)
(2,612,312)	18,711,323	34,722,197	19,077,701	(9,862,244)	25,942,038
(62,104)	30,017,297	35,671,779	15,734,538	(6,335,699)	21,143,914
11.56%	11.68%	12.79%	12.01%	13.38%	9.77%

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		Exemptions Real/Personal Property
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	
2010	\$ 2,106,691,015	\$ 6,320,073,045	\$ 57,474,536	\$ 172,423,608	\$ 196,456,064
2011	2,177,020,916	6,531,062,748	58,320,048	174,960,144	203,413,980
2012	2,151,439,907	6,454,319,721	54,925,488	164,776,464	202,125,710
2013	2,125,289,873	6,375,869,619	59,624,489	178,873,467	200,707,966
2014	2,155,885,195	6,467,655,585	61,581,848	184,745,544	208,357,576
2015	2,183,225,521	6,549,676,563	(60,724,499)	(182,173,497)	209,457,558
2016	2,341,981,680	7,025,945,040	61,176,691	183,530,073	247,952,646
2017	2,410,454,447	7,231,363,341	67,500,254	202,500,762	243,597,793
2018	2,485,879,710	7,457,639,130	69,318,831	207,956,493	249,116,267
2019	2,570,059,198	7,710,177,594	71,440,024	214,320,072	245,680,382

Source: Doña Ana County Property Abstract

See independent auditors' report.

Total		Ratio of Total
Taxable	Assessed	Taxable Value
Value	Value	To Total
		Assessed Value
\$ 1,967,709,487	\$ 5,903,128,461	33%
2,031,926,984	6,095,780,952	33%
2,004,239,685	6,012,719,055	33%
1,984,206,396	5,952,619,188	33%
2,009,109,467	6,027,328,401	33%
1,913,043,464	5,739,130,392	33%
2,155,205,725	6,465,617,175	33%
2,234,356,908	6,703,070,724	33%
2,306,082,274	6,918,246,822	33%
2,395,818,840	7,187,456,520	33%

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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
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
2019	8.848	1.360	9.351	9.949	2.000	31.508

NON-RESIDENTIAL						
Fiscal Year	City	State	County	School District	Other	Total Non-Residential
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
2019	9.127	1.360	11.948	10.105	2.000	34.540

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

See independent auditors' report.

City of Las Cruces

Principal Taxpayers

Last Ten Years

(Unaudited)

2019				
Taxpayer	Type of Business	Taxable Value	Percentage of Total Taxable Value	Rank
EL PASO ELECTRIC COMPANY	ELECTRICITY	70,042,733	2.86%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	67,765,101	2.76%	2
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	53,243,987	2.17%	3
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	35,248,800	1.44%	4
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	26,831,740	1.09%	5
SUNE EPE2 LLC (SILICON RANCH)	ELECTRICITY	18,731,587	0.76%	6
HTA-REGIONAL MEDICAL CENTER MOB LLC	MEDICAL CENTER	17,854,468	0.73%	7
COPPERSTONE LLC	REAL ESTATE	17,829,900	0.73%	8
CLEAR SKY CAPITAL CASAS DE SOLEDAD APARTMENTS LP	APARTMENTS	16,529,225	0.67%	9
BEST NEW MEXICO PORTFOLIO I LLC	REAL ESTATE	15,396,785	0.63%	10
BURREL COLLEGE OF OSTEOPATHIC MEDICINE	MEDICAL COLLEGE			
CASA BANDERA OWNERS LLC	REAL ESTATE			
QWEST CORPORATION	COMMUNICATIONS			
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS			
LAS CRUCES INVESTCO LLC	REAL ESTATE			
WAL-MART STORES, INC.	DISCOUNT STORES			
DUKE REALITY LAS CRUCES MOB LLC	REAL ESTATE			
LAS CRUCES MADISON OWNERSHIP CO. LLC	REAL ESTATE			
LAS CRUCES - TMB LLC	REAL ESTATE			
PARK PLACE PERIDOT LLC	BUSINESS COMPLEX			
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			
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			
			13.84%	

Source: Doña Ana County Property Abstract - County Assessors Office

See independent auditors' report.

2018			2017			2016		
Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
81,851,555	1.84%	1	75,051,914	1.89%	1	78,255,738	1.97%	1
54,590,000	1.23%	2	54,590,000	1.38%	2	54,590,000	1.38%	2
35,960,393	0.81%	3	35,960,393	0.91%	3	54,042,000	1.36%	3
35,248,800	0.79%	4	35,248,800	0.89%	4	35,248,800	0.89%	4
26,020,745	0.59%	5	22,277,725	0.56%	7	21,760,209	0.55%	7
17,854,468	0.40%	6						
17,829,900	0.40%	7	17,829,900	0.45%	5	25,604,957	0.64%	5
16,047,870	0.36%	8	15,580,539	0.39%	8	15,126,762	0.38%	8
15,122,352	0.34%	9						
14,572,955	0.33%	10	14,148,500	0.36%	10	14,148,500	0.36%	10
			22,031,097	0.55%	6	22,407,480	0.56%	6
			14,781,437	0.37%	9	14,871,437	0.37%	9
7.09%			7.75%			8.46%		

(Continued)

See independent auditors' report.

City of Las Cruces

Principal Taxpayers

Last Ten Years

(Unaudited)

2015				
Taxpayer	Type of Business	Taxable Value	Percentage of Total Taxable Value	Rank
EL PASO ELECTRIC COMPANY	ELECTRICITY	96,539,781	4.59%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	65,093,288	3.10%	2
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	50,676,800	2.41%	3
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	35,116,500	1.67%	4
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	21,612,820	1.03%	8
SUNE EPE2 LLC (SILICON RANCH)	ELECTRICITY	31,984,810	1.52%	5
HTA-REGIONAL MEDICAL CENTER MOB LLC	MEDICAL CENTER			
COPPERSTONE LLC	REAL ESTATE	23,522,866	1.12%	6
CLEAR SKY CAPITAL CASAS DE SOLEDAD APARTMENTS LP	APARTMENTS			
BEST NEW MEXICO PORTFOLIO I LLC	REAL ESTATE			
BURREL COLLEGE OF OSTEOPATHIC MEDICINE	MEDICAL COLLEGE			
CASA BANDERA OWNERS LLC	REAL ESTATE			
QWEST CORPORATION	COMMUNICATIONS	22,846,665	1.09%	7
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS	15,646,000	0.74%	9
LAS CRUCES INVESTCO LLC	REAL ESTATE	14,689,139	0.70%	10
WAL-MART STORES, INC.	DISCOUNT STORES			
DUKE REALITY LAS CRUCES MOB LLC	REAL ESTATE			
LAS CRUCES MADISON OWNERSHIP CO. LLC	REAL ESTATE			
LAS CRUCES - TMB LLC	REAL ESTATE			
PARK PLACE PERIDOT LLC	BUSINESS COMPLEX			
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			
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			
			17.97%	

Source: Doña Ana County Property Abstract - County Assessors Office

See independent auditors' report.

2014			2013			2012		
Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	Rank
88,614,513	4.27%	1	83,788,517	4.09%	1	83,900,940	4.19%	1
68,342,933	3.29%	2	67,806,108	3.31%	2	68,328,088	3.41%	2
50,853,900	2.45%	3	66,381,142	3.24%	3	66,824,652	3.33%	3
32,181,500	1.55%	5	32,181,500	1.57%	5	31,562,620	1.57%	4
23,280,858	1.12%	6	24,909,411	1.22%	6	25,781,160	1.29%	6
36,200,000	1.74%	4	40,632,555	1.99%	4	18,908,564	0.94%	7
23,258,900	1.12%	7	17,869,700	0.87%	8			
						14,303,200	0.71%	9
22,328,470	1.08%	8	23,149,114	1.13%	7	26,808,806	1.34%	5
14,345,600	0.69%	10						
16,442,600	0.79%	9						
			14,780,000	0.72%	9			
			14,697,557	0.72%	10	14,277,800	0.71%	10
						14,780,000	0.74%	8
18.10%			18.87%			18.24%		

(Continued)

See independent auditors' report.

City of Las Cruces

Principal Taxpayers

Last Ten Years

(Unaudited)

2011				
Taxpayer	Type of Business	Taxable Value	Percentage of Total Taxable Value	Rank
EL PASO ELECTRIC COMPANY	ELECTRICITY	75,082,228	3.70%	1
LAS CRUCES MEDICAL CENTER LLC	MEDICAL CENTER	65,207,949	3.21%	3
MEMORIAL MEDICAL CENTER	MEDICAL CENTER	67,263,063	3.31%	2
MESILLA VALLEY MALL LLC	SHOPPING CENTERS	31,160,200	1.53%	5
COMCAST CABLEVISION OF NM/PA INC	TELEVISION SERVICES	27,078,136	1.33%	6
SUNE EPE2 LLC (SILICON RANCH)	ELECTRICITY			
HTA-REGIONAL MEDICAL CENTER MOB LLC	MEDICAL CENTER			
COPPERSTONE LLC	REAL ESTATE			
CLEAR SKY CAPITAL CASAS DE SOLEDAD APARTMENTS LP	APARTMENTS			
BEST NEW MEXICO PORTFOLIO I LLC	REAL ESTATE			
BURREL COLLEGE OF OSTEOPATHIC MEDICINE	MEDICAL COLLEGE			
CASA BANDERA OWNERS LLC	REAL ESTATE	14,450,000	0.71%	9
QWEST CORPORATION	COMMUNICATIONS	39,753,714	1.96%	4
SONOMA PALMS APTS LOUISIANA LLC	APARTMENTS			
LAS CRUCES INVESTCO LLC	REAL ESTATE			
WAL-MART STORES, INC.	DISCOUNT STORES			
DUKE REALITY LAS CRUCES MOB LLC	REAL ESTATE			
LAS CRUCES MADISON OWNERSHIP CO. LLC	REAL ESTATE	14,277,800	0.70%	10
LAS CRUCES - TMB LLC	REAL ESTATE	15,300,000	0.75%	7
PARK PLACE PERIDOT LLC	BUSINESS COMPLEX	15,131,252	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			
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			
			17.94%	

Source: Doña Ana County Property Abstract - County Assessors Office

See independent auditors' report.

2010

Taxable Value	Percentage of Total Taxable Value	Rank
74,944,703	3.81%	1
56,276,100	2.86%	3
74,406,896	3.78%	2
31,422,000	1.60%	5
24,878,595	1.26%	6

15,454,200	0.79%	8
39,251,670	1.99%	4

15,833,100	0.80%	7
15,300,000	0.78%	9
13,160,400	0.67%	10

18.34%

See independent auditors' report.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 12,713,979	\$ 12,103,053	95.2%	\$ 46,031	\$ 12,667,948	99.6%
2011	13,128,983	12,566,172	95.7%	72,289	13,056,694	99.4%
2012	13,345,937	12,823,300	96.1%	204,850	13,141,087	98.5%
2013	13,802,013	13,312,600	96.5%	489,413	13,312,600	96.5%
2014	14,200,416	13,740,560	96.8%	459,856	13,740,560	96.8%
2015	14,434,851	13,982,535	96.9%	452,316	13,982,535	96.9%
2016	14,878,291	14,361,584	96.5%	516,707	14,361,584	96.5%
2017	15,112,697	14,614,744	96.7%	497,953	14,614,744	96.7%
2018	15,636,367	15,177,065	97.1%	459,302	15,177,065	97.1%
2019	20,896,219	20,208,777	96.7%	687,442	20,208,777	96.7%

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

See independent auditors' report.

City of Las Cruces

Ratio of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Governmental Activities						Business-Type Activities						
Fiscal Year	Sales Tax Revenue Bonds		Unamortized Premium on Sales Tax Revenue Bonds		Notes Payable	Capital Lease	Utility Revenue Bonds	Unamortized Discount on Utility Revenue Bonds				
2010	\$	44,145,000	\$	298,717	\$	46,441,758	\$	81,822	\$	41,225,000	\$	30,003
2011		73,335,000		2,400,558		12,521,411		-		61,980,000		677,189
2012		73,385,000		2,761,500		16,875,696		-		58,060,000		639,532
2013		67,580,000		2,585,708		13,882,092		-		54,015,000		601,874
2014		59,350,000		2,409,916		13,988,884		-		49,865,000		563,895
2015		72,015,000		4,041,329		11,576,819		-		53,050,000		2,658,905
2016		99,935,000		4,884,608		8,605,230		-		65,445,000		3,584,671
2017		107,405,000		6,185,598		15,325,802		-		77,230,000		4,437,833
2018		99,845,000		5,734,548		12,557,332		-		94,445,000		5,052,101
2019		91,515,000		5,283,499		13,745,377				89,245,000		4,714,967

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.

See independent auditors' report.

Business-Type Activities

Capital Leases		Notes Payable	Total Primary Government	Percentage of Personal Income*	Per Capita*
\$	-	\$ 27,046,304	\$ 159,268,604	2.73%	\$ 1,700
	-	1,904,310	152,818,468	2.63%	1,561
	-	2,558,421	154,280,149	2.47%	1,548
	-	2,101,541	140,766,215	6.98%	1,400
	-	1,632,909	127,810,604	5.96%	1,261
	-	3,812,635	147,154,688	6.76%	1,451
	-	3,116,172	185,570,681	8.69%	1,826
	-	2,409,118	212,993,351	9.46%	2,093
	-	6,714,765	224,348,746	9.99%	2,206
		5,973,061	210,476,904	8.84%	2,045

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
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
2019	102,926	2,452,517,126	-	-	-	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, 2019

(Unaudited)

Jurisdiction	Total General Debt Outstanding As of 6/30/2019	Percentage Applicable To City of Las Cruces	City of Las Cruces Share of Debt
Direct:			
City of Las Cruces	\$ 110,543,876	100.00%	\$ 118,136,880
Overlapping :			
Doña Ana County	17,181,985	47.24%	8,116,179
Las Cruces School District	INFO NOT AVAILABLE	69.64%	-
Doña Ana Community College	17,099,000	26.89%	4,597,329
Total Overlapping	34,280,985		12,713,508
Total Direct And Overlapping General Obligation Bonded Debt	\$ 144,824,861		\$ 130,850,388

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

See independent auditors' report.

City of Las Cruces

Computation of Legal Debt Margin Last Ten Fiscal Years (Unaudited)

	FY2019
Taxable Valuation	\$ 2,452,517,126
Legal Debt Limit- 4% of Assessed Valuation	98,100,685
Amount of Long-Term Debt Subject To Legal Debt Limit: General Obligation Debt Outstanding	-
Legal Debt Margin	\$ 98,100,685

	Fiscal Year		
	2010	2011	2012
Debt Limit	\$ 76,865,558	\$ 81,277,079	\$ 80,169,587
Total net debt applicable to limit	-	-	-
Total debt margin	\$ 76,865,558	\$ 81,277,079	\$ 80,169,587
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.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 81,854,871	\$ 83,042,750	\$ 84,118,006	\$ 87,269,650	\$ 91,530,479	\$ 109,738,157
-	-	-	-	-	-
\$ 81,854,871	\$ 83,042,750	\$ 84,118,006	\$ 87,269,650	\$ 91,530,479	\$ 109,738,157
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) and *PRELIMINARY*

June 30, 2019

(Unaudited)

Gross Receipts Tax Revenue Bonds/Notes						Utility Revenue Bonds/Notes	
Fiscal Year	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses	
		Principal	Interest				
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	8,882,965	3,362,080	4.86	51,108,277	(41,811,074)	
2019	59,104,852	9,302,527	3,124,598	4.76	53,861,757	(39,147,533)	

Gas Tax Notes						Pledged Revenues
Fiscal Year	Pledged Revenues	Debt Service		Coverage		
		Principal	Interest			
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	
2019	1,741,423	369,000	30,718	4.36	785,327	

Hold Harmless Gross Receipts Tax Revenue Bonds/Notes						Solid Waste Revenue Notes	
Fiscal Year	Pledged Revenues	Debt Service		Coverage	Utility Service Charges	Less Operating Expenses	
		Principal	Interest				
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	13,756,124	(11,888,030)	
2019	10,206,055	1,540,000	1,043,511	3.95	14,523,305	(11,240,291)	

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.

Utility Revenue Bonds/Notes (Continued)

Net Available Revenue	Debt Service		Coverage
	Principal	Interest	
\$ 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
9,297,203	5,075,000	2,779,052	1.18
14,714,224	5,420,000	3,515,926	1.65

Environmental Gross Receipts Tax Bonds

Pledged Revenues	Debt Service		Coverage
	Principal	Interest	
\$ 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
1,813,269	215,213	62,897	6.52

Fire Protection Fund

Debt Service		
Principal	Interest	Coverage
\$ 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
167,879	10,790	4.40

Lodger's Tax and Convention Center Fees Bonds/Notes

Pledged Revenues	Debt Service		Coverage
	Principal	Interest	
\$ 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
3,448,238	675,000	915,206	2.17

Solid Waste Revenue Notes (Continued)

Net Available Revenue	Debt Service		Coverage
	Principal	Interest	
\$ 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
1,868,094	719,353	43,885	2.45
3,283,014	521,704	29,669	5.95

See independent auditors' report.

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City of Las Cruces

Demographic Data
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate %
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%
2019	102,926	2,380,781	23,131	32.6	24,461	6.3%

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, 2019
(Unaudited)

2019	2018	2017
New Mexico State University White Sands Missile Range Las Cruces Public Schools NASA City of Las Cruces Memorial Medical Center Wal-Mart Allied Signal Aerospace Excel Agent Services	New Mexico State University White Sands Missile Range Las Cruces Public Schools NASA City of Las Cruces Memorial Medical Center Wal-Mart Allied Signal Aerospace Excel Agent Services National Aeronautics & Space	New Mexico State University White Sands Missile Range Las Cruces Public Schools NASA City of Las Cruces Memorial Medical Center Wal-Mart Allied Signal Aerospace Excel Agent Services
2014	2013	2012
New Mexico State University Las Cruces Public Schools City of Las Cruces Memorial Medical Center Wal-Mart Mountain View Regional Medical Center Doña Ana County Doña Ana Branch Community College Coordinated Care Corp. National Aeronautics & Space	New Mexico State University Las Cruces Public Schools City of Las Cruces Memorial Medical Center Wal-Mart Mountain View Regional Medical Center Doña Ana County Doña Ana Branch Community College Coordinated Care Corp. National Aeronautics & Space	New Mexico State University Las Cruces Public Schools City of Las Cruces Memorial Medical Center Doña Ana Branch Community College Doña Ana County Mountain View Regional Medical Center Wal-Mart Coordinated Care Corp. 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

<http://www.city-data.com/city/Las-Cruces-New-Mexico.html>

See independent auditors' report.

2016	2015
New Mexico State University	New Mexico State University
Las Cruces Public Schools	Las Cruces Public Schools
Peak Behavioral Health Services	City of Las Cruces
Memorial Medical Center	Memorial Medical Center
Wal-Mart	Wal-Mart
Mountain View Regional Medical Center	Mountain View Regional Medical Center
Doña Ana County Administration	Doña Ana County
Doña Ana Branch Community College	Doña Ana Branch Community College
Addus Health Care	Addus Healthcare (formerly Coordinated)
National Aeronautics & Space	National Aeronautics & Space

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

See independent auditors' report.

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City of Las Cruces

Full-time Equivalent Employees by Line of Business Last Ten Fiscal Years (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line of Business										
City Manager's Office										
Administration	-	-	-	-	-	-	-	-	-	9
Council & Community Support	-	-	-	-	-	-	-	-	-	3
Fiscal Management	-	-	-	-	-	-	-	-	-	9
Community Relations	-	-	-	-	-	-	-	-	-	10
Fleet Management	-	-	-	-	-	-	-	-	-	29
Other	18	22	28	21	20	23	24	25	56	-
Financial Services										
Administration	-	-	-	-	-	-	-	-	-	3
Accounting and Financial Reporting	-	-	-	-	-	-	-	-	-	15
Processing Procure-to-pay	-	-	-	-	-	-	-	-	-	12
Revenue Management	-	-	-	-	-	-	-	-	-	13
Other	58	58	42	42	38	42	42	46	43	-
Human Resources										
Office of the Director	-	-	-	-	-	-	-	-	-	2
Employee Support	-	-	-	-	-	-	-	-	-	5
Organizational Support	-	-	-	-	-	-	-	-	-	10
Other	15	14	15	15	15	15	13	14	17	-
Legal										
Office of the Director	-	-	-	-	-	-	-	-	-	3
Education	-	-	-	-	-	-	-	-	-	4
Compliance	-	-	-	-	-	-	-	-	-	22
Other	22	26	22	25	25	25	28	36	26	-
Police										
Office of the Chief	-	-	-	-	-	-	-	-	-	16
Public Safety	-	-	-	-	-	-	-	-	-	161
Investigations & Intelligence	-	-	-	-	-	-	-	-	-	36
Community Outreach	-	-	-	-	-	-	-	-	-	82
Law Enforcement Academy	-	-	-	-	-	-	-	-	-	24
Internal Affairs	-	-	-	-	-	-	-	-	-	4
Other	277	306	261	266	253	259	250	303	335	-
Fire										
Office of the Chief	-	-	-	-	-	-	-	-	-	7
Community Engagement	-	-	-	-	-	-	-	-	-	8
Support and Education	-	-	-	-	-	-	-	-	-	3
Emergency Response	-	-	-	-	-	-	-	-	-	153
Other	117	127	135	137	135	131	131	150	165	-

(Continued)

See independent auditors' report.

City of Las Cruces

Full-time Equivalent Employees by Line of Business Last Ten Fiscal Years (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line of Business										
Community Development										
Office of the Director	-	-	-	-	-	-	-	-	-	5
Planning & Neighborhood										
Services	-	-	-	-	-	-	-	-	-	11
One Stop Shop	-	-	-	-	-	-	-	-	-	25
Community Improvement	-	-	-	-	-	-	-	-	-	6
Mesilla Valley Metropolitan										
Planning Organization	-	-	-	-	-	-	-	-	-	5
Other	60	61	51	55	45	41	43	44	51	-
Economic Development										
Administration	-	-	-	-	-	-	-	-	-	6
Development	-	-	-	-	-	-	-	-	-	30
Land Mgmt. and Real Estate	-	-	-	-	-	-	-	-	-	4
Sustainability	-	-	-	-	-	-	-	-	-	2
Other	-	-	-	-	-	-	-	-	37	-
Quality of Life										
Director's Office	-	-	-	-	-	-	-	-	-	6
RoadRUNNER Transit	-	-	-	-	-	-	-	-	-	73
Senior Programs	-	-	-	-	-	-	-	-	-	46
Library and Museums	-	-	-	-	-	-	-	-	-	68
Other	219	247	116	82	80	86	85	128	199	-
Public Works										
Office of the Director	-	-	-	-	-	-	-	-	-	6
Public Infrastructure	-	-	-	-	-	-	-	-	-	55
Traffic Engineering	-	-	-	-	-	-	-	-	-	22
Maintenance and Operations	-	-	-	-	-	-	-	-	-	84
Other	100	98	80	88	84	89	91	152	161	-
Information Technology										
Office of the Director	-	-	-	-	-	-	-	-	-	2
Information Systems	-	-	-	-	-	-	-	-	-	9
IT Infrastructure Support	-	-	-	-	-	-	-	-	-	16
Information Security	-	-	-	-	-	-	-	-	-	2
Other	21	26	26	27	25	25	23	29	30	-
Parks and Recreation**										
Office of the Director	-	-	-	-	-	-	-	-	-	11
Construction, Maintenance										
and Beautification	-	-	-	-	-	-	-	-	-	62
Fitness, Recreation and										
Wellness	-	-	-	-	-	-	-	-	-	66
Community Events	-	-	-	-	-	-	-	-	-	2
Out of School Time and										
Youth Diversion	-	-	-	-	-	-	-	-	-	30
Other	-	-	134	90	94	124	80	151	177	-

See independent auditors' report.

(Continued)

City of Las Cruces

Full-time Equivalent Employees by Line of Business Last Ten Fiscal Years (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line of Business										
Utilities										
Office of the Director	-	-	-	-	-	-	-	-	-	10
Natural Gas Operations & Maintenance	-	-	-	-	-	-	-	-	-	59
Water Operations & Maintenance	-	-	-	-	-	-	-	-	-	58
Wastewater Operations & Maintenance	-	-	-	-	-	-	-	-	-	45
Solid Waste Collections	-	-	-	-	-	-	-	-	-	43
Utilities Environmental	-	-	-	-	-	-	-	-	-	6
Customer Engagement	-	-	-	-	-	-	-	-	-	46
Revenue & Financial Reporting	-	-	-	-	-	-	-	-	-	17
Regulatory Compliance & Training	-	-	-	-	-	-	-	-	-	11
Utilities Support & Project Management	-	-	-	-	-	-	-	-	-	15
Other	231	229	239	260	255	258	268	298	298	-
Other										
Other	154	161	130	131	123	121	130	120	-	-
Total Employees	1,292	1,375	1,279	1,239	1,192	1,239	1,208	1,496	1,593	1,605

*The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2010 to 2019 is shown.

*Changes due to Line of Business classification versus Function/Program

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

See independent auditors' report.

City of Las Cruces

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/program	Fiscal Year		
	2010	2011	2012
General Government			
Number of newsletters printed and mailed	222,000	232,800	-
Number of newsletters produced			4
Cost per newsletter	\$ 0.26	\$0.23	\$88.00
Average number of days from position postings to position hires	79	76.5	78.0
Operating and maintenance cost per work station	<\$3,600	< \$3,800	< \$4,000
Public Works/Building Services			
Dollar amount of projects managed per employee	\$ 10.40	4.1 M	2.2M
Number of project work orders (over \$10,000) requested	43	31	39
Total number of facilities operated and maintained	99	99	106
Percent of potholes patched within 24 hours of report	75.5%	63.9%	88.0%
Parks and Recreation			
Conduct park safety and maintenance inspections	150/qtr	153/qtr	153/qtr
Number of clean up events	146	223	287
Police			
Number of citations issued	47,193	21,869	24,238
Number of codes violations addressed	23,064	30,399	32,000
Fire			
Number of building inspections	2,279	2,796	2,162
Number of citizens who receive safety education	2,150	3,150	3,691
Community Development			
Number of affordable rental and owner occupied housing using CBDG and HOME funds	96	53	58
Miles of bicycle facility lane installed	4.0	3.0	3.1
Number of special events hosted in downtown area	25	14	15
Number of vendors participating in the Farmer's and Crafts Market	275	300	340
Number of residential building permits issued (Res New SFD & Res New Townhouses 7/1/13-6/30/14)	468	475	396
Amount collected for residential permits	\$ 1,272,140	\$ 1,447,377	\$ 1,443,350
Number of commercial building permits issued (New Commercial Const includes New multi-family 7/1/13-6/30/14)	17	21	45
Amount collected for commercial permits	\$ 83,232	\$ 64,748	\$ 408,195

See independent auditors' report.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
-	172,000	164,000	164,000	161,996	117,890	82,000
75	4	4	16	4	3	2
\$132.29	\$371.00	\$6.34	\$0.58	\$0.59	\$0.43	\$0.85
74.5			50.0	51.0	48.0	65.0
< \$3,800	< \$3,800	< \$3,800	< \$3,800	< \$3,600	< \$3,600	< \$3,200
3.79M	2.69M	2.67M	5.90M	4.25M	2.86M	3.39M
40	60	32	29	38	54	30
112	107	106	104	105	105	105
89.2%	100.0%	66.7%	68%	76%	35%	89%
154/qtr	153/qtr	154/qtr	154/qtr	159/qtr	159/qtr	634/qrt
371	27	25	47	171	237	186
20,014	15,968	15,968	17,660	17,159	18,549	15,101
37,742	38,919	32,333	32,749	30,597	26,068	22,668
3,339	2,152	3,240	3,525	2,400	3,000	2,862
3,663	5,700	5,739	7,950	11,018	15,475	7,232
66	56	61	62	56	43	41
1.3	1.4	13.0	0.4	-	-	5.7
15	35	39	58	61	95	100
285	-	-	-	-	-	
417	343	315	379	480	521	532
\$ 1,672,730	\$ 1,680,579	\$ 1,519,102	\$ 1,783,294	\$ 2,555,158	\$ 2,830,607	\$ 2,901,239
25	38	14	26	31	27	29
\$ 928,059	\$ 680,075	\$ 242,413	\$ 737,098	\$ 951,694	\$ 857,668	\$ 651,866

(Continued)

See independent auditors' report.

City of Las Cruces

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/program	Fiscal Year		
	2010	2011	2012
Economic Development			
Request for visitor information at Convention & Visitor's Bureau (CVE)	30,657	20,832	21,215
Walk-in visitors to CVB office	3,332	1,660	1,710
Number of congregate meals served to seniors	87,017	85,715	88,000
Number of home-delivered meals served to seniors	135,014	130,587	136,000
Number of homemaker units	8,235	3,164	4,000
Museum visitors	291,232	269,260	249,000
Museum exhibit openings attendance	16,345	18,876	17,000
Museum program participants	26,436	26,409	31,000
Fixed Route ridership	601,782	637,797	696,580
Cost per trip on fixed route	\$ 4.13	\$ 4.00	\$ 3.73
Total library circulations	583,892	566,302	577,657
Total number of library sponsored programs	665	887	880
Computer sessions at library	97,058	95,780	89,447
Transportation			
Percent of potholes patched within 24 hours of report	75.5%	63.9%	88.0%
Maintain major arterials and intersections through routine striping program	2/yr	2/yr	2/yr
Utilities			
Meter reading complaints	< 1%	< 1%	< 1%
Metering operating cost per customer	\$ 0.67	\$ 0.77	\$ 0.64
Operating and maintenance cost per dekatherm (Gas)	\$ 1.83	\$ 1.76	\$ 1.72
Operating and maintenance cost per 1,000 gallons produced (Water)	\$ 1.13	\$ 1.06	\$ 1.17
Operating and maintenance cost per 1,000 gallons treated (Wastewater)	\$ 1.73	\$ 1.44	\$ 1.85
Total operating cost per ton collected (Solid Waste)	\$ 60.06	\$ 66.09	\$ 61.32

*The requirement for statistical data is ten years. GASB 34 was implemented in 2002. Data from 2010 to 2019 is shown.

Source: Various City departments

See independent auditors' report.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
20,602	21,612	6,777	5,426	3,605	5,537	4,882
1,313	1,123	727	587	642	492	812
90,879	87,847	87,824	98,479	100,775	100,148	100,905
156,034	176,689	189,274	186,829	190,729	203,943	213,769
4,584	4,246	4,535	4,547	5,084	4,790	4,948
158,845	137,779	112,838	78,952	84,782	99,495	93,525
23,244	20,320	6,340	3,286	3,766	3,810	2,262
29,862	30,331	24,568	18,482	17,537	23,183	35,161
759,653	735,238	735,862	667,736	539,143	554,586	543,333
\$ 3.54	\$ 3.67	\$ 3.56	\$ 3.95	\$ 4.88	\$ 5.87	\$ 6.14
554,009	478,675	455,560	431,060	409,838	400,107	396,171
850	943	630	613	525	616	632
73,497	97,897	77,733	61,746	50,491	41,266	46,541
89.2%	100.0%	66.7%	68%	76%	35%	89%
3/yr	3/yr	3/yr	2/yr	1/yr	1/yr	1/yr
< 1%	< 1%	< 1%	< 1%	< 1%	< 1%	< 1%
\$ 0.67	\$ 0.69	\$ 0.70	\$ 0.70	\$ 0.64	\$ 0.55	\$ 0.54
\$ 1.74	\$ 1.88	\$ 1.78	\$ 2.61	\$ 2.80	\$ 3.69	\$ 2.63
\$ 1.27	\$ 1.24	\$ 1.37	\$ 1.94	\$ 1.64	\$ 2.03	\$ 1.96
\$ 2.09	\$ 1.98	\$ 2.04	\$ 2.94	\$ 2.94	\$ 3.56	\$ 3.16
\$ 69.03	\$ 71.25	\$ 61.20	\$ 71.36	\$ 73.46	\$ 85.71	\$ 79.41

See independent auditors' report.

City of Las Cruces

Capital Assets and Infrastructure Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

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

Sources: Various City departments.

See independent auditors' report.

2014	2015	2016	2017	2018	2019
77.2	76.99	76.99	77	77	77
602	496	483	483	519	519
7,790	7,914	7,959	7,463	7,490	7,489
5	5	6	6	6	6
1	1	1	1	1	1
2	2	2	2	2	2
86	92	92	93	94	98
720	850	970	972	973	974
13	13	16	16	16	16
4	4	4	4	4	4
1	1	1	1	1	1
19	19	18	18	18	18
4	4	11	11	17	17
19	21	23	23	30	30
7	7	7	8	8	8
1	1	1	2	2	2
533	550	550	550	550	550
74.7	74.7	74.7	85	85.6	89
3	3	3	3	3	3
32,767	33,098	33,518	34,048	34,525	35,083
600	600	600	704	720	720
32,209	32,380	32,653	35,099	36,854	37,182
133	133	133	115	158	160
345	343	290	260	260	302
18	19	19	19	19	20
21	20	20	20	20	21

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Years

June 30, 2019

(Unaudited)

Fiscal Year 2019

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	9,874	18.40%	\$ 73,858,429	33.45%	8.3125%
Construction	6,656	12.40%	21,537,408	9.75%	8.3125%
Other Services (except Public Admin)	7,839	14.61%	12,998,185	5.89%	8.3125%
Health Care and Social Assistance	6,129	11.42%	39,080,104	17.70%	8.3125%
Accommodation and Food Services	3,279	6.11%	24,733,941	11.20%	8.3125%
Professional, Scientific and Technical Svcs	6,387	11.90%	17,826,055	8.07%	8.3125%
Wholesale Trade	2,769	5.16%	3,784,874	1.71%	8.3125%
Unclassified Establishments	2,488	4.64%	1,672,228	0.76%	8.3125%
Utilities	148	0.28%	6,272,037	2.84%	8.3125%
Information and Cultural Industries	1,851	3.45%	11,988,795	5.43%	8.3125%
Real Estate and Rental and Leasing	3,034	5.65%	3,367,134	1.52%	8.3125%
Administrative, Support, Waste Mgmt, and Remediation Svcs	3,214	5.99%	3,691,612	1.67%	8.3125%
Total	53,668	100%	\$ 220,810,801	100%	

Fiscal Year 2017

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
Retail Trade	10,047	19.27%	\$ 71,172,263	34.01%	8.3125%
Construction	7,121	13.66%	25,155,891	12.02%	8.3125%
Other Services (except Public Admin)	10,746	20.61%	15,567,684	7.44%	8.3125%
Health Care and Social Assistance	6,157	11.81%	34,124,180	16.30%	8.3125%
Accommodation and Food Services	3,442	6.60%	23,038,391	11.01%	8.3125%
Professional, Scientific and Technical Svcs	6,217	11.92%	13,043,433	6.23%	8.3125%
Wholesale Trade	2,759	5.29%	3,833,924	1.83%	8.3125%
Unclassified Establishments	976	1.87%	852,162	0.41%	8.3125%
Utilities	105	0.20%	7,029,139	3.36%	8.3125%
Information and Cultural Industries	1,657	3.18%	12,054,208	5.76%	8.3125%
Real Estate and Rental and Leasing	2,915	5.59%	3,415,655	1.63%	8.3125%
Total	52,142	100%	\$ 209,286,928	100%	

See independent auditors' report.

Fiscal Year 2018

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
7,138	10.34%	\$ 51,496,611	19.04%	8.3125%
5,653	8.19%	17,427,598	6.44%	8.3125%
7,262	10.52%	11,360,340	4.20%	8.3125%
4,564	6.61%	26,942,690	9.96%	8.3125%
5,534	8.02%	21,702,512	8.02%	8.3125%
4,374	6.34%	10,912,644	4.04%	8.3125%
5,650	8.19%	25,462,566	9.42%	8.3125%
18,621	26.98%	74,345,424	27.49%	8.3125%
2,174	3.15%	11,763,610	4.35%	8.3125%
1,482	2.15%	8,956,630	3.31%	8.3125%
4,142	6.00%	7,271,327	2.69%	8.3125%
2,429	3.52%	2,799,119	1.04%	8.3125%
69,023	100%	\$ 270,441,071	100%	

Fiscal Year 2016

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
9,926	18.71%	\$ 68,891,198	35.01%	8.3125%
7,033	13.26%	22,175,727	11.27%	8.3125%
11,136	20.99%	16,939,856	8.61%	8.3125%
6,114	11.52%	25,132,273	12.77%	8.3125%
3,420	6.45%	22,297,561	11.33%	8.3125%
6,302	11.88%	13,652,053	6.94%	8.3125%
2,587	4.88%	4,371,959	2.22%	8.3125%
2,056	3.88%	1,805,892	0.92%	8.3125%
100	0.19%	6,887,564	3.50%	8.3125%
1,477	2.78%	11,442,374	5.81%	8.3125%
2,900	5.47%	3,197,201	1.62%	8.3125%
53,051	100%	\$ 196,793,660	100%	

(Continued)

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Years

June 30, 2019

(Unaudited)

Fiscal Year 2015

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

Fiscal Year 2013

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

See independent auditors' report.

Fiscal Year 2014

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
10,233	21.06%	\$ 59,620,284	34.25%	7.5625%
6,091	12.54%	13,971,810	8.03%	7.5625%
10,842	22.32%	14,641,995	8.41%	7.5625%
5,401	11.12%	24,712,320	14.19%	7.5625%
3,198	6.58%	18,185,183	10.45%	7.5625%
5,889	12.12%	11,317,346	6.50%	7.5625%
2,299	4.73%	16,428,383	9.44%	7.5625%
630	1.30%	783,553	0.45%	7.5625%
40	0.08%	1,468,008	0.84%	7.5625%
1,349	2.78%	10,090,255	5.80%	7.5625%
2,607	5.37%	2,876,308	1.65%	7.5625%
48,579	100%	\$ 174,095,445	100%	

Fiscal Year 2012

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
10,156	20.12%	\$ 59,170,981	35.70%	7.5625%
6,614	13.10%	19,149,191	11.55%	7.5625%
11,844	23.47%	13,943,584	8.41%	7.5625%
5,752	11.40%	22,776,880	13.74%	7.5625%
3,220	6.38%	16,810,873	10.14%	7.5625%
6,407	12.69%	11,272,006	6.80%	7.5625%
2,330	4.62%	3,558,828	2.15%	7.5625%
293	0.58%	521,462	0.31%	7.5625%
103	0.20%	6,391,697	3.86%	7.5625%
1,374	2.72%	9,708,312	5.86%	7.5625%
2,380	4.72%	2,445,620	1.48%	7.5625%
50,473	100%	\$ 165,749,434	100%	

(Continued)

See independent auditors' report.

City of Las Cruces

Sales Tax Revenue Payers by Industry

Last Ten Years

June 30, 2019

(Unaudited)

Fiscal Year 2011

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

See independent auditors' report.

Fiscal Year 2010

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Rate
9,485	19.78%	\$ 57,662,658	35.71%	7.4375%
5,972	12.45%	21,149,490	13.10%	7.4375%
11,558	24.10%	14,829,585	9.18%	7.4375%
5,683	11.85%	23,866,680	14.78%	7.4375%
2,949	6.15%	15,363,382	9.52%	7.4375%
6,023	12.56%	10,371,267	6.42%	7.4375%
2,242	4.68%	3,178,722	1.97%	7.4375%
665	1.39%	1,112,128	0.69%	7.4375%
90	0.19%	5,903,990	3.66%	7.4375%
1,264	2.64%	6,247,725	3.87%	7.4375%
2,018	4.21%	1,773,614	1.10%	7.4375%
47,949	100%	\$ 161,459,241	100%	

See independent auditors' report.

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Single Audit Section

CITY OF LAS CRUCES . NEW MEXICO

**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

Brian S. Colón, Esq.
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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison 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, 2019, 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 2, 2019.

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 deficiency described in the accompanying schedule of findings and questioned costs as item FS 2019-002 to be a material weakness.

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 as items FS 2018-003 and FS 2019-001 to be significant deficiencies.

Compliance and Other Matters

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

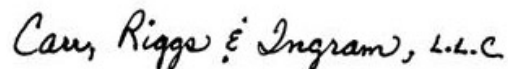
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs pursuant to Section 12-6-5 NMSA 1978 as items NM 2018-001, NM 2018-003, NM 2018-004, NM 2019-001, NM 2019-002, NM 2019-003, NM 2019-004, CU NM 2019-001 and CU NM 2019-002.

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, LLC
Albuquerque, New Mexico
December 2, 2019

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
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 Each 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 each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are 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 each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 each 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 each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 2, 2019

City of Las Cruces

Schedule of Expenditures of State Awards For the Year Ended June 30, 2019

Grantor/Program Title	State Number
New Mexico Aging & Long Term Services Dept.	
Title IIIB, IIIC1, IIIC2, IIIE	2018-19-64014
FY19 NMAAA NSIP	2018-19-64014
Senior Center Improvements	16A-A2001
Total NM Aging & Long Term Services	
 NM State Department of Transportation	
MPO Section 5303	M01395
MPO Section 5303	M01622
MPO FHWA	P117040
MPO FHWA	P119040
Harrelson Street Road Improvements	16-A2562 / C1162562
Las Cruces ROW Roads Flood Control	16-A2564 / C1162564
Las Cruces Traffic System Network Improvements	16-A2565 / C1162565
University Avenue Pedestrian Crosswalk System	16-A2566 / C1162566
Las Cruces Avenue Street Improvements	16-A2563 / C1162563
Las Cruces Airport Airfield Electrical Improvements	LRU-18-02
NMDOT Telshor Reconstruction	HW2-L100313
FY18 Airport Maintenance	LRU-18-01
FY18 LRU Airfield Electrical Improvements - B & C Runways	LRU-18-03
FY19 LG Road Fund	HW2L-100363
FY18 LRU GA Terminal Apron Rehab Design	LRU-18-04
2018 Telshor-Spruce Intersection Improvements	18-C2632 / C1182632
FY19 MAP - Walnut Street Resurfacing	MAP-7613(913) / HW2-L100396
2018 I-10 and I-25 Interchange Improvements	18-C2631 / C1182631
FY19 LRU Airfield Maintenance and Consumables	LRU-19-01
LC Airport Wildlife Perimeter Fence Design	LRU-19-02
LC Airport Drainage Master Plan	LRU-19-03
FTA Small Urbanized Section 5339 FFY2015	MO1507
Total NM State Dept of Transportation	
 NM Department of Home Land Security and Emergency Management	
Asylum Seekers -Fire	
Total NM Department of Home Land Security and Emergency Management	

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

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 06/30/2019
7/01/2018 - 6/30/2019	\$ 516,239	\$ 516,239	\$ 516,239
7/01/2018 - 6/30/2019	252,027	252,026	252,026
11/10/2016 - 6/30/2020	80,000	80,000	10,345
	848,266	848,265	778,610
10/01/2016 - 9/30/2018	72,829	158,192	15,050
10/01/2018 - 9/30/2019	74,315	46,961	46,961
10/01/2016 - 9/30/2018	259,608	584,751	46,726
10/01/2018 - 9/30/2020	265,180	129,224	129,224
11/03/2016 - 6/30/2020	300,000	300,000	223,298
11/03/2016 - 6/30/2020	766,000	766,000	200,530
9/30/2016 - 6/30/2020	100,000	100,000	-
9/23/2016 - 6/30/2020	260,000	160,915	142,250
9/23/2016 - 6/30/2020	75,000	75,000	75,000
8/22/2017 - 9/25/2019	28,577	28,577	17,838
9/11/2017 - 8/31/2018	32,711	32,711	32,711
7/31/2017 - 6/30/2019	10,000	8,999	-
5/10/2018 - 6/20/2020	720,708	633,182	633,182
6/29/2018 - 9/01/2019	143,336	51,097	51,097
6/27/2018 - 6/27/2020	8,386	5,155	5,155
10/05/2018 - 6/30/2022	260,000	-	-
7/30/2018 - 6/30/2020	132,064	-	-
10/22/2018 - 06/30/2022	425,800	6,958	6,958
8/09/2018 - 8/09/2020	18,000	11,232	11,232
11/06/2018 - 11/06/2020	56,160	28,479	28,479
3/06/2019 - 3/06/2021	180,000	-	-
10/01/2017 - 9/30/2018	186,695	12,848	12,848
	4,375,369	3,140,281	1,678,539
5/28/2019-12/31/2019	250,000	250,000	250,000
	250,000	250,000	250,000

(Continued)

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, 2019

Grantor/Program Title	State Number
Children, Youth and Families Department	
FY19 Juvenile Citation Program	19-690-15180
Total Children, Youth and Families Department	
NM Department of Information Technology	
BLM Communications ROW	36100-20310-30000000000-546600-200104-117-A0000
Total NM Department of Information Technology	
NM Tourism Department	
FY19 New Mexico Clean and Beautiful	19-418-6002-0021
Total New Mexico Tourism Department	
NM State Library	
FY16 Library GO Bond	GOB-A5110
FY19 State Library 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	
FY17 Healthy Kids Healthy Communities - Parks	MOA #20442
FY18 Healthy Kids Healthy Communities - Parks	MOA #21264
Total NM Department of Health	
New Mexico Public Regulation Commission	
FY19 NM Fire Protection Grant	
Fire Protection Distribution Fund-FY18	
Total New Mexico Public Regulation Commission	
NM Department of Economic Development	
FY19 NMEDD Leads Grant	LEADS FY19
Total New Mexico Department of Economic Development	
NM Department of Energy, Minerals, & Natural Resources	
FY19 Youth Conservation Corps	18-522-0150-0093
Total New Mexico Department of Economic Development	

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

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 06/30/2019
7/01/2018 - 6/30/2019	\$ 316,227	\$ 303,737	\$ 303,737
	316,227	303,737	303,737
4/5/2017 - 2/28/2019	41,545	41,545	12,464
	41,545	41,545	12,464
7/1/2018 - 6/30/2019	19,621	18,854	18,854
	19,621	18,854	18,854
11/9/2017 - 6/30/2021	224,329	94,970	30,619
7/01/2018 - 6/30/2019	15,019	15,019	15,019
	239,348	109,989	45,639
7/1/2018 - 6/30/2019	21,806	21,806	21,806
1/27/2017 - 9/30/2017	50,000	50,000	28,113
3/29/2018 - 9/30/2018	40,000	40,000	40,000
	111,806	111,806	89,918
7/1/2018 - 6/30/2019	100,000	-	-
	1,364,573	785,327	785,327
	1,464,573	785,327	785,327
9/17/2108-6/30/2019	6,100	6,100	6,100
	6,100	6,100	6,100
6/1/2019 - 8/31/2019	99,700	22,050	22,050
	99,700	22,050	22,050

(Continued)

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, 2019

Grantor/Program Title	State Number
New Mexico Department of Finance and Administration	
LC Women Veteran's Monument	14-L-1914 / 18-C4053
LC Traffic Safety Management Control Center	14-L-1913 / 18-C4052
Fire Station Kitchen Grant	16-A2425
Law Enforcement Protection Fund	LEPF FY 19
2018 Fire Squad Vehicle Purchase	18-C2496
METRO Seized Assets-State	NM0070104
LC Downtown Electrical Infrastructure	15-0765
MVASC Design Phase 1	15-0768
LC Cinematic Infrastructure	15-0762
LC Museums Improvements - Railroad Museum Caboose	15-0769
Amador Hotel Improvements	15-0761
FY15 NMDFA LC Community Competition Pool	15-0763
Cinematic Infrastructure Project	15-1122 / 18-C4050
Amador Hotel Hazardous Materials Abatement	16-A2421
Klein Park Electrical Infrastructure Improvements	16-A2426
St. Luke's Health Clinic Improvements	15-0764
2015 La Clinica Cervantes Health Complex Equipment	15-0754 / 18-C4049
Jardin De Los Niño's Homeless Daycare Center Improvements	15-0767
La Clinica de Familia - Behavioral Health Technology	16-A2422
2018 MVCOH Health Facility Improvements - St. Luke's	18-C2493
2018 Branigan Cultural Center Improvements	18-C2492
2018 MVCOH Improvements	18-C2494 / 19-D4040
2018 MVCOH - Casa de Peregrinos Emergency Food Program	18-C2495
2018 Fire Station 2 Improvements	18-C2497
2018 Parks Playground Equipment	18-C2500
2018 Pioneer Women's Park Improvements	18-C2501
2018 Police Mobile Data Terminals	18-C2502
Total Department of Finance and Administration	
Total State Assistance	

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

Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 06/30/2019
9/30/2014 - 6/30/2020	\$ 406,500	\$ 403,118	\$ -
9/30/2014 - 6/30/2020	717,750	717,750	65,809
8/17/2016 - 6/30/2020	20,000	20,000	-
7/1/2018 - 6/30/2019	136,800	136,800	136,800
8/24/2018 - 6/30/2020	140,000	-	-
INDEFINITE	-	48,066	2,058
11/17/2015 - 6/30/2019	25,000	25,000	22,410
11/17/2015 - 6/30/2019	40,000	40,000	-
11/30/2015 - 6/30/2021	402,000	5,470	-
11/30/2015 - 6/30/2019	25,000	25,000	-
2/23/2016 - 6/30/2021	195,000	98,767	-
11/17/2015 - 6/30/2019	220,000	220,000	206,461
8/26/2016 - 6/30/2020	555,000	43,965	-
8/17/2016 - 6/30/2020	100,000	30,545	4,051
8/17/2016 - 6/30/2020	100,000	99,693	97,759
9/13/2016 - 6/30/2019	505,000	505,000	86,130
10/3/2016 - 6/30/2020	643,000	643,000	111,817
11/4/2016 - 6/30/2019	50,000	50,000	2,729
9/18/2017 - 6/30/2020	280,735	262,970	1,512
8/24/2018 - 6/30/2022	384,120	23,389	23,389
8/24/2018 - 6/30/2022	149,500	11,700	11,700
8/24/2018 - 6/30/2022	30,000	-	-
8/24/2018 - 6/30/2022	85,800	7,789	7,789
8/24/2018 - 6/30/2022	90,000	7,463	7,463
8/24/2018 - 6/30/2022	140,000	57,872	57,872
8/24/2018 - 6/30/2022	33,000	23,780	23,780
8/24/2018 - 6/30/2022	116,800	116,800	116,800
	5,591,005	3,623,936	986,328
	\$ 13,363,560	\$ 9,261,889	\$ 4,977,565

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 Period Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Name	Federal CFDA Number
U.S. Department of Housing and Urban Development		
<i>Community Development Block Grant</i>		
Community Development Block Grants/Entitlement Grants		
- Entitlement Grant Cluster	B-16-MC-35-0002	14.218
Community Development Block Grants/Entitlement Grants		
- Entitlement Grant Cluster	B-17-MC-35-0002	14.218
Community Development Block Grants/Entitlement Grants		
- Entitlement Grant Cluster	B-18-MC-35-0002	14.218
Total Community Development Block Grant		
<i>Home Program Grant</i>		
Home Investment Partnership Program	M-14-MC-35-0222	14.239
Home Investment Partnership Program	M-15-MC-35-0222	14.239
Home Investment Partnership Program	M-16-MC-35-0222	14.239
Home Investment Partnership Program	M-17-MC-35-0222	14.239
Home Investment Partnership Program	M-18-MC-35-0222	14.239
Total Home Program Grant		
Total U.S. Department of Housing and Urban Development		
U.S. Department of Justice		
Crime Victim Assistance	Victim Assistance Unit	16.575
Crime Victim Assistance	Victim Assistance Unit	16.575
FBI SNM Gang Task Force FY16	FBI SNM Gang Task Force FY16	16.U01
FBI Organized Crime Drug Enforcement Task Force - Busted and Blue	FBI Organized Crime Drug Enforcement Task Force - Busted and Blue	16.U02
US Marshals Service	US Marshals Service	16.U03
ATF	ATF	16.U04
Public Safety Partnership and Community Policing Grants	COPS Hiring Program FY15	16.710
Edward Byrne Memorial Justice Assistance Grant Program	BYRNE JAG FY18	16.738
Edward Byrne Memorial Justice Assistance Grant Program	BYRNE JAG FY19	16.738
Total U.S. Department of Justice		
Executive Office of the President		
Office of National Drug Control Policy		
High Intensity Drug Trafficking Areas Program	HIDTA-Metro	95.001
High Intensity Drug Trafficking Areas Program	HIDTA-Metro	95.001
Total Office of National Drug Control Policy		

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

Grant no./ Pass-Through Identifying no.	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 6/30/2019	Cluster/ Program Subtotals	Funds Provided to Subrecipients
B-16-MC-35-0002	07/2016 to Comp	\$ 773,328	\$ 841,506	\$ 11,060	\$ -	\$ -
B-17-MC-35-0002	07/2017 to Comp	783,242	553,659	136,484	-	-
B-18-MC-35-0002	07/2018 to Comp	869,294	487,605	487,605	-	289,380
		2,425,864	1,882,770	635,149	635,149	289,380
M-14-MC-35-0222	07/2014 to Comp	330,643	568,485	59,184	-	-
M-15-MC-35-0222	07/2015 to Comp	289,953	304,278	28,780	-	-
M-16-MC-35-0222	07/2016 to Comp	309,238	218,239	50,338	-	-
M-17-MC-35-0222	07/2017 to Comp	304,653	69,096	31,852	-	-
M-18-MC-35-0222	07/2018 to Comp	439,502	101,045	101,045	-	-
		1,673,989	1,261,143	271,199		
		4,099,853	3,143,913	906,348		
2018-VA-614	10/01/2017 thru 09/30/2018	41,494	39,976	7,819	-	-
2019-VA-716	10/01/2018 thru 9/30/2019	89,149	64,808	64,808	-	-
MOA	7/01/2015-Until Rescinded	80,508	74,758	12,112	-	-
MOA	10/01/2015-Until Rescinded	64,600	62,655	-	-	-
MOU	11/3/10-Until Rescinded	129,253	171,255	57,056	-	-
MOA	8/13/2018 thru 9/30/2022		3,785	3,785	-	-
2015UMWX0052	9/1/2015 - 9/30/2018	1,125,000	960,005	470,946	-	-
2017-DJ-BX-0447	10/01/2016 - 9/30/2018	26,737	26,728	26,728	-	-
	10/01/2017 - 9/30/2019	23,350	5,078	5,078	-	-
		1,580,091	1,409,048	648,332		
G17SN0006A	01/2017 THRU 12/18	1,421,745	1,424,654	65,515	-	-
G18SN0006A	01/2018 THRU 12/19	995,049	826,180	826,180	-	-
		2,416,794	2,250,834	891,695		

(Continued)

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 Period Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Name	Federal CFDA Number
U.S. Department of Transportation		
<i>Federal Aviation Administration</i>		
Airport Improvement Program	Las Cruces Airport Electrical Field Vault Improvements	20.106
Airport Improvement Program	FY18 LRU GA Terminal Apron Rehab Design	20.106
Total Federal Aviation Administration		
<i>Federal Transportation Administration</i>		
Federal Transit Capital Investment	RoadRunner Transit Intermodal Center Construction	20.500
Grant - Federal Transit Cluster	Roadrunner Transit - Maintenance - Operations Facility Design	20.500
Federal Transit Capital Investment	Transit 5307 Funding FFY2016 - Operating	20.507
Grant - Federal Transit Cluster	Transit 5307 Funding FFY2016 - Capital	20.507
Federal Transit Formula Grant - Federal Transit Cluster	Transit 5307 Funding FFY2017 - Operating	20.507
Federal Transit Formula Grant - Federal Transit Cluster	Transit 5307 Funding FFY2017 - Capital	20.507
Federal Transit Formula Grant - Federal Transit Cluster	Transit 5307 Funding FFY2017 - Capital	20.507
Federal Transit Formula Grant - Federal Transit Cluster	FY2016 5339 State of Good Repair - Bus Replacement	20.526
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program - - Federal Transit Cluster	Transit Operating FF18 FTA 5307	20.507
Total Federal Transportation Administration		
<i>Federal Highway Administration</i>		
<i>Pass through State Department of Transportation</i>		
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	ENDWI - Traffic Safety Bureau 2018	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	BKLUP/CIOT - Traffic Safety Bureau 2018	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	STEP/DNOS - Traffic Safety Bureau 2018	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	ENDWI - Traffic Safety Bureau 2019	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	BKLUP/CIOT - Traffic Safety Bureau 2019	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	STEP/DNOS - Traffic Safety Bureau 2019	20.608
Total Pass Through New Mexico State Highway Department		
Total U.S. Department of Transportation		

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

Grant no./ Pass-Through Identifying no.	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 6/30/2019	Cluster/ Program Subtotals	Funds Provided to Subrecipients
3-35-0024-030-2017	9/7/2017 - 9/7/2021	\$ 514,389	\$ 514,389	\$ 154,125	\$ -	\$ -
3-35-0024-031-2018	9/7/2018 - 9/7/2022	150,000	92,793	92,793	-	-
		664,389	607,182	246,918		
NM-03-0052	10/01/2005 to Completion	1,868,050	1,868,050	37,748	-	-
NM-04-0023	10/01/2011 to Completion	617,500	487,298	7,558	-	-
NM-2017-002-00	10/1/2016 - 9/30/2018	1,951,987	3,284,294	1,892	-	-
NM-2017-002-00	10/1/2016 - 9/30/2018	139,559	84,513	20,452	-	-
NM-2018-008-00	8/21/2018 - 03/30/2019	1,720,239	1,677,752	1,677,752	-	-
NM-2018-008-00	8/21/2018 - 03/30/2019	152,000	17,084	17,084	-	-
NM-2017-015-00	9/18/2017 - 9/15/2019	1,134,750	-	-	-	-
NM-2019-003-00	1/1/2019-3/31/2020	1,915,246	1,173,452	1,173,452	-	-
		9,499,331	8,592,443	2,935,938	2,935,938	
18-AL-64-049	10/1/2017 - 9/30/2018	102,890	102,890	41,835	-	-
18-OP-RF-049	10/1/2017 - 9/30/2018	12,478	12,478	3,196	-	-
18-ST-RF-049	10/1/2017 - 9/30/2018	25,614	25,614	21,552	-	-
19-AL-64-049	10/1/2018 - 9/30/2019	102,890	82,963	82,963	-	-
19-OP-RF-049	10/1/2018 - 9/30/2019	12,219	5,835	5,835	-	-
19-ST-RF-049	10/1/2018 - 9/30/2019	25,615	4,169	4,169	-	-
		281,706	233,949	159,550		
		10,445,426	9,433,574	3,342,406		

(Continued)

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 Period Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Name	Federal CFDA Number
U.S. Department of Health and Human Services		
Social Program for the Aging, Title III, Part C, Nutrition Services - Aging Cluster	Congregate Meals FY19 - Title III - Part C1	93.045
Social Program for the Aging, Title III, Part C, Nutrition Services - Aging Cluster	Home Delivered Meals FY19 - Title III - Part C2	93.045
Social Program for the Aging, Title III, Part B, Grants for Supportive services and Senior Centers - Aging Cluster	Homemaker Services FY19 - Title III - Part B	93.044
<i>Subtotal - Aging Cluster</i>		
National Family Caregiver Support, Title III, Part E	Caregiver Services FY19 - Title III - Part E	93.052
Total U.S. Department of Health and Human Services		
U.S. Dept. of Homeland Security		
Homeland Security-ICE	Homeland Security-ICE	97.U01
Assistance to Firefighters Grant	FEMA - AFG	97.044
Staffing for Adequate Fire and Emergency Response (SAFER)	FEMA - SAFER	97.083
Total Non-Pass Through U.S. Dept. of Homeland Security		
<i>Pass Through New Mexico Department of Homeland Security and Emergency Management</i>		
Hazard Mitigation Grant	FEMA Las Cruces Flood Warning System	97.039
Interagency Hazardous Materials Public Sector Training and Planning Grants	2016 HazMat Challenge	20.703
Interagency Hazardous Materials Public Sector Training and Planning Grants	Hazardous Materials Emergency Preparedness	20.703
Total Pass Through New Mexico Department of Homeland Security and Emergency Management		
<i>Pass through Dona Ana County Sheriff's Office</i>		
Homeland Security Grant Program	Operation Stone Garden FY-18	97.067
Total Pass Through Dona Ana County Sheriff's Office		
Total U.S. Department of Homeland Security		
U.S. Department of Commerce		
Economic Adjustment Assistance - Economic Development Cluster	EDA - Airport & WMIP Feasibility Study	11.307
Total U.S. Department of Commerce		
Total Federal Awards		

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

Grant no./ Pass-Through Identifying no.	Program Period	Program or Award Amount	Life-to-Date Expenditures	Current - FY19 Expenditures as of 6/30/2019	Cluster/ Program Subtotals	Funds Provided to Subrecipients
2018-19-64014	07/01/2018 - 06/30/2019	\$ 181,859	\$ 40,352	\$ 40,352	\$ -	\$ -
2018-19-64014	07/01/2018 - 06/30/2019	77,933	111,009	111,009	-	-
2018-19-64014	07/01/2018 - 06/30/2019	52,017	60,226	60,226	-	-
					211,587	-
2018-19-64014	07/01/2018 - 06/30/2019	71,678	56,994	56,994	-	-
		383,486	268,581	268,581		
MOA	06/11/10-UNTIL RESCINDED	115,000	108,073	21,588		
EMW-2017-FO-07139	8/13/2018 - 8/12/2019	369,552	167,703	167,703		
EMW-2017-FH-00267	2/18/2019 - 2/17/2022	1,162,664	109,870	109,870		
		1,647,216	385,646	299,161		
FEMA-4199-DR-NM-03	11/07/2015 - 5/31/2019	168,919	162,990	113,770		
HM-HMP-0579-16-01-00- City of Las Cruces	7-1-2017-7-31-2017 Extended	13,525	224	224		
HM-HMP-0579-16-02-00- City of Las Cruces	5-1-2019 -7-31-2019	30,450	8,954	8,954		
		212,894	172,168	122,948		
EMW-2016-SS-00105- S01-OPSG-DASO	9/1/2017 - 8/31/2019	36,393	36,390	12,548		
		36,393	36,390	12,548		
		1,896,503	594,204	434,657		
08-69-05244: URI111961	09/07/2018-09/30/2020	250,000	-	-		
		250,000	-	-	-	
		\$ 21,072,153	\$ 17,100,155	\$ 6,492,019		

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, 2019

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, 2019 included \$87,000 in principal and \$58,777 in interest; leaving an outstanding balance of \$1,416,000. Proceeds of the loan, that were received and expended in prior years, impose no continuing compliance requirements. The balance of the loan is not considered federal awards expended for the year ended June 30, 2019

NOTE 4: RECONCILIATION OF THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

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

Expenditures in the schedule of expenditures of federal awards	\$	6,492,019
Expenditures finance by other funding sources		47,026,259
<hr/>		
Expenditures reported in the statement of revenues, expenditures, and change in fund balance/net position - nonmajor governmental and enterprise funds	\$	53,371,127

See independent auditors' report.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 1. 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
20.106	Airport Improvement
20.500, 20.507	Federal Transit Cluster

- | | |
|---|-----------|
| 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, 2019

Section II – Financial Statement Findings

Primary Government

FS 2018-003 – Deficiencies in Procurement Process (Significant Deficiency) (Repeated and modified)

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

- There was a payment in the amount of \$10,619 which did not contain the documentation of the minimum written quotes obtained or an approved purchase order.
- While properly approved by City Management MOU 16-105 and 17-208 appear to be for services provided to the City which should have followed normal procurement procedures and gone out for bid.
- There was an overpayment of the contract on Resolution 17-18-090 in the amount of \$611.
- The current City policy regarding sole source procurements requires a “good faith review” and not “due diligence”.
- The current City policy should define the definition of what is considered an exemption under “advertisement” as the city made purchases of \$581,097 related to graphic design, destination marketing and direct media purchases that were deemed an exemption under advertising.

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.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

Section II – Financial Statement Findings (Continued)

FS 2018-003 – Deficiencies in Procurement Process (Significant Deficiency) (Repeated and modified) (Continued)

View of Responsible Officials and Planned Corrective Actions: The required amount of quotes per the CLC procurement code were not obtained for the \$10,619 purchase.

Memorandums of Understanding were approved by City Council with Film Las Cruces and Downtown Las Cruces Partnership under Resolutions 16-105 and 17-208, respectively. Both entities have now been converted to competitive procurements in the current fiscal year and provided with the appropriate services contract in accordance with the City's procurement code.

Resolution No. 17-18-090 to evaluate the hot water leak in Primary Digester No. 1 at the Jacob A. Hands Wastewater Treatment Facility totals \$118,570.00 which matches PO# 18204753 and Invoice No. 8475476. PO# 19201638 for \$610.50 is for work separate from Resolution No. 17-18-090.

The City purchasing section will do detail review for each sole source determination to make sure that all the determinations are accurate.

The City purchasing section is currently working to update the city procurement code and that includes clearly define the definition of what is considered an exemption under advertisement section.

FS 2019-001 Internal Controls Over Conflict of Interest (Significant Deficiency)

Condition: The City does not track conflict of interest for full-time employees.

Criteria: Per City policy 603.31 "No employee shall engage in any unapproved outside employment or business activity that conflicts with his/her municipal employment. The City Manager must approve any outside employment for full-time employees." Per 611.7-8 "No City employee may work outside of City employment if that work is incompatible or in conflict with the proper discharge of official duties. Every City employee must report and obtain prior approval from the City Manager or the City Manager's designee for any outside employment or services for which the employee is paid. Changes in paid outside employment or services must also be reported and approved by the City Manager of the City Manager's designee as they occur. An employee who has substantial financial interests (or who acquires such financial interests) direct or indirect, or any corporation, firm, or person who contracts with the City will disclose that interest in writing to the City Manager". Per 611.10.-11 " City employees shall faithfully discharge their duties and shall refrain from engaging in any outside employment or matters of financial interest incompatible with the impartial, objective, and effective performance of their duties. They shall not realize personal gain in any form that would influence improperly the conduct of their City duties. They shall not knowingly use City funds, position or power for personal or political gain. They shall inform their supervisors in writing of reasonably foreseen potential conflicts. City employees are required to accept responsibility for their decisions and the resulting consequences. This includes avoiding even the appearance of impropriety, because appearances affect public confidence. Employees shall not engage in any activity, on or off the job, which reasonably brings into question their impartiality, objectivity, and effective performance of their duties as City Employees". In addition NMSA 3-60A-17 states "No public official or employee of a local government or member of any board or commission of a local government and no commissioner or employee of a metropolitan redevelopment

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

Section II – Financial Statement Findings (Continued)

FS 2019-001 Internal Controls Over Conflict of Interest (Significant Deficiency) (Continued)

agency that has been vested by a local government with metropolitan redevelopment project powers by the Redevelopment Law [3-60A-5 to 3-60A-18 NMSA 1978] shall voluntarily acquire any interest, direct or indirect, in any metropolitan redevelopment project of the local government or in any contract or proposed contract in connection with the project. Where the acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local government, and the disclosure shall be entered upon its minutes.

If any such official, commissioner or employee currently owns or controls or owned or controlled within the preceding two years any interest, direct or indirect, in any property that the official, commissioner or employee knows is included or planned to be included in a metropolitan redevelopment project, the official, commissioner or employee shall immediately disclose this fact in writing to the local government, and this disclosure shall be entered upon the minutes of the local government, and the official, commissioner or employee shall not participate in any action by the local government affecting the property. Any disclosure required to be made by this section to the local government shall concurrently be made to a metropolitan redevelopment agency that has been vested with metropolitan redevelopment project powers by the local government.”

Effect: The City could enter into contracts where conflicts of interest are presents.

Cause: The City does not have control in place to ensure that employees are not in violation of the City and State’s policies regarding conflict of interest. Employees are only required to complete the Employee’s request for outside employment and notification of possible conflicting financial interest at the time of hire, the City does not follow-up to ensure that those employees are not participating in activities where they have conflicting interests.

Auditors’ Recommendation: We recommend that management maintain and track the status of all employees with conflicting interest. This list should be shared with all departments involved in purchasing and/or contracting and updated on at least an annual basis.

View of Responsible Officials and Planned Corrective Actions: The City agrees with the recommendation and in addition will have the policy reviewed and revised appropriately to reflect new requirements. (It has been our practice to recommend these forms be updated on an annual basis.) HR recommends that the electronic workflow established for these notifications be revised to also include Financial Services staff involved in procurement and contracting. Having these staff members on the workflow will provide them with an electronic version of the completed form.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

Section II – Financial Statement Findings (Continued)

FS 2019-002 Internal Controls Over Agreement between the City and The Friends of Visit Las Cruces, Inc. (Material Weakness)

Condition: The City did not have controls in place to:

- Track revenues received by The Friends of Visit Las Cruces, Inc.
- Track expenses expended by The Friends of Visit Las Cruces, Inc.
- Require The Friends of Visit Las Cruces, Inc. to file an annual financial statement with the City.

Criteria: Per Section 6-5A-1(b)(3) of the agreement, “The Friends shall donate to the CVB not least than 90% of the net fund raised or properly acquired by it during the calendar year”. Per Section 6-5A-1(B)(4), “If the Friends’ gross an annual income exceeds \$250,000 it must file an annual statement with the City in the form of a balance sheet showing its assets, including capital cash reserves, liabilities, income classified by general sources, and its expenditures classified by object”. Per Section 6-5A-1(B)(6): “The City provides no service in support of the Friends. Specifically, to ensure that there are no allegation that the City has violated the anti-donation prohibitions as set forth in Article IX, Section 14 of the NM Constitution, the City shall not provide to the Friends anything of value, including staff services, facility space, or use of equipment such as telephones, photocopy machine, and computers unless the City received fair market value in return”.

Effect: The City could over expend funds or lose revenue as a result of not tracking The Friends of Visit Las Cruces, Inc. transactions.

Cause: The City does not have control in place to ensure that the requirements of the Agreement between the City and the Friends were enforced. In addition, City employees appeared to have a conflict of interest related to the Friends and allowed funds to be comingled.

Auditors’ Recommendation: We recommend that management maintain and track all sources of revenue and expenditures associated with the Friends of Visit Las Cruces, Inc. and obtain monthly financial records from the Friends to ensure the requirements of the agreement are met.

View of Responsible Officials and Planned Corrective Actions: The City agrees with the recommendation. As of May 2019, the City no longer interacts with The Friends of Visit Las Cruces. It is our understanding that the non-profit has been dissolved. We will have no reason to track expenses and revenues between organizations. However, in the future, it is our intention to set forth effective mechanisms for tracking and reporting that will provide accurate accounting, timely reporting, evaluating policy and contract compliance.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2018-001 – Oversight of Internal Auditor (Other Matter) (Repeated and modified)

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.

View of Responsible Officials and Planned Corrective Actions: 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.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2018-001 – Oversight of Internal Auditor (Other Matter) (Repeated and modified) (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 5, 2019. 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 4, 2019.

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.

City of Las Cruces

Schedule of Findings and Questioned Costs June 30, 2019

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

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

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

Nonmajor Funds	
DWI Prevention	\$ 648
Alarm Fees and Fines	10,575
<hr/>	
Total Governmental Funds	\$ 17,200
<hr/>	

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.

View of Responsible Officials and Planned Corrective Actions: The two funds over expended its budget due to end of year entries done after the last budget adjustment went to Council. In FY19 an accrual was done to the DWI Prevention to have the correct 12 months expensed. This made up 13 months paid in FY19. Going forward, the correct 12 months will be in each fiscal year.

The Alarm Fees and Fines Fund is used to collect fees for the Alarm program administered through the Mesilla Valley Regional Dispatch Authority (MVRDA). These fees and fines are collected by the city and recorded as revenue in the fund under consideration. At the close of each month this revenue is then expensed to the fund and recorded as revenue into a MVRDA fund. The amount of revenue collected for alarm fees and fines throughout the year were larger than had been anticipated and budgeted. Because the revenue was greater than anticipated the related expense, which is recorded as the exact same amount as the revenue, was also greater than expected and budgeted. The City will review the revenues in this fund at year end and do any necessary budget adjustments.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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) (repeated and modified)

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

- Six of 40 deposits tested were not deposited within 24 hours of receipt.
- One of 40 deposits tested did not have appropriate signature on the Animal Shelter Cash Slip

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.

View of Responsible Officials and Planned Corrective Actions: Until March 2019 we had an employee doing the deposits that was performing below standards. That employee no longer works at the ASCMV. Since that personnel change, we have found very little to no deposit issues. To address the deposit issue, we have two people trained on how to do deposits, so there should not be a gap in deposit collection. To correct issues/findings in the 2017/18 audit, the ASCMV was included in the city’s armored car deposit pickup schedule. However, the ASCMV is open 7 days a week. No deposit collection occurs on Saturday and Sunday. Both of those days are collected on Monday. There needs to be an extension of the armored car service or a change in the city procedures exempting the departments that are open over the weekend. And allow for a Monday deposit collection.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2019-001 – Internal Controls over Utility Billings (Other Matter)

Condition: The City was missing the History Report (bill run process check list) in one of 40 cycles tested.

Criteria: The COSO 2013 Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Good accounting practices require the City to implement and follow sound accounting and internal control policies and procedures. The lack of records available for management review, audit and reporting results in an inability to determine where and how City funds are utilized.

Effect: The City could fail to review and approve billings which include incorrect information.

Cause: The City failed to maintain the Billings Detail Report for the Utility billing cycle.

Auditor's Recommendation: CRI recommends that City maintain the Billings Detail Report for each Utility billing cycle.

View of Responsible Officials and Planned Corrective Actions: All history reports for each utility billing cycle is available. The one of 40 bill run process check list mentioned was missing but would not consider this a billing report. The Charges Proof Register which is the full billing report is available for all cycles.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2019-002 – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance)

Condition: The City maintained a deficit budget in excess of available cash balances in the following funds:

			Beginning Year	Cash
	Designated Cash		Cash & AR	Appropriation in
			Available	Excess of
				Available
Emergency Medical Services	\$ 1,650	\$ 1,452	\$	(198)
Environmental Gross Rec Tax	175,614	1,661		(173,953)
Capital Projects Reimb Grants	401,393	413		(400,980)

Criteria: Section 2.2.2.10. (P) (1), NMAC, requires all City funds, to be budgeted by the local governing body and submitted to the DFA LGD for approval. Cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect: The City will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause: The City has internal controls in place to monitor budget versus available cash, however these funds were missed in the process.

Auditors' Recommendations: Budget deficits for future years should be reviewed to insure all funds have adequate budget authority and sufficient cash balances for budgeted deficits. Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates.

View of Responsible Officials and Planned Corrective Actions: The Emergency Medical Service and Environmental Gross Rec Tax Funds are both funded by the State of NM. There are no Federal revenues that go into these funds. There is a receivable from the State that covers the budget expenditures.

The Capital Projects Reimb Grants is a mixture of State and Federal funds for capital projects. The Revenue and Expenditures in this fund should zero out. This fund is budgeted by Public Works. For FY2021 Budget process the Budget Office has developed a carryover budget worksheet for this fund to be used by departments with grants. During the budget process this worksheet has to be approved by the Grants Section and Budget will make sure that revenues and expenditures are balanced.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2019-003 – Uniform Guidance Written Policies and Procedures (Other Noncompliance)

Condition: The City had not implemented the written policies and procedures required under the Uniform Grant Guidance.

Criteria: Per 2 CFR 200.313(d) “Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property”. The City also needs to address Article IX for all covered transactions and checking federal suspension/debarment status in Chapter 24 Procurement Code.

Effect: The City is not in compliance with Uniform Grant Guidance standards for property records and checking covered transaction for federal suspension/debarment status.

Cause: The City does not have written policies and procedures as per the Uniform Grant Guidance.

Auditors’ Recommendation: We recommend management update their accounting manual to include the applicable standards required under the Uniform Grant Guidance.

View of Responsible Officials and Planned Corrective Actions: Currently, FTA has a guideline for Transit Asset Management (TAM) that the City follows to be in compliance with FTA rules and regulations. The City will update their Financial Policies and Internal Controls SOP, for all federal grants, and incorporate the Uniform Grant Guidance.

NM 2019-004 – Overtime Compensation (Other Noncompliance)

Condition: The City did not compensate non-exempt employees of the Convention and Visitors Bureau for overtime hours worked in the amount of \$8,506.

Criteria: Per the City’s personnel manual policy 611.408 “FLSA non-exempt employees (except seasonal workers) shall become eligible to be compensated at one and one-half (1.5) times the regular rate per hour for all time worked in excess of forty (40) hours during a regularly scheduled seven-day work week (212 hours per 28-day period for 56-hour non-union, non-exempt fire service personnel)”. Per 611.409 “Management is authorized to compensate non-exempt employees with time off when they work in excess of forty (40) hours in a seven (7) day period (212 hours per 28 day period for 56 hour non-union, non-exempt fire service employees), or for work hours designated as eligible for premium overtime pay. Management must advise employees scheduled to work overtime that he/she will be rewarded monetarily at one and one-half (1.5) times the regular rate for all time worked in excess of forty (40) hours in a seven (7) day period (212 hours per 28 day period for 56 hour non-union non-exempt fire service employees) or with time off at one and one-half (1.5) times all time worked in excess of forty (40) hours per seven (7) day period (212 hours per 28 day period for 56 hour non-union non-exempt fire service employees)”.

Effect: The City is not in compliance with its policies for non-exempt employee overtime compensation.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

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

NM 2019-004 – Overtime Compensation (Other Noncompliance) (Continued)

Cause: The City does not have control in place to ensure that employees who worked overtime were correctly compensated and employees were required to submit timecard excluding overtime worked.

Auditors' Recommendation: We recommend management ensure that all employees are compensated in accordance with City policies and that employees are required to submit timesheets for the actual hours worked.

View of Responsible Officials and Planned Corrective Actions: When this was reported, management investigated and took action to rectify the issues. This department is under new management and staff have been trained on the FLSA regulations to prevent additional violations going forward. The employees impacted have been paid for time tracked.

Also, FLSA training is provided and made available as an online training, as well as a facilitated live training, on a recurring basis to the entire organization. The training is required for supervisors every three years. Training compliance reports are provided quarterly and as needed for management to track attendance.

Section IV – Component Unit Financial Statement Findings

CU NM 2019-001 – Cash Appropriations in Excess of Available Cash Balances – (Other Noncompliance)

Condition: SCSWA maintained a deficit budget in excess of available cash balances in the following funds:

									Cash
									Beginning Year Appropriation in
									Cash & AR Excess of
									Available Available
SCSWA	\$	5,885,041	\$	5,680,013	\$	(205,028)			

Criteria: Section 2.2.2.10. (P) (1), NMAC, requires all SCSWA funds, to be budgeted by the local governing body and submitted to the DFA LGD for approval. Cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect: SCSWA will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause: SCSWA has internal controls in place to monitor budget versus available cash, however these funds were missed in the process.

City of Las Cruces

Schedule of Findings and Questioned Costs June 30, 2019

Section IV – Component Unit Financial Statement Findings (Continued)

CU NM 2019-001 – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance) (Continued)

Auditors' Recommendations: Budget deficits for future years should be reviewed to insure all funds have adequate budget authority and sufficient cash balances for budgeted deficits. Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates.

View of Responsible Officials and Planned Corrective Actions: SCSWA was over budget due to their capital accounts that are budgeted and then cleared in a clearing account. SCSWA will budget the clearing account as a negative for a zero-net outcome.

CU NM 2019-002 – Board Member not present at the Exit Conference (Other noncompliance)

Condition: A member of the board was not present at the exit conference held on November 20, 2019.

Criteria: Section 2.2.2.10. (M) NMAC, requires a member of the governing body to be present at the exit conference.

Effect: Those charged with governance may not receive the required communication from the independent auditors'.

Cause: SCSWA did not have a board member present at the exit conference.

Auditors' Recommendations: A member of the board should be present for the entrance and exit conferences held by the independent auditors on an annual basis.

View of Responsible Officials and Planned Corrective Actions: SCSWA was not aware that a member of the board was required to be present. A member of the board will be present at the next exit conference in November 2020.

Section V – Federal Award Findings and Questioned Costs

None noted.

City of Las Cruces

Schedule of Findings and Questioned Costs

June 30, 2019

Section VI – Prior Year Findings

Prior Year Audit Findings	Current Status
Financial Statement Findings	
FS 2018-001 - Utility Billing Receivable and Revenue Accrual (Material Weakness)	Resolved
FS 2018-002 - Accounting for Pollution Remediation Liability (Material Weakness)	Resolved
FS 2018-003 - Deficiencies in Procurement Process (Material Weakness and Material Noncompliance)	Repeated and modified
FS 2018-004 – Financial Reporting in Proprietary Funds (Significant Deficiency)	Resolved
FS 2018-005 – Property Tax Receivable Accruals (Significant Deficiency)	Resolved
FS 2018-006 - Inaccurate Pay Rate Information Maintained in the Employee File (Significant Deficiency)	Resolved
NM 2018-001 – Oversight of Internal Auditor (Finding that does not rise to the level of Significant Deficiency)	Repeated and modified
NM 2018-002 – Human Resources File Maintenance and Documentation (Finding that does not rise to the level of Significant Deficiency)	Resolved
NM 2018-002 – Exceeded Budget Authority (Other Noncompliance)	Repeated and modified
NM 2018-004 – Internal Controls over Cash Receipts (Other Noncompliance)	Repeated and modified
CU 2018-001 – Utility Billing Receivable and Revenue Accrual (Material Weakness)	Resolved
CY 2018-002 – Estimated landfill/closure/Post-closure liability (Significant Deficiency)	Resolved
Federal Award Findings	
None noted in prior audit	

City of Las Cruces

Other Disclosures

June 30, 2019

An exit conference was conducted on November 20, 2019 with the following individuals in attendance:

City of Las Cruces

Jack Eakman	City Councilor
Yvonne Flores	City Councilor
William Studer	Interim City Manager
David Dollahon	Assistant City Manager/Operations
Barbara DeLeon	Interim Assistant City Manager/Administration
Terri Gayhart	Director of Financial Services
Alfredo Pacheco	Deputy Finance Director/Finance/Administration
Karin Byrum	Treasurer/Finance/Treasury
Josie Medina	Accounting Manager/Finance/Accounting
Maria Sanchez	Senior Accountant/Finance/Accounting
Joshua Saffell	Senior Accountant/Finance/Accounting

Carr, Riggs & Ingram, LLC

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Vicki Dallas, CPA, CITP	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.