



State of
New Mexico
City of Las Vegas

Annual Financial Report
For the Year Ended June 30, 2017



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STATE OF NEW MEXICO

City of Las Vegas

Official Roster

June 30, 2017

| <u>Name</u> | <u>City Commission</u> | <u>Title</u> |
|------------------------------|-------------------------------|-------------------------------|
| Tonita Gurule-Girón | | Mayor |
| David Ulibarri | | Councilor |
| Vince Howell | | Councilor |
| Barbara Perea-Casey | | Councilor |
| David Romero | | Councilor |
| <u>Administration</u> | | |
| Richard Trujillo | | City Manager |
| Eddie Trujillo | | Judge |
| Ann Marie Gallegos | | Finance Director |
| Casandra Fresquez | | City Clerk |
| Carmela Martinez | | Housing Authority Director |

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson
New Mexico State Auditor
The City Council
City of Las Vegas
Las Vegas, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the City of Las Vegas, New Mexico (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of City of Las Vegas, as of June 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 11 through 19 and Schedules I, II, and the Notes to the Required Supplementary Information on pages 82 through 88 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements, and the budgetary comparison of the General Fund. The introductory section, combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Supporting Schedules III through V required by Section 2.2.2.NMAC, and Schedule VI Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VI required by Section 2.2.2 NMAC and the U.S. Department of Housing and Urban Development are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VI required by Section 2.2.2 NMAC and the U.S. Department of Housing and Urban Development are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP
Albuquerque, NM
December 13, 2017

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

As management of the City of Las Vegas, we offer readers of the City this Management Discussion and Analysis of the fiscal performance of the City of Las Vegas for the period ending June 30, 2017 as an objective and easily readable discussion of the City's financial activities. This information aligns with requirements of the Governmental Accounting Standards Board (GASB) that establishes accounting and reporting standards for governmental entities. With the issuance of GASB's Statement 34, a written narrative discussion and analysis of the financial performance of the City is included.

The discussion and analysis, as well as the Statement of Net Position and Statement of Activities, provide a review of the City's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2017. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the City as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other resource information.

In addition to the revised reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included in the Independent Auditor's Report, The Independent Auditor's 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, Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance and a Schedule of Findings and Questioned Costs.

About City of Las Vegas

To completely understand the financial discussion of the City of Las Vegas, it is important to understand the nature of the City.

Las Vegas is nestled at the foot of the Sangre de Cristo Mountains, or as the locals like to say, where the Rocky Mountains meet the Great Plains. Located near the heart of a spectacular wilderness area, sweeping forest lands, fascinating historic sites and wonderful western boomtown to enjoy everything from trout fishing on the Gallinas River to searching for wagon ruts along the Santa Fe Trail. The City of Las Vegas covers 7.59 square miles in northeastern New Mexico and has a population density of 1,813 per square mile. The City of Las Vegas population was 13,753 in 2010, with 79.1% Hispanic, 16.5% White, 1.5% Black, 1.1% two or more races, .7% American Indian, .2% Asian. 2010 Census Data indicates 31.5% of total population in the City of Las Vegas (19.5% for NM) lived below poverty level for the period 2006-2010. The City of Las Vegas experienced a 4.8% decrease in population between the 2010 and 2015 Census from 14,055 to 13,386.

The City has a **MISSION STATEMENT:** The City of Las Vegas is an economic center driven by honoring its rich culture, encouraging value added industry, preserving the quality of life for all of Las Vegas through Ethical Government and Professional Administration.

VISION

- Proactive approach to wise use of historical, cultural, educational and natural resources.
- To be the growing economic center of the Northeastern Region.
- Explore, promote and partner with smart industry befitting the community.
- Proper planning to maintain continuity, self-sufficiency and cohesive leadership.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

PRINCIPALS

Honesty Accountability Adaptability Respect Duty

CITY HIGHLIGHTS

City of Las Vegas operates a diversified range of services, such as community development services, health council services, fire department services, federal housing services, federal transportation services, recreation services, senior meal and transportation programs, library services, municipal airport services, municipal court services, police services, utility services including natural gas, solid waste, waste water and water services to name a few.

Carnegie Library

The first and only surviving Carnegie Library in New Mexico, this beautiful library was built with a \$10,000 donation from philanthropist Andrew Carnegie. This prime example of Neo-Classical Revival architecture, resembling Thomas Jefferson's Monticello, occupies one city block bordered by handsome Victorian-style structures.

City of Las Vegas Museum and Rough Rider Memorial Collection

Housed in a New Deal-era WPA structure originally built to serve as city hall, the City of Las Vegas Museum and Rough Rider Memorial Collection is home to many pieces of the past that make up the diverse history of Las Vegas. When veterans from Teddy Roosevelt's Rough Rider regiment named Las Vegas as their official reunion home, mementos and artifacts from the Spanish-American War accumulated here. In addition to the Rough Rider collection, the Museum boasts a variety of community-donated domestic artifacts that reveal much about life in Las Vegas and San Miguel County.

Old Town Plaza Historic District

Unmatched in its style and unparalleled in its history, the Plaza Historic District is built on the original town site founded as part of a Mexican land grant. The plaza, which originally served as a defensible enclosure and place to park wagons of Santa Fe Trail merchants. Today, beautiful examples of grand Victorian architecture and one-story adobe buildings stand side by side on the enduring square surrounding Plaza Park.

Bridge Street: A Great American Street

Las Vegas' Bridge Street was named one of ten Great American Streets in American in 2013. Bridge Street boasts a nearly unbroken line of miraculously preserved commercial structures from the late nineteenth and early twentieth centuries, buildings large and small in many styles, some richly ornamented showplaces and others more modest and unassuming. These buildings reflect/sketch the fascinating history of Las Vegas' development as an important commercial and transportation center, and reflect the personal and collective aspirations of both our original Spanish settlers and later frontier immigrants with names like Maloof and Stern.

Railroad Avenue Historic District

One block east of Grand Avenue, this district represents the boom town-era that began July 4, 1879, when the Atchison, Topeka, and the Santa Fe Railroad made its way to Las Vegas. Within the district are a number of historically significant structures including the Castaneda Hotel (a Fred Harvey House) and the train depot which houses the Visitors Center.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

Introduction

As management of City of Las Vegas, we offer readers of City of Las Vegas financial statements this narrative overview and analysis of the financial activities of City of Las Vegas for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the financial statements of City of Las Vegas and additional information provided.

The financial performance of the City of Las Vegas for the fiscal year ended June 30, 2017 will be the subject of this discussion and analysis. The purpose is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

FINANCIAL HIGHLIGHTS

- The assets of City of Las Vegas exceeded its liabilities at June 30, 2017 by \$99,058,828 (*net position*). Of this amount, \$13,337,203 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$6,385,256 during the year. The majority of this increase is due to an increase in cash and equivalents of \$5,622,167 received for the year ending June 30, 2017.
- As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$6,461,412. Of this total, \$714,821 is designated for debt service and \$891,124 is designated for capital projects.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$2,789,013 or 24 percent of total general fund expenditures.

Financial Statements Overview

This discussion and analysis is intended to serve as an introduction to City of Las Vegas' basic financial statements. City of Las Vegas' basic financial statements comprise 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 themselves.

Government-Wide Financial Statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of City of Las Vegas' finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of City of Las Vegas' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of City of Las Vegas is improving or deteriorating.

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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

Both of the government-wide financial statements distinguish functions of City of Las Vegas 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 City of Las Vegas include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include wastewater, natural gas, solid waste, water, public and Indian housing, and hope IV funds, as well as internal service funds.

The government-wide financial statements can be found on pages 22 through 25 of this report.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Las Vegas maintains more than fifty-two individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other fifty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

City of Las Vegas adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found on pages 26 through 29 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains six types of proprietary funds, in addition to the internal service funds:

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

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 wastewater, natural gas, solid waste, water, public housing, and hope VI operations of the City. The enterprise funds are considered to be major funds of the City.

The proprietary fund financial statements can be found on pages 31 through 39 this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support City of Las Vegas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found on page 41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42 through 80 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in pages 96 through 115 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of City of Las Vegas, assets exceeded liabilities by \$99,058,828 at the close of the current fiscal year.

The largest portion of City of Las Vegas' net position represents the City's net investment of \$83,064,168 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. City of Las Vegas uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although City of Las Vegas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The most significant variation from **2016** is due to the net pension liability. The City of Las Vegas adopted GASB Statement No. 68 and No. 71, which increased the City of Las Vegas' net pension liability by \$4,625,170.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

CITY OF LAS VEGAS' NET POSITION

| | June 30, 2016 | | | June 30, 2017 | | |
|--|-----------------------------------|------------------------------------|--------------------|-----------------------------------|------------------------------------|--------------------|
| | Governmental <u>Activities</u> | Business-Type <u>Activities</u> | <u>Total</u> | Governmental <u>Activities</u> | Business-Type <u>Activities</u> | <u>Total</u> |
| Assets and Deferred Outflows of Resources | | | | | | |
| Cash and cash equivalents | \$ 6,357,573 | 19,947,691 | 26,305,264 | 2,860,339 | 19,483,432 | 22,343,771 |
| Other current assets | 2,337,529 | 3,365,970 | 5,703,499 | 4,059,234 | 8,080,082 | 12,139,316 |
| Capital assets, net of accumulated depreciation | 50,404,841 | 50,041,420 | 100,446,261 | 52,154,287 | 53,978,690 | 106,132,977 |
| Deferred outflows of resources | <u>1,096,353</u> | <u>373,483</u> | <u>1,469,836</u> | <u>5,115,674</u> | <u>1,612,243</u> | <u>6,727,917</u> |
| Total assets and deferred outflows of resources | <u>60,196,296</u> | <u>73,728,564</u> | <u>133,924,860</u> | <u>64,189,534</u> | <u>83,154,447</u> | <u>147,343,981</u> |
| Liabilities and Deferred Inflows of Resources | | | | | | |
| Long-term liabilities outstanding | 7,996,586 | 13,931,670 | 21,928,256 | 7,350,658 | 13,111,204 | 20,461,862 |
| Other liabilities | 1,613,177 | 2,608,427 | 4,221,604 | 1,361,172 | 4,774,352 | 6,135,524 |
| Net pension liability | 10,605,389 | 3,617,438 | 14,222,827 | 15,230,559 | 5,065,766 | 20,296,325 |
| Deferred inflows of resources | <u>755,133</u> | <u>274,001</u> | <u>1,029,134</u> | <u>1,046,161</u> | <u>345,281</u> | <u>1,391,442</u> |
| Total liabilities and deferred inflows of resources | <u>20,970,285</u> | <u>20,431,536</u> | <u>41,401,821</u> | <u>24,988,550</u> | <u>23,296,603</u> | <u>48,285,153</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 38,998,461 | 36,394,293 | 75,392,754 | 43,902,376 | 39,161,792 | 83,064,168 |
| Restricted | 6,292,723 | | | 2,657,457 | | 2,657,457 |
| Unrestricted | <u>(6,065,173)</u> | <u>16,902,735</u> | <u>10,837,562</u> | <u>(7,358,849)</u> | <u>20,696,052</u> | <u>13,337,203</u> |
| Total net position | <u>39,226,001</u> | <u>53,297,028</u> | <u>92,523,039</u> | <u>39,200,984</u> | <u>59,857,844</u> | <u>99,058,828</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$60,196,296</u> | <u>73,728,564</u> | <u>133,924,860</u> | <u>64,189,534</u> | <u>83,154,447</u> | <u>147,343,981</u> |

A portion of City of Las Vegas' net position (6.80%) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the City's long-term debt issuance and capital projects. The remaining balance of *unrestricted net position* of \$13,337,203 may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

The City's net position overall increased by \$8,363,875 during the current fiscal year. These increases are explained in the government and business-type activities discussion below, and are primarily a result of increased revenues while reducing the City's expenditures during the fiscal year.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, City of Las Vegas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of City of Las Vegas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing City of Las Vegas' financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

As of the end of the current fiscal year, City of Las Vegas' governmental funds reported combined ending fund balances of \$6,461,412. The key element of this increase is due to the inclusion of the Recreation Center Phase II in fiscal year 2016. Approximately 40 percent of this total amount, \$2,769,480, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance of \$3,691,932 is restricted and assigned to indicate that it is not available for new spending because it has already been committed to pay for future debt service payments, subsequent year's expenditures and inventory.

Revenues for governmental funds overall totaled \$15,751,102 in the fiscal year ended June 30, 2017, which represents a decrease of \$1,263,301 from the fiscal year ended June 30, 2016. Expenditures for governmental funds, totaling \$20,122,447, which represents an increase of \$5,191,598 from the fiscal year ended June 30, 2016.

The General Fund is the chief operating fund of City of Las Vegas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,257,784.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for enterprise funds were \$16,791,320. The total increase in net position for the enterprise funds was \$6,561,454. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

General Fund Budgetary Highlights

City budgets reflect the same pattern as seen in the revenue and expenditures of the City. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the City level, City of Las Vegas utilizes goals and objectives defined by the Governing Body, community input meetings, long term plans and input from various staff groups to develop the City budget. City priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Capital Asset and Debt Administration

Capital assets. City of Las Vegas' capital assets for its governmental and business-type activities as of June 30, 2016 amount to \$97,569,051 (net of accumulated depreciation). Capital assets include land and land improvements, construction in progress, infrastructure, buildings and improvements, machinery and equipment, vehicles, water system and water rights. The total change in the City's capital assets for the current fiscal year was an increase of \$366,974 for governmental activities and an increase of \$2,284,135 for business-type activities, mostly related to the results of projects completed during the year. The City has significant construction in progress related to road construction and other utility projects.

**Capital Assets, Net of Depreciation
June 30, 2017**

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|---------------------|
| Land | \$ 19,268,701 | 1,191,978 | 20,460,679 |
| Construction in progress | 4,939,467 | 4,729,345 | 9,668,812 |
| Infrastructure | 18,425,649 | 39,995,810 | 58,421,459 |
| Buildings & improvements | 20,888,599 | 4,848,523 | 25,737,122 |
| Machinery & equipment | 5,966,503 | 3,933,369 | 9,899,872 |
| Vehicles | 6,094,920 | 4,565,721 | 10,660,641 |
| Water rights | - | 4,288,025 | 4,288,025 |
| Water systems | - | 3,270,820 | 3,270,820 |
| Land improvements | - | 858,256 | 856,256 |
| Total capital assets | 75,583,839 | 67,681,847 | 143,263,686 |
| Accumulated depreciation | <u>(23,805,609)</u> | <u>(20,494,895)</u> | <u>(44,300,504)</u> |
| Capital assets, net of accumulated depreciation | <u>\$ 51,778,230</u> | <u>47,186,952</u> | <u>98,963,182</u> |

See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, City of Las Vegas had total long-term obligations outstanding of approximately \$22,694,551.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

City of Las Vegas' Outstanding Debt As of June 30, 2017

| | Governmental Activities | Business-Type Activities | Total |
|-----------------------------|------------------------------------|-------------------------------------|-------------------|
| Bonds | \$ 5,065,000 | - | 5,065,000 |
| NMFA Loans | 2,810,854 | - | 2,810,854 |
| Landfill Closure Costs | - | 1,570,610 | 1,570,610 |
| Wastewater Loans | - | 9,760,952 | 9,760,952 |
| Solid Waste Loans | - | 1,329,150 | 1,329,150 |
| Water Loans | - | 1,617,396 | 1,617,396 |
| Compensated absences | <u>410,460</u> | <u>130,129</u> | <u>540,589</u> |
| Total long-term liabilities | <u>\$ 8,286,314</u> | <u>14,408,237</u> | <u>22,694,551</u> |

See Note 7 in the accompanying Notes to the Financial Statements for further information regarding City of Las Vegas' long-term debt.

The City is not aware of any facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of City of Las Vegas' finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Las Vegas Administration, City of Las Vegas, 1700 N. Grand Ave., Las Vegas, New Mexico 87701.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Las Vegas

Statement of Net Position

June 30, 2017

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | \$ 2,860,339 | \$ 19,483,432 | \$ 22,343,771 |
| Investments | 1,504,669 | 3,495,331 | 5,000,000 |
| Receivables, net | 2,676,925 | 3,956,851 | 6,633,776 |
| Inventory | 104,528 | 401,012 | 505,540 |
| Internal balances | <u>(226,888)</u> | <u>226,888</u> | <u>-</u> |
| <i>Total current assets</i> | <u>6,919,573</u> | <u>27,563,514</u> | <u>34,483,087</u> |
| <i>Noncurrent assets</i> | | | |
| Restricted cash and cash equivalents | 376,057 | 2,109,400 | 2,485,457 |
| Capital assets | 75,583,839 | 80,560,657 | 156,144,496 |
| Less: accumulated depreciation | <u>(23,805,609)</u> | <u>(28,691,367)</u> | <u>(52,496,976)</u> |
| <i>Total noncurrent assets</i> | <u>52,154,287</u> | <u>53,978,690</u> | <u>106,132,977</u> |
| <i>Total assets</i> | <u>59,073,860</u> | <u>81,542,204</u> | <u>140,616,064</u> |
| Deferred outflows of resources | | | |
| Changes in assumptions | 920,337 | 289,597 | 1,209,934 |
| Employer contributions subsequent to the measurement date | 827,621 | 281,963 | 1,109,584 |
| Net difference between projected and actual investment earnings on pension plan investments | 2,522,516 | 770,050 | 3,292,566 |
| Differences between expected and actual experience | <u>845,200</u> | <u>270,633</u> | <u>1,115,833</u> |
| <i>Total deferred outflows of resources</i> | <u>5,115,674</u> | <u>1,612,243</u> | <u>6,727,917</u> |
| <i>Total assets and deferred outflows of resources</i> | <u>\$ 64,189,534</u> | <u>\$ 83,154,447</u> | <u>\$ 147,343,981</u> |

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

| | Primary Government | | |
|--|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Liabilities | | | |
| <i>Current liabilities</i> | | | |
| Accounts payable | \$ 204,636 | \$ 1,469,456 | \$ 1,674,092 |
| Accrued payroll | 202,010 | 78,578 | 280,588 |
| Accrued compensated absences | 249,183 | 164,080 | 413,263 |
| Tenant security deposits | - | 40,818 | 40,818 |
| Meter deposits payable | - | 531,645 | 531,645 |
| Deferred revenue | - | 1,233,864 | 1,233,864 |
| Accrued interest | 18,870 | 89,007 | 107,877 |
| Current portion of long-term debt | 686,473 | 1,210,230 | 1,896,703 |
| <i>Total current liabilities</i> | <u>1,361,172</u> | <u>4,817,678</u> | <u>6,178,850</u> |
| <i>Noncurrent liabilities</i> | | | |
| Accrued compensated absences | 161,277 | - | 161,277 |
| Accrued landfill post closure costs | - | 1,570,610 | 1,570,610 |
| Bonds payable | 4,735,000 | - | 4,735,000 |
| Notes payable | 2,454,381 | 11,497,268 | 13,951,649 |
| Net pension liability | 15,230,559 | 5,065,766 | 20,296,325 |
| <i>Total noncurrent liabilities</i> | <u>22,581,217</u> | <u>18,133,644</u> | <u>40,714,861</u> |
| <i>Total liabilities</i> | <u>23,942,389</u> | <u>22,951,322</u> | <u>46,893,711</u> |
| Deferred inflows of resources | | | |
| Changes in assumptions | 66,966 | 24,526 | 91,492 |
| Changes in proportion | 890,618 | 290,067 | 1,180,685 |
| Differences between expected and actual experience | 88,577 | 30,688 | 119,265 |
| <i>Total deferred inflows of resources</i> | <u>1,046,161</u> | <u>345,281</u> | <u>1,391,442</u> |
| Net Position | | | |
| Net investment in capital assets | 43,902,376 | 39,161,792 | 83,064,168 |
| Restricted for: | | | |
| Debt service | 714,821 | - | 714,821 |
| Capital projects | 891,124 | - | 891,124 |
| Special revenue | 1,051,512 | - | 1,051,512 |
| Unrestricted | (7,358,849) | 20,696,052 | 13,337,203 |
| <i>Total net position</i> | <u>39,200,984</u> | <u>59,857,844</u> | <u>99,058,828</u> |
| <i>Total liabilities, deferred inflows of resources and net position</i> | <u>\$ 64,189,534</u> | <u>\$ 83,154,447</u> | <u>\$ 147,343,981</u> |

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

STATE OF NEW MEXICO
City of Las Vegas
Statement of Activities
For the Year Ended June 30, 2017

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---------------------------------------|----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| General government | \$ 5,255,135 | \$ 1,786,632 | \$ 192,015 | \$ - |
| Public safety | 5,662,994 | 86,350 | 326,408 | 450,461 |
| Public works | 2,238,455 | 166 | - | - |
| Culture and recreation | 2,213,928 | 51,484 | 129,455 | - |
| Health and welfare | 535,951 | 89,705 | 759,692 | - |
| Interest on long-term debt | 212,812 | - | - | - |
| <i>Total governmental activities</i> | <u>16,119,275</u> | <u>2,014,337</u> | <u>1,407,570</u> | <u>450,461</u> |
| Business-type Activities: | | | | |
| Wastewater | 1,876,586 | 3,132,345 | - | 29,753 |
| Natural Gas | 3,811,838 | 4,976,063 | - | - |
| Solid Waste | 2,492,387 | 3,530,386 | - | - |
| Water | 4,646,834 | 5,659,086 | - | 1,470,154 |
| Housing Authority | 1,916,425 | 521,555 | 644,012 | 370,137 |
| <i>Total business-type activities</i> | <u>14,744,070</u> | <u>17,819,435</u> | <u>644,012</u> | <u>1,870,044</u> |
| <i>Total primary government</i> | <u>\$ 30,863,345</u> | <u>\$ 19,833,772</u> | <u>\$ 2,051,582</u> | <u>\$ 2,320,505</u> |

General Revenues, Transfers and Reversions to Other Governments:

Taxes:

- Property taxes, levied for general purposes
- Gross receipts taxes
- Gasoline and motor vehicle taxes
- Other taxes

Investment income

Miscellaneous

Reversion to other governments

Gain on disposition of assets

Transfers

Total general revenues, transfers and reversions to other governments

Change in net position

Net position, beginning

Net position, restatement (note 14)

Net position, beginning as restated

Net position, ending

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

| Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------------------------|----------------------|
| Primary Government | | |
| Governmental Activities | Business-type Activities | Total |
| \$ (3,276,488) | \$ - | \$ (3,276,488) |
| (4,799,775) | - | (4,799,775) |
| (2,238,289) | - | (2,238,289) |
| (2,032,989) | - | (2,032,989) |
| 313,446 | - | 313,446 |
| (212,812) | - | (212,812) |
| (12,246,907) | - | (12,246,907) |
| - | 1,285,512 | 1,285,512 |
| - | 1,164,225 | 1,164,225 |
| - | 1,037,999 | 1,037,999 |
| - | 2,482,406 | 2,482,406 |
| - | (380,721) | (380,721) |
| - | 5,589,421 | 5,589,421 |
| (12,246,907) | 5,589,421 | (6,657,486) |
| 1,561,637 | - | 1,561,637 |
| 8,509,691 | 896,057 | 9,405,748 |
| 440,867 | - | 440,867 |
| 1,163,861 | - | 1,163,861 |
| 27,679 | 44,846 | 72,525 |
| 357,050 | 39,959 | 397,009 |
| (3,725) | - | (3,725) |
| 4,820 | - | 4,820 |
| 160,000 | (160,000) | - |
| 12,221,880 | 820,862 | 13,042,742 |
| (25,027) | 6,410,283 | 6,385,256 |
| 39,226,011 | 53,297,028 | 92,523,039 |
| - | 150,533 | 150,533 |
| 39,226,011 | 53,447,561 | 92,673,572 |
| \$ 39,200,984 | \$ 59,857,844 | \$ 99,058,828 |

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

STATE OF NEW MEXICO
City of Las Vegas
Governmental Funds
Balance Sheet
June 30, 2017

Exhibit B-1
Page 1 of 2

| | General Fund | Recreation Center Phase II Construction 468 - Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|---|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 1,070,570 | \$ 11,364 | \$ 2,154,462 | \$ 3,236,396 |
| Investments | 1,504,669 | | - | 1,504,669 |
| Receivables, net | 1,913,571 | - | 763,354 | 2,676,925 |
| Inventory | 104,528 | - | - | 104,528 |
| Due from other funds | 774,331 | - | 117,840 | 892,171 |
| <i>Total assets</i> | <u>\$ 5,367,669</u> | <u>\$ 11,364</u> | <u>\$ 3,035,656</u> | <u>\$ 8,414,689</u> |
| Liabilities, deferred inflows of resources, and fund balances | | | | |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ 152,558 | \$ - | \$ 52,078 | \$ 204,636 |
| Accrued payroll | 188,086 | - | 13,924 | 202,010 |
| Due to other funds | 751,667 | - | 367,392 | 1,119,059 |
| <i>Total liabilities</i> | <u>1,092,311</u> | <u>-</u> | <u>433,394</u> | <u>1,525,705</u> |
| <i>Deferred inflows of resources</i> | | | | |
| Unavailable revenue - property taxes | 427,572 | - | - | 427,572 |
| <i>Total deferred inflows of resources</i> | <u>427,572</u> | <u>-</u> | <u>-</u> | <u>427,572</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable: | | | | |
| Inventory | 104,528 | - | - | 104,528 |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | 714,821 | 714,821 |
| Capital projects | - | 11,364 | 879,760 | 891,124 |
| General government | - | - | 461,830 | 461,830 |
| Public safety | - | - | 246,664 | 246,664 |
| Culture and recreation | - | - | 283,014 | 283,014 |
| Health and welfare | - | - | 35,706 | 35,706 |
| Committed to: | | | | |
| Minimum fund balance | 954,245 | - | - | 954,245 |
| Unassigned (deficit) | 2,789,013 | - | (19,533) | 2,769,480 |
| <i>Total fund balances</i> | <u>3,847,786</u> | <u>11,364</u> | <u>2,602,262</u> | <u>6,461,412</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 5,367,669</u> | <u>\$ 11,364</u> | <u>\$ 3,035,656</u> | <u>\$ 8,414,689</u> |

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

STATE OF NEW MEXICO

City of Las Vegas

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2017

Exhibit B-1

Page 2 of 2

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | |
|---|----------------------|
| Fund balances - total governmental funds | \$ 6,461,412 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 51,778,230 |
| Delinquent property taxes collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities | 427,572 |
| Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable: | |
| Accrued interest | (18,870) |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds: | |
| Deferred outflows of resources related to changes of assumptions | 920,337 |
| Deferred outflows of resources related to differences between expected and actual experience | 845,200 |
| Deferred outflows of resources related to employer contributions subsequent to the measurement date | 827,620 |
| Deferred outflows of resources related to the net difference between projected and actual investment earnings on pension plan investments | 2,522,516 |
| Deferred inflows of resources related to change in assumptions | (66,966) |
| Deferred inflows of resources related to changes in proportion | (890,618) |
| Deferred inflows of resources related to differences between expected and actual experience | (88,577) |
| Some liabilities, including bonds payable, notes, accrued compensated absences, and net pension payable are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Accrued compensated absences | (410,460) |
| Bonds and notes payable | (7,875,854) |
| Net pension liability | (15,230,559) |
| | (15,230,559) |
| <i>Total net position of governmental activities</i> | <i>\$ 39,200,983</i> |

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

STATE OF NEW MEXICO
City of Las Vegas
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

Exhibit B-2
Page 1 of 2

| | <u>General Fund</u> | <u>Recreation Center Phase II Construction 468- Capital Project Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|---|---|
| <i>Revenues</i> | | | | |
| Taxes: | | | | |
| Property | \$ 1,379,587 | \$ - | \$ - | \$ 1,379,587 |
| Gross receipts | 6,934,909 | - | 1,574,782 | 8,509,691 |
| Gasoline and motor vehicle | 76,778 | - | 364,089 | 440,867 |
| Other | 845,533 | - | 318,328 | 1,163,861 |
| Intergovernmental: | | | | |
| Federal operating grants | 7,484 | - | 446,762 | 454,246 |
| Federal capital grants | - | - | 14,256 | 14,256 |
| State operating grants | 7,733 | - | 945,591 | 953,324 |
| State capital grants | - | - | 374,800 | 374,800 |
| Charges for services | 1,709,791 | - | 86,996 | 1,796,787 |
| Licenses and fees | 166,541 | - | 112,414 | 278,955 |
| Investment income | 5,546 | 5,360 | 16,773 | 27,679 |
| Other | 178,848 | - | 178,201 | 357,049 |
| <i>Total revenues</i> | <u>11,312,750</u> | <u>5,360</u> | <u>4,432,992</u> | <u>15,751,102</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| General government | 3,904,845 | - | 359,696 | 4,264,541 |
| Public safety | 4,990,746 | - | 250,993 | 5,241,739 |
| Public works | 385,819 | 19,328 | 782,159 | 1,187,306 |
| Culture and recreation | 985,681 | - | 1,183,393 | 2,169,074 |
| Health and welfare | 392,869 | - | 23,208 | 416,077 |
| Capital outlay | 790,974 | 3,771,890 | 1,414,718 | 5,977,582 |
| Debt service: | | | | |
| Principal | - | - | 653,316 | 653,316 |
| Interest | - | - | 212,812 | 212,812 |
| <i>Total expenditures</i> | <u>11,450,934</u> | <u>3,791,218</u> | <u>4,880,295</u> | <u>20,122,447</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(138,184)</u> | <u>(3,785,858)</u> | <u>(447,303)</u> | <u>(4,371,345)</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | - | - | (3,725) | (3,725) |
| Proceeds from sale of capital assets | 4,820 | - | - | 4,820 |
| Transfers in | 170,000 | 450,000 | 1,063,453 | 1,683,453 |
| Transfers out | (589,667) | - | (933,786) | (1,523,453) |
| <i>Total other financing sources (uses)</i> | <u>(414,847)</u> | <u>450,000</u> | <u>125,942</u> | <u>161,095</u> |
| <i>Net change in fund balance</i> | (553,031) | (3,335,858) | (321,361) | (4,210,250) |
| <i>Fund balance - beginning of year</i> | <u>4,400,817</u> | <u>3,347,222</u> | <u>2,923,623</u> | <u>10,671,662</u> |
| <i>Fund balance - end of year</i> | <u>\$ 3,847,786</u> | <u>\$ 11,364</u> | <u>\$ 2,602,262</u> | <u>\$ 6,461,412</u> |

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

STATE OF NEW MEXICO

City of Las Vegas

Governmental Funds

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

Exhibit B-2

Page 2 of 2

Amounts reported for governmental activities in the Statement of Activities are different because:

| | | |
|--|----|-------------|
| Net change in fund balances - total governmental funds | \$ | (4,210,250) |
|--|----|-------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

| | | |
|---|--|-------------|
| Capital expenditures recorded in capital outlay | | 5,977,582 |
| Depreciation expense | | (1,712,480) |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

| | | |
|--|--|---------|
| Increase in unavailable revenue related to property taxes receivable | | 182,050 |
|--|--|---------|

Governmental funds report City pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

| | | |
|----------------------------|--|-------------|
| City pension contributions | | 827,621 |
| Pension expense | | (1,739,001) |

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

| | | |
|---|--|---------|
| Increase in accrued interest | | (5,539) |
| Decrease in accrued compensated absences | | 1,674 |
| Principal payments on bonds and notes payable | | 653,316 |

| | | |
|--|-----------|------------------------|
| <i>Change in net position of governmental activities</i> | <i>\$</i> | <u><u>(25,027)</u></u> |
|--|-----------|------------------------|

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

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STATE OF NEW MEXICO

Exhibit C-1

City of Las Vegas

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variances |
|--|--------------------|--------------------|---------------------|---|
| | Original | Final | | Favorable (Unfavorable) Final to Actual |
| <i>Revenues</i> | | | | |
| Taxes: | | | | |
| Property | \$ 1,373,000 | \$ 1,373,000 | \$ 1,384,040 | \$ 11,040 |
| Gross receipts | 7,043,000 | 7,043,000 | 7,066,848 | 23,848 |
| Gasoline and motor vehicle | 71,500 | 71,500 | 75,541 | 4,041 |
| Intergovernmental income: | | | | |
| Federal operating grant | - | 8,000 | 7,484 | (516) |
| State operating grant | - | 7,733 | 7,733 | - |
| Charges for services | 1,492,000 | 1,492,000 | 1,536,755 | 44,755 |
| Licenses and fees | 137,500 | 137,500 | 132,370 | (5,130) |
| Investment income | 7,000 | 7,000 | 5,546 | (1,454) |
| Miscellaneous | 1,295,400 | 1,300,552 | 1,271,730 | (28,822) |
| <i>Total revenues</i> | <u>11,419,400</u> | <u>11,440,285</u> | <u>11,488,047</u> | <u>47,762</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| General government | 4,848,962 | 4,757,917 | 4,516,696 | 241,221 |
| Public safety | 5,618,608 | 5,668,491 | 5,271,280 | 397,211 |
| Public works | 475,581 | 511,127 | 456,965 | 54,162 |
| Culture and recreation | 1,233,016 | 1,264,526 | 1,028,755 | 235,771 |
| Health and welfare | 553,245 | 561,189 | 405,762 | 155,427 |
| <i>Total expenditures</i> | <u>12,729,412</u> | <u>12,763,250</u> | <u>11,679,458</u> | <u>1,083,792</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(1,310,012)</u> | <u>(1,322,965)</u> | <u>(191,411)</u> | <u>1,131,554</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Designated cash (budgeted cash increase) | 1,750,715 | 1,763,668 | - | (1,763,668) |
| Transfers in | 470,000 | 470,000 | 470,000 | - |
| Transfers out | (910,703) | (910,703) | (889,667) | 21,036 |
| <i>Total other financing sources (uses)</i> | <u>1,310,012</u> | <u>1,322,965</u> | <u>(419,667)</u> | <u>(1,742,632)</u> |
| <i>Net change in fund balance</i> | - | - | (611,078) | (611,078) |
| <i>Fund balance - beginning of year</i> | - | - | 3,208,981 | 3,208,981 |
| <i>Fund balance - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,597,903</u> | <u>\$ 2,597,903</u> |
| Net change in fund balance (non-GAAP budgetary basis) | | | | \$ (611,078) |
| Adjustments to revenues for property taxes and state operating grants. | | | | (170,477) |
| Adjustments to expenditures for salaries and operating expenses. | | | | 228,524 |
| <i>Net change in fund balance (GAAP)</i> | | | | <u>\$ (553,031)</u> |

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

STATE OF NEW MEXICO
City of Las Vegas
Statement of Net Position
Proprietary Funds
June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | |
|---|--|--------------------|--------------------|---------------|
| | Wastewater | Natural Gas | Solid Waste | Water |
| Assets | | | | |
| <i>Current assets</i> | | | | |
| Cash and cash equivalents | \$ 2,252,109 | \$ 4,104,274 | \$ 3,115,325 | \$ 8,671,732 |
| Investments | 888,738 | 1,935,412 | - | 556,157 |
| Receivables, net | 387,893 | 469,489 | 415,990 | 2,675,092 |
| Inventory | - | 141,728 | - | 250,046 |
| Due from other funds | - | - | - | 19,533 |
| <i>Total current assets</i> | 3,528,740 | 6,650,903 | 3,531,315 | 12,172,560 |
| <i>Noncurrent assets</i> | | | | |
| Restricted cash and cash equivalents | - | 256,588 | 354,842 | 1,457,152 |
| Capital assets | 25,289,747 | 1,704,141 | 3,486,644 | 35,234,107 |
| Less: accumulated depreciation | (5,723,338) | (1,260,838) | (1,843,232) | (9,862,068) |
| <i>Total noncurrent assets</i> | 19,566,409 | 699,891 | 1,998,254 | 26,829,191 |
| Deferred outflows of resources | | | | |
| Change in assumptions | 24,170 | 29,709 | 54,389 | 68,413 |
| Employer contributions subsequent to the measurement date | 24,509 | 30,704 | 47,612 | 77,797 |
| Net difference between projected and actual investment earnings on pension plan investments | 64,655 | 72,605 | 147,167 | 164,672 |
| Difference between expected and actual experience | 22,934 | 27,740 | 49,358 | 65,907 |
| <i>Total deferred outflows of resources</i> | 136,268 | 160,758 | 298,526 | 376,789 |
| <i>Total assets and deferred outflows of resources</i> | \$ 23,231,417 | \$ 7,511,552 | \$ 5,828,095 | \$ 39,378,540 |

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

| Business-Type Activities - Enterprise Funds | | | Proprietary Activities |
|--|----------------|----------------------|-------------------------------|
| Public and Indian Housing | Hope VI | Total | Internal Service Funds |
| \$ 509,170 | \$ - | \$ 18,652,610 | \$ 830,822 |
| 115,024 | - | 3,495,331 | - |
| 8,387 | - | 3,956,851 | - |
| 9,238 | - | 401,012 | - |
| 437,110 | - | 456,643 | 20,000 |
| <u>1,078,929</u> | <u>-</u> | <u>26,962,447</u> | <u>850,822</u> |
| 40,818 | - | 2,109,400 | - |
| 12,878,810 | - | 78,593,449 | 1,967,208 |
| (8,196,472) | - | (26,885,948) | (1,805,419) |
| <u>4,723,156</u> | <u>-</u> | <u>53,816,901</u> | <u>161,789</u> |
| 47,075 | - | 223,756 | 65,841 |
| 41,834 | - | 222,456 | 59,507 |
| 136,524 | - | 585,623 | 184,427 |
| <u>43,766</u> | <u>-</u> | <u>209,705</u> | <u>60,928</u> |
| <u>269,199</u> | <u>-</u> | <u>1,241,540</u> | <u>370,703</u> |
| <u>\$ 6,071,284</u> | <u>\$ -</u> | <u>\$ 82,020,888</u> | <u>\$ 1,383,314</u> |

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

STATE OF NEW MEXICO
City of Las Vegas
Statement of Net Position
Proprietary Funds
June 30, 2017

Business-Type Activities - Enterprise Funds

| | <u>Wastewater</u> | <u>Natural Gas</u> | <u>Solid Waste</u> | <u>Water</u> |
|---|----------------------|---------------------|---------------------|----------------------|
| Liabilities | | | | |
| <i>Current liabilities</i> | | | | |
| Accounts payable | \$ 87,485 | \$ 129,939 | \$ 84,105 | \$ 1,086,057 |
| Accrued payroll | 7,131 | 6,939 | 16,077 | 16,337 |
| Accrued compensated absences | 14,466 | 18,691 | 40,824 | 24,951 |
| Tenant security deposits | - | - | - | - |
| Meter deposits payable | - | 409,634 | - | 122,011 |
| Due to other funds | 60,000 | - | 79,755 | 110,000 |
| Unearned revenue - grants | - | - | - | 1,233,864 |
| Accrued interest | 82,700 | - | 5,803 | 504 |
| Current portion of notes payable | 823,321 | - | 298,049 | 88,860 |
| <i>Total current liabilities</i> | <u>1,075,103</u> | <u>565,203</u> | <u>524,613</u> | <u>2,682,584</u> |
| <i>Noncurrent liabilities</i> | | | | |
| Accrued compensated absences | - | - | - | - |
| Accrued landfill closure costs | - | - | 1,570,610 | - |
| Notes payable | 8,939,445 | - | 1,031,101 | 1,526,722 |
| Net pension liability | 436,015 | 539,677 | 881,682 | 1,335,792 |
| <i>Total noncurrent liabilities</i> | <u>9,375,460</u> | <u>539,677</u> | <u>3,483,393</u> | <u>2,862,514</u> |
| <i>Total liabilities</i> | <u>10,450,563</u> | <u>1,104,880</u> | <u>4,008,006</u> | <u>5,545,098</u> |
| Deferred inflows of resources | | | | |
| Changes of assumptions | 2,178 | 2,878 | 3,809 | 7,673 |
| Change in proportion | 24,899 | 29,826 | 51,483 | 72,801 |
| Difference between expected and actual experience | 2,751 | 3,190 | 4,922 | 8,501 |
| <i>Total deferred inflows of resources</i> | <u>29,828</u> | <u>35,894</u> | <u>60,214</u> | <u>88,975</u> |
| Net position | | | | |
| Net investment in capital assets | 9,803,643 | 443,303 | 314,262 | 23,756,457 |
| Unrestricted | 2,947,383 | 5,927,475 | 1,445,613 | 9,988,010 |
| <i>Total net position</i> | <u>12,751,026</u> | <u>6,370,778</u> | <u>1,759,875</u> | <u>33,744,467</u> |
| <i>Total liabilities, deferred inflows of resources, and net position</i> | <u>\$ 23,231,417</u> | <u>\$ 7,511,552</u> | <u>\$ 5,828,095</u> | <u>\$ 39,378,540</u> |

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

| Business-Type Activities - Enterprise Funds | | | Proprietary Activities |
|--|----------------|----------------------|-----------------------------------|
| Public and Indian Housing | Hope VI | Total | Internal Service Fund |
| \$ 66,748 | \$ - | \$ 1,454,334 | \$ 15,122 |
| 13,938 | - | 60,422 | 18,156 |
| 31,197 | - | 130,129 | 33,951 |
| 40,818 | - | 40,818 | - |
| - | - | 531,645 | - |
| - | - | 249,755 | - |
| - | - | 1,233,864 | - |
| - | - | 89,007 | - |
| - | - | 1,210,230 | - |
| <u>152,701</u> | <u>-</u> | <u>5,000,204</u> | <u>67,229</u> |
| - | - | - | - |
| - | - | 1,570,610 | - |
| - | - | 11,497,268 | - |
| <u>776,720</u> | <u>-</u> | <u>3,969,886</u> | <u>1,095,880</u> |
| <u>776,720</u> | <u>-</u> | <u>17,037,764</u> | <u>1,095,880</u> |
| <u>929,421</u> | <u>-</u> | <u>22,037,968</u> | <u>1,163,109</u> |
| 3,224 | - | 19,762 | 4,764 |
| 46,488 | - | 225,497 | 64,570 |
| <u>4,764</u> | <u>-</u> | <u>24,128</u> | <u>6,560</u> |
| <u>54,476</u> | <u>-</u> | <u>269,387</u> | <u>75,894</u> |
| 4,682,338 | - | 39,000,003 | 161,789 |
| <u>405,049</u> | <u>-</u> | <u>20,713,530</u> | <u>(17,478)</u> |
| <u>5,087,387</u> | <u>-</u> | <u>59,713,533</u> | <u>144,311</u> |
| <u>\$ 6,071,284</u> | <u>\$ -</u> | <u>\$ 82,020,888</u> | <u>\$ 1,383,314</u> |

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

STATE OF NEW MEXICO
City of Las Vegas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | |
|---|--|---------------------|---------------------|----------------------|
| | Wastewater | Natural Gas | Solid Waste | Water |
| <i>Operating revenues</i> | | | | |
| Charges for services | \$ 3,132,345 | \$ 4,976,063 | \$ 3,530,386 | \$ 5,658,836 |
| <i>Total operating revenues</i> | <u>3,132,345</u> | <u>4,976,063</u> | <u>3,530,386</u> | <u>5,658,836</u> |
| <i>Operating expenses</i> | | | | |
| Personnel services | 381,109 | 451,076 | 869,507 | 1,044,591 |
| Utilities | 176,678 | 5,044 | 12,913 | 146,308 |
| Contractual services | 65,136 | 2,390,334 | 45,648 | 30,338 |
| Supplies and purchased power | 29,145 | 5,454 | 8,908 | 54,566 |
| Maintenance and materials | 124,189 | 124,353 | 152,236 | 30,215 |
| Depreciation | 511,157 | 73,428 | 210,332 | 720,669 |
| Other costs | 478,702 | 762,149 | 1,151,396 | 1,650,700 |
| <i>Total operating expenses</i> | <u>1,766,116</u> | <u>3,811,838</u> | <u>2,450,940</u> | <u>3,677,387</u> |
| <i>Operating income (loss)</i> | <u>1,366,229</u> | <u>1,164,225</u> | <u>1,079,446</u> | <u>1,981,449</u> |
| <i>Non-operating revenues (expenses)</i> | | | | |
| Gross receipts taxes | - | - | 179,471 | 716,586 |
| Interest expense | (110,470) | - | (41,447) | (6,093) |
| Investment income | 6,458 | 11,193 | 13,540 | 11,290 |
| Grant revenue | - | - | - | - |
| Miscellaneous income | - | 8,719 | 158 | 563 |
| <i>Total non-operating revenues (expenses)</i> | <u>(104,012)</u> | <u>19,912</u> | <u>151,722</u> | <u>722,346</u> |
| <i>Income (loss) before contributions and transfers</i> | <u>1,262,217</u> | <u>1,184,137</u> | <u>1,231,168</u> | <u>2,703,795</u> |
| Capital grants | 29,753 | - | - | 1,470,154 |
| Transfers in | - | - | - | - |
| Transfers out | (218,583) | (404,038) | (310,101) | (404,038) |
| <i>Change in net position</i> | 1,073,387 | 780,099 | 921,067 | 3,769,911 |
| <i>Net position - beginning</i> | 11,677,639 | 5,590,679 | 838,808 | 29,824,023 |
| <i>Net position, restatement (note 14)</i> | - | - | - | 150,533 |
| <i>Total net position, beginning as restated</i> | <u>11,677,639</u> | <u>5,590,679</u> | <u>838,808</u> | <u>29,974,556</u> |
| <i>Net position - end of year</i> | <u>\$ 12,751,026</u> | <u>\$ 6,370,778</u> | <u>\$ 1,759,875</u> | <u>\$ 33,744,467</u> |

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

| Business-Type Activities - Enterprise Funds | | | Proprietary Activities |
|--|----------------|---------------|-----------------------------------|
| Public and Indian Housing | Hope VI | Total | Internal Service Funds |
| \$ 521,555 | \$ - | \$ 17,819,185 | \$ 250 |
| 521,555 | - | 17,819,185 | 250 |
| 720,571 | - | 3,466,854 | 899,081 |
| 308,620 | - | 649,563 | 10,914 |
| - | - | 2,531,456 | 5,257 |
| 6,892 | - | 104,965 | 75,106 |
| 59,466 | - | 490,459 | 234,347 |
| 256,468 | - | 1,772,054 | 30,830 |
| 194,476 | - | 4,237,423 | 77,751 |
| 1,546,493 | - | 13,252,774 | 1,333,286 |
| (1,024,938) | - | 4,566,411 | (1,333,036) |
| - | - | 896,057 | - |
| - | - | (158,010) | - |
| 322 | - | 42,803 | 2,043 |
| 644,012 | - | 644,012 | - |
| 30,519 | - | 39,959 | 250 |
| 674,853 | - | 1,464,821 | 2,293 |
| (350,085) | - | 6,031,232 | (1,330,743) |
| 370,137 | - | 1,870,044 | - |
| 366,661 | - | 366,661 | 1,376,760 |
| (365,950) | (711) | (1,703,421) | (200,000) |
| 20,763 | (711) | 6,564,516 | (153,983) |
| 5,066,624 | 711 | 52,998,484 | 298,544 |
| - | - | 150,533 | - |
| 5,066,624 | 711 | 53,149,017 | 298,544 |
| \$ 5,087,387 | \$ - | \$ 59,713,533 | \$ 144,561 |

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

STATE OF NEW MEXICO
City of Las Vegas
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|---------------------|---------------------|----------------------|
| | Wastewater | Natural Gas | Solid Waste | Water |
| <i>Cash flows from operating activities</i> | | | | |
| Cash received from user charges | \$ 2,884,167 | \$ 4,810,153 | \$ 3,293,385 | \$ 3,984,522 |
| Cash payments to employees for services | (363,921) | (441,049) | (849,406) | (1,007,193) |
| Cash payments to suppliers for goods and services | (816,206) | (3,196,652) | (1,329,395) | (1,184,103) |
| <i>Net cash provided (used) by operating activities</i> | <u>1,704,040</u> | <u>1,172,452</u> | <u>1,114,584</u> | <u>1,793,226</u> |
| <i>Cash flows from noncapital financing activities</i> | | | | |
| Gross receipts taxes | - | - | 179,471 | 716,586 |
| Cash received from noncapital grants | | | | 1,233,864 |
| Miscellaneous income | - | 8,719 | 158 | 563 |
| Landfill closure costs | - | - | 61,384 | - |
| Transfers and interfund activity | (218,583) | (404,038) | (310,101) | (404,038) |
| <i>Net cash provided (used) by noncapital financing activities</i> | <u>(218,583)</u> | <u>(395,319)</u> | <u>(69,088)</u> | <u>1,546,975</u> |
| <i>Cash flows from investing activities</i> | | | | |
| Sale (Purchase) of investments | (888,738) | (1,935,412) | - | (556,157) |
| Interest on investments | 6,458 | 11,193 | 13,540 | 11,290 |
| <i>Net cash provided (used) by investing activities</i> | <u>(882,280)</u> | <u>(1,924,219)</u> | <u>13,540</u> | <u>(544,867)</u> |
| <i>Cash flows from capital and related financing activities</i> | | | | |
| Acquisition of capital assets | (284,406) | (11,139) | (911,660) | (1,968,409) |
| Cash received from capital grants | 29,753 | - | - | 1,470,154 |
| Interest paid | (111,538) | - | (42,772) | (5,921) |
| Proceeds from issuance of long-term debt | 182,034 | - | - | 137,096 |
| Principal payments on bonds, loans, and notes payable | (812,326) | - | (361,042) | (84,682) |
| <i>Net cash provided (used) by capital and related financing activities</i> | <u>(996,483)</u> | <u>(11,139)</u> | <u>(1,315,474)</u> | <u>(451,762)</u> |
| <i>Net (decrease) increase in cash and cash equivalents</i> | (393,306) | (1,158,225) | (256,438) | 2,343,572 |
| <i>Cash and cash equivalents - beginning of year</i> | 2,645,415 | 5,519,087 | 3,726,605 | 7,785,312 |
| <i>Cash and cash equivalents - end of year</i> | <u>\$ 2,252,109</u> | <u>\$ 4,360,862</u> | <u>\$ 3,470,167</u> | <u>\$ 10,128,884</u> |
| <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i> | | | | |
| Operating income (loss) | \$ 1,366,229 | \$ 1,164,225 | \$ 1,079,446 | \$ 1,981,449 |
| <i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i> | | | | |
| Depreciation | 511,157 | 73,428 | 210,332 | 720,669 |
| Noncash pension expense (benefit) | 24,446 | 29,960 | 55,456 | 68,566 |
| <i>Changes in assets, deferred outflows and liabilities</i> | | | | |
| Receivables | (248,178) | (201,669) | (237,001) | (1,673,978) |
| Inventory | - | 6,049 | - | (108,596) |
| Deferred outflows - subsequent contributions | (1,057) | (1,296) | (2,399) | (2,966) |
| Accounts payable | 57,644 | 84,633 | 41,706 | 836,620 |
| Accrued payroll expenses | (6,101) | (15,368) | (32,997) | (28,844) |
| Accrued compensated absences | (100) | (3,269) | 41 | 642 |
| Meter deposits | - | 35,759 | - | (336) |
| <i>Net cash provided (used) by operating activities</i> | <u>\$ 1,704,040</u> | <u>\$ 1,172,452</u> | <u>\$ 1,114,584</u> | <u>\$ 1,793,226</u> |

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

| Business-Type Activities - Enterprise Funds | | | Proprietary Activities |
|---|---------|---------------|---------------------------|
| Public and Indian Housing | Hope VI | Total | Internal Service Funds |
| \$ 521,885 | \$ - | \$ 15,494,112 | \$ - |
| (692,301) | - | (3,353,870) | (871,641) |
| (506,376) | - | (7,032,732) | (395,080) |
| (676,792) | - | 5,107,510 | (1,266,721) |
| - | - | 896,057 | - |
| 644,012 | - | 1,877,876 | - |
| 30,519 | - | 39,959 | 252 |
| - | - | 61,384 | - |
| 20,723 | - | (1,316,037) | 1,176,760 |
| 695,254 | - | 1,559,239 | 1,177,012 |
| (115,024) | - | (3,495,331) | - |
| 322 | - | 42,803 | 2,041 |
| (114,702) | - | (3,452,528) | 2,041 |
| (310,158) | - | (3,485,772) | (5,490) |
| 370,137 | - | 1,870,044 | - |
| - | - | (160,231) | - |
| - | - | 319,130 | - |
| - | - | (1,258,050) | - |
| 59,979 | - | (2,714,879) | (5,490) |
| (36,261) | - | 499,342 | (93,158) |
| 586,249 | - | 20,262,668 | 923,980 |
| \$ 549,988 | \$ - | \$ 20,762,010 | \$ 830,822 |
| \$ (1,024,938) | \$ - | \$ 4,566,411 | \$ (1,333,286) |
| 256,468 | - | 1,772,054 | 30,830 |
| 48,039 | - | 226,467 | 67,077 |
| (1,012) | - | (2,361,838) | - |
| (3,353) | - | (105,900) | - |
| (2,078) | - | (9,796) | (2,901) |
| 66,431 | - | 1,087,034 | 8,295 |
| (17,775) | - | (101,085) | (33,190) |
| 84 | - | (2,602) | (3,546) |
| 1,342 | - | 36,765 | - |
| \$ (676,792) | \$ - | \$ 5,107,510 | \$ (1,266,721) |

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

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STATE OF NEW MEXICO
City of Las Vegas
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

Exhibit E-1

| | |
|--------------------------|-------------------------|
| <i>Assets</i> | |
| Cash | <u>\$ 69,689</u> |
| <i>Total assets</i> | <u><u>\$ 69,689</u></u> |
| <i>Liabilities</i> | |
| Due to other entities | <u>\$ 69,689</u> |
| <i>Total liabilities</i> | <u><u>\$ 69,689</u></u> |

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

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies

The City of Las Vegas (the City) became a charter city upon consolidation of the City of Las Vegas in 1970. The consolidation was effected by a vote of all qualified electors of the Tow of Las Vegas and the City of Las Vegas. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (water, wastewater, gas and solid waste), health and social services, culture-recreation, education, public improvements, housing, planning and zoning, and general administrative services.

The City of Las Vegas is a body politic and corporate under the name and form of government selected by its qualified electors. The City may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity.

During the year ended June 30, 2017, the City adopted GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68 (partial)*, No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73 (partial)*. These six Statements are required to be implemented as of June 30, 2017, if applicable.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement was effective and was implemented for the June 30, 2016 year end, and a portion is effective for June 30, 2017 year end. Effective for June 30, 2017 are the provisions of the statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. This does not have a material effect on the financial statements of the City, as its pension plan is within the scope of Statement 68.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

The objective of GASB Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement does not affect the City's financial statements directly; however, the effects on the City's OPEB plan, administered through the New Mexico Retiree Health Care Authority, will be seen in future periods.

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources came from and how it uses them, and (4) a government's financial position and economic condition and how they have changed after time – by including information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future. Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

The City had no tax abatements to disclose as of June 30, 2017.

The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided to employees of state or local governmental employers. The City's pension plan does not meet the criteria for exclusion.

The objective of GASB Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 82 clarified and adjusted several items from GASB 67 and 68, including the definition of covered payroll, the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund includes state shared gross receipts tax revenues and state shared gas tax revenues.

The *Recreation Center Phase II Construction Capital Projects Fund*, Pursuant to Ordinance No. 12-15, is used to accumulate monies for payment of the October 31, 2012 New Mexico Gross Receipts Tax Refunding and Improvement Revenue Bonds. Financing is provided by a 1/8% local option gross receipts tax authorized by City Ordinance #01-18, pursuant to Section 7-19D-11 (D) NMSA 1978.

The City reports the following proprietary funds as major funds:

The *Wastewater Fund* accounts for fees generated from charges for the operation of water treatment facilities.

The *Natural Gas Fund* accounts for fees generated from charges for the distribution of natural gas and related services.

The *Solid Waste Fund* accounts for fees generated from charges for trash collection.

The *Water Fund* accounts for fees generated from charges for the distribution of water.

The *Public and Indian Housing Fund's* overall objective is to provide and operate cost-effective, decent, safe and affordable dwellings for lower income families.

The *Hope VI Fund* accounts for funds received on a reimbursement basis by HUD, the program funds may be used for the development, financing, and modernization of public housing developments and for administration. Per HUD requirements, these funds are presented within the Low Rent Public Housing Program in the Financial Statements.

Internal Service Funds account for administrative services in connection with billing, collecting and administering enterprise accounts receivable. Services are provided on a cost reimbursement basis.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Additionally, the government reports the following fund type:

The Fiduciary Funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The City acts as fiscal agent for the Sangre De Cristo Solid Waste Association.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Fair Value Measurements: The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2017, there are no items are required to be valued using valuation techniques.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by San Miguel City and remitted monthly to the City.

The City estimates the allowance for uncollectible accounts based off the days delinquent. The City has estimated all accounts that are greater than 120 days to be uncollectible.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used.

Inventory: Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when consumed rather than when purchased.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Library books and periodicals are estimated to have a useful life of less than one year or are under the capitalization threshold and are expensed when purchased.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest expense capitalized by the City during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings and improvements | 30-60 |
| Land Improvements | 20 |
| Vehicles | 6 |
| Furniture, fixtures and equipment | 5-20 |
| Infrastructure | 30-50 |
| Water Systems | 50 |

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has four types of items that qualify for reporting in this category in both the governmental and business-type activities. Accordingly, the first item - employer contributions subsequent to measurement date has been reported as a deferred outflow of resources in the amount of \$1,109,584. This amount is reported in the Statement of Net Position. This amount will directly reduce the net pension liability in the next fiscal year. Other deferred outflows relates to change in assumption of \$1,209,934, differences between expected and actual experience of \$1,115,833 and net difference between projected and actual investment earnings on pension plan investments of \$3,292,566 at June 30, 2017. These amounts are amortized into pension expense over the average remaining service life of employees.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has one item which arises under the modified accrual basis of accounting which qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City has recorded \$427,572 related to property taxes considered “unavailable”. In addition, the City has four types of items presented on the Statement of Net Position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, change in assumptions of \$91,492, changes in proportion of \$1,180,685 and differences between expected and actual experience of \$119,265, are reported on the Statement of Net Position. These amounts are deferred and amortized into pension expense in future periods.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (P.E.R.A) and additions to/deductions from P.E.R.A’s fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, 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: Regular status employees are entitled to accumulated annual leave according to a graduated leave schedule of twelve days to eighteen days per year, depending on length of service. Employees may accumulate up to 212 hours (26.5 days) of annual leave and carry that leave forward from calendar year to calendar year. Department Directors shall accumulate eighteen days per year, regardless of seniority, and are allowed to accumulate up to 312 hours (39 days) of annual leave. Upon termination, any vacation leave accumulated but not taken at the time of termination shall be paid in full.

Regular status employees and Department Directors are entitled to accumulated sick leave at a rate of twelve days per year and may continuously accumulate sick leave. Employees may convert every accumulated hour of sick leave over 200 hours (25 days) to one half hour of vacation leave. No more than eighty hours of sick leave per year may be converted to vacation leave. Upon termination employees receive no pay for sick time accumulated.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: In the governmental fund financial statements, fund balance is reported in five classifications:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example, inventories, prepaid amounts, long term amount of loans and note receivable or (b) legally or contractually required to be maintained intact; for example, debt service reserves. The City has \$104,527 in nonspendable fund balance at June 30, 2017.

Restricted – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The City has \$2,633,159 in restricted fund balances at June 30, 2017.

Committed – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the City Council, the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The City holds cash reserves of 1/12th of the General Fund final budgeted expenditures as required by the DFA – LGD. At June 30, 2017, the City reported \$954,245 in minimum fund balance.

Assigned – This classification includes amounts that are constrained by the City's *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The City Council has delegated the authority to assign amounts to be used for specific purposes to the City Manager and the Finance Director. The City has no assigned fund balances at June 30, 2017.

Unassigned – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The City has \$2,769,480 in unassigned fund balances at June 30, 2017.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Minimum Fund Balance Policy: The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 1/12th the General Fund expenditures. The City had minimum fund balance of \$954,245 at June 30, 2017.

When expenditures are incurred for purposes for which amounts in any of the spendable fund balance classifications could be used, it is the City's policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

- a. **Net Investment in Capital Assets:** Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted Net Position:** Consist 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. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 46 and 91-95.
- c. **Unrestricted Net Position:** All other net position that do not meet the definition of "restricted" or "Net Investment in Capital Assets."

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include the allowance for uncollectible accounts in the enterprise funds, depreciation on capital assets, net pension liability calculations, the current portion of accrued compensated absences, and the estimate for landfill closure and postclosure costs.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the City Council Members and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

Enterprise and internal service fund budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at fiscal year end and carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Governmental fund budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by City Councilors in accordance with the above procedures. These amendments resulted in the following changes:

| | Excess (deficiency) of revenues over expenditures | |
|------------------------------|--|-------------------------|
| | Original Budget | Final Budget |
| Budgeted Governmental Funds: | | |
| General | \$ (1,310,312) | \$ (1,322,965) |
| Recreation Center Phase II | | |
| Construction | \$ (1,030,000) | \$ (1,330,000) |
| Nonmajor Governmental Funds | \$ (5,821,208) | \$ (6,393,013) |
| | | |
| | Change in Net Position | |
| | Original Budget | Final Budget |
| Budgeted Enterprise Funds: | | |
| Wastewater | \$ 229,733 | \$ 229,733 |
| Natural Gas | \$ (486,388) | \$ (486,388) |
| Solid Waste | \$ (915,381) | \$ (915,381) |
| Water | \$ (1,878,554) | \$ (1,978,554) |
| Public and Indian Housing | \$ (312,746) | \$ (312,746) |
| Hope VI Funds | \$ - | \$ - |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 2. Stewardship, Compliance and Accountability (continued)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statements of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits

Section 22-8-40, NMSA 1978 authorizes the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2017.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized by the financial institution as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, is insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 3. Deposits (continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2017, \$27,291,649 of the City's bank balance of \$28,472,370 was subject to custodial credit risk. \$15,754,169 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$11,537,480 of the City's deposits was uninsured and uncollateralized at June 30, 2017.

| | <u>Community First Bank</u> | <u>Southwest Capital Bank</u> | <u>Wells Fargo Bank N.A.</u> | <u>Total</u> |
|---|---------------------------------|-----------------------------------|----------------------------------|----------------------|
| Amount of deposits | 14,438,720 | \$ 12,225,424 | \$ 1,808,226 | \$ 28,472,370 |
| FDIC coverage | <u>(250,000)</u> | <u>(500,000)</u> | <u>(430,721)</u> | <u>(1,180,721)</u> |
| Total uninsured public funds | <u>14,188,720</u> | <u>11,725,424</u> | <u>1,377,505</u> | <u>27,291,649</u> |
| Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name | <u>8,646,710</u> | <u>6,349,665</u> | <u>757,794</u> | <u>15,754,169</u> |
| Uninsured and uncollateralized | <u>\$ 5,542,010</u> | <u>\$ 5,375,759</u> | <u>\$ 619,711</u> | <u>\$ 11,537,480</u> |
| Collateral requirement (50%) | \$ 7,094,360 | \$ 5,862,712 | \$ 688,753 | \$ 13,645,825 |
| Pledged securities | <u>8,646,710</u> | <u>6,349,665</u> | <u>757,794</u> | <u>15,754,169</u> |
| Over (under) collateralized | <u>\$ 1,552,350</u> | <u>\$ 486,953</u> | <u>\$ 69,041</u> | <u>\$ 2,108,344</u> |

The collateral pledged is listed on Schedule IV in this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, City or political subdivision of the State of New Mexico.

Reconciliation to the Statement of Net Position

The carrying amount of deposits shown above are included in the City's Statement of Net Position as follows:

Reconciliation to the Statement of Net Position:

| | |
|--|----------------------|
| Cash and cash equivalents per Exhibit A-1 | \$ 22,343,771 |
| Investments per Exhibit A-1 | 5,000,000 |
| Restricted cash and cash equivalents per Exhibit A-1 | 2,485,457 |
| Agency funds cash and cash equivalents per Exhibit E-1 | <u>69,689</u> |
| Total cash and cash equivalents | 29,898,917 |
| Plus: outstanding checks | 1,027,706 |
| Less: outstanding deposits | (340,431) |
| Less: cash in NMFA | (2,112,556) |
| Less: petty cash | <u>(1,266.00)</u> |
| Bank balance of deposits | <u>\$ 28,472,370</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 4. Receivables

Receivables as of June 30, 2017, are as follows:

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total</u> |
|------------------------------|---------------------|---|---------------------|
| Property taxes | \$ 505,680 | \$ - | \$ 505,680 |
| Gross receipts taxes | 1,222,641 | 417,863 | 1,640,504 |
| Gasoline and oil taxes | - | 57,796 | 57,796 |
| Franchise and lodgers' taxes | 68,774 | 29,397 | 98,171 |
| MVD tax | 13,598 | - | 13,598 |
| Miscellaneous | 15,844 | 29,281 | 45,125 |
| Due from NMFA | - | 19,107 | 19,107 |
| Charges for services | - | 2,150 | 2,150 |
| Court fees | 396,545 | - | 396,545 |
| Intergovernmental-grants: | | | |
| State | - | 162,540 | 162,540 |
| Federal | - | 45,220 | 45,220 |
| Totals | <u>2,223,082</u> | <u>763,354</u> | <u>2,986,436</u> |
| Less: Allowances | <u>(309,511)</u> | <u>-</u> | <u>(309,511)</u> |
| Net Receivables | <u>\$ 1,913,571</u> | <u>\$ 763,354</u> | <u>\$ 2,676,925</u> |

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. Unavailable revenue related to property taxes receivable was \$427,572 for the City for the year ended June 30, 2017.

Proprietary fund receivables as of June 30, 2017, are as follows:

| | <u>Wastewater</u> | <u>Natural Gas</u> | <u>Solid Waste</u> | <u>Water</u> | <u>Public and Indian Housing</u> | <u>Total</u> |
|---------------------|-------------------|------------------------|------------------------|---------------------|--|---------------------|
| Utility receivables | \$ 638,309 | \$ 709,568 | \$ 665,220 | \$ 2,382,993 | \$ - | \$ 4,396,090 |
| Less: Allowances | (269,523) | (299,612) | (280,886) | (1,006,208) | - | (1,856,229) |
| Other receivables: | | | | | | |
| State grants | - | - | - | 1,293,988 | - | 1,293,988 |
| Miscellaneous | 19,107 | 59,533 | 31,656 | 4,319 | 8,387 | 123,002 |
| Totals | <u>\$ 387,893</u> | <u>\$ 469,489</u> | <u>\$ 415,990</u> | <u>\$ 2,675,092</u> | <u>\$ 8,387</u> | <u>\$ 3,956,851</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 5. Transfers and Interfund Receivables

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u> |
|--------------------------------|--------------------------------|---------------------|
| General Fund | Utility Administration | \$ 130,000 |
| General Fund | Lodgers Tax | 40,000 |
| Sick Leave Contingency | Solid Waste | 20,000 |
| Sick Leave Contingency | General Fund | 20,000 |
| Sick Leave Contingency | Utility Services | 20,000 |
| Sick Leave Contingency | Water Fund | 20,000 |
| Sick Leave Contingency | Gas Fund | 20,000 |
| Street Co-Op Projects | Street Improvement | 12,273 |
| Historical Preservation | Lodgers Tax | 9,000 |
| Transportation Grant #5311 | General Fund | 75,000 |
| Transportation Center | General Fund | 75,000 |
| Senior Center | General Fund | 70,000 |
| 4th of July Fiestas | General Fund | 25,000 |
| Recreation Center GRT Phase II | General Fund | 324,667 |
| Municipal Pooled GRT Bonds | Capital Improvement | 300,750 |
| Automated System Financing | Utility Administration | 50,000 |
| Automated System Financing | Waste Water Fund | 50,000 |
| Automated System Financing | Gas Fund | 50,000 |
| Automated System Financing | Solid Waste | 50,000 |
| Automated System Financing | Water Fund | 50,000 |
| Automated System Financing | Capital Improvement | 50,000 |
| NMFA Equipment Loan | Lodgers Tax | 11,356 |
| NMFA Equipment Loan | State Law Enforcement | 26,342 |
| NMFA Fire Equipment Loan | State Fire Grant | 34,065 |
| Recreation Phase II | Recreation Center GRT Phase II | 450,000 |
| Utilities Administration | Waste Water Fund | 99,518 |
| Utilities Administration | Gas Fund | 192,313 |
| Utilities Administration | Solid Waste | 171,036 |
| Utilities Administration | Water Fund | 192,313 |
| Utilities Services | Waste Water Fund | 69,065 |
| Utilities Services | Gas Fund | 141,725 |
| Utilities Services | Solid Waste | 69,065 |
| Utilities Services | Water Fund | 141,725 |
| | | <u>\$ 3,060,213</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 5. Transfers and Interfund Receivables (continued)

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2017 is as follows:

| <u>Due To</u> | <u>Due From</u> | <u>Amount</u> |
|--------------------------|-----------------------------------|---------------------|
| General Fund | Special Legislative Appropriation | \$ 117,840 |
| General Fund | 2017 Region IV JAG | 2,152 |
| General Fund | Juvenile Justice Grant | 13,815 |
| Recreation Center | General Fund | 48,000 |
| Airport Fund | General Fund | 266,557 |
| General Fund | Senior Citizens Center | 39,864 |
| General Fund | Solid Waste | 79,755 |
| General Fund | Corrections Fund | 28,710 |
| General Fund | NM Traffic Safety | 7,638 |
| General Fund | Waste Water | 60,000 |
| General Fund | Water | 110,000 |
| Street Improvement | Special Legislative Appropriation | 117,840 |
| Utilities Administration | Sick Leave Contingency | 20,000 |
| Water GRT | Gasoline Tax Revenue Bonds | 19,533 |
| Housing-Low Rent | Hope IV | 711 |
| Housing-Low Rent | General Fund | 437,110 |
| | | <u>\$ 1,369,525</u> |

All interfund receivables and payables are required to be paid with one year.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows. Land and construction in progress are not subject to depreciation.

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|--|--|---------------------|--------------------|--|
| Capital assets not being depreciated: | | | | |
| Land | \$ 19,268,701 | \$ - | \$ - | \$ 19,268,701 |
| Construction in progress | 273,285 | 4,847,673 | 181,491 | 4,939,467 |
| Total capital assets not being depreciated | <u>19,541,986</u> | <u>4,847,673</u> | <u>181,491</u> | <u>24,208,168</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 17,739,726 | 685,923 | - | 18,425,649 |
| Buildings and improvements | 20,740,878 | 147,721 | - | 20,888,599 |
| Machinery and equipment | 6,616,089 | 53,961 | 703,547 | 5,966,503 |
| Vehicles | 6,521,002 | 423,795 | 849,877 | 6,094,920 |
| Total capital assets being depreciated | <u>51,617,695</u> | <u>1,311,400</u> | <u>1,553,424</u> | <u>51,375,671</u> |
| Total capital assets | <u>71,159,681</u> | <u>6,159,073</u> | <u>1,734,915</u> | <u>75,583,839</u> |
| Accumulated depreciation: | | | | |
| Infrastructure | (3,879,091) | (671,648) | - | (4,550,739) |
| Buildings and improvements | (8,555,921) | (420,403) | - | (8,976,324) |
| Machinery and equipment | (5,621,633) | (320,860) | (689,044) | (5,253,449) |
| Vehicles | (5,575,405) | (299,569) | (849,877) | (5,025,097) |
| Total accumulated depreciation | <u>(23,632,050)</u> | <u>(1,712,480)</u> | <u>(1,538,921)</u> | <u>(23,805,609)</u> |
| Net capital assets | <u>\$ 47,527,631</u> | <u>\$ 4,446,593</u> | <u>\$ 195,994</u> | <u>\$ 51,778,230</u> |

Depreciation expense for the year ended June 30, 2017 was charged to governmental activities as follows:

| | |
|------------------------|---------------------|
| General government | \$ 171,248 |
| Public safety | 428,120 |
| Public works | 976,114 |
| Culture and recreation | 17,125 |
| Health and welfare | 119,874 |
| Total | <u>\$ 1,712,480</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 6. Capital Assets (continued)

Business-Type Activities:

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|--|--|---------------------|-------------------|--|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,191,978 | \$ - | \$ - | \$ 1,191,978 |
| Water rights | 4,288,025 | - | - | 4,288,025 |
| Construction in progress | 3,557,013 | 1,985,927 | 813,595 | 4,729,345 |
| Total capital assets not being depreciated | <u>9,037,016</u> | <u>1,985,927</u> | <u>813,595</u> | <u>10,209,348</u> |
| Capital assets being depreciated: | | | | |
| Water systems | 3,270,820 | - | - | 3,270,820 |
| Land improvements | 815,681 | 42,575 | - | 858,256 |
| Infrastructure | 38,852,252 | 1,143,558 | - | 39,995,810 |
| Buildings and improvements | 4,802,436 | 46,087 | - | 4,848,523 |
| Furniture, fixtures and equipment | 3,824,578 | 108,791 | - | 3,933,369 |
| Vehicles | 3,747,425 | 818,296 | - | 4,565,721 |
| Total capital assets being depreciated | <u>55,313,192</u> | <u>2,159,307</u> | <u>-</u> | <u>57,472,499</u> |
| Total capital assets | <u>64,350,208</u> | <u>4,145,234</u> | <u>813,595</u> | <u>67,681,847</u> |
| Accumulated depreciation: | | | | |
| Water systems | (2,928,589) | (57,801) | - | (2,986,390) |
| Land improvements | (640,433) | (14,753) | - | (655,186) |
| Infrastructure | (5,514,943) | (902,992) | - | (6,417,935) |
| Buildings and improvements | (4,073,929) | (51,518) | - | (4,125,447) |
| Furniture, fixtures and equipment | (2,659,454) | (220,663) | - | (2,880,117) |
| Vehicles | (3,130,813) | (299,007) | - | (3,429,820) |
| Total accumulated depreciation | <u>(18,948,161)</u> | <u>(1,546,734)</u> | <u>-</u> | <u>(20,494,895)</u> |
| Net capital assets | <u>\$ 45,402,047</u> | <u>\$ 2,598,500</u> | <u>\$ 813,595</u> | <u>\$ 47,186,952</u> |

Depreciation expense for the year ended June 30, 2017 was charged to business-type activities as follows:

| | |
|------------------|---------------------|
| Internal service | \$ 30,830 |
| Wastewater | 511,475 |
| Natural gas | 73,428 |
| Solid Waste | 210,332 |
| Water | 720,669 |
| Total | <u>\$ 1,546,734</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 6. Capital Assets (continued)

Housing Authority:

| | Balance | | | Balance |
|--|----------------------|------------------|------------------|----------------------|
| | June 30, 2016 | Additions | Deletions | June 30, 2017 |
| Capital assets not being depreciated: | | | | |
| Land | \$ 160,150 | \$ - | \$ - | \$ 160,150 |
| Construction in progress | 10,721 | - | 10,721 | - |
| Total capital assets not being depreciated | <u>170,871</u> | <u>-</u> | <u>10,721</u> | <u>160,150</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 836,243 | 218,802 | - | 1,055,045 |
| Buildings and improvements | 11,013,806 | 86,914 | - | 11,100,720 |
| Furniture, fixtures and equipment | 436,315 | 4,440 | 52,200 | 388,555 |
| Vehicles | 250,004 | - | 75,664 | 174,340 |
| Total capital assets being depreciated | <u>12,536,368</u> | <u>310,156</u> | <u>127,864</u> | <u>12,718,660</u> |
| Total capital assets | <u>12,707,239</u> | <u>310,156</u> | <u>138,585</u> | <u>12,878,810</u> |
| Accumulated depreciation: | | | | |
| Land improvements | (663,869) | (30,182) | - | (694,051) |
| Buildings and improvements | (6,756,038) | (215,668) | - | (6,971,706) |
| Furniture, fixtures and equipment | (399,371) | (10,382) | (52,199) | (357,554) |
| Vehicles | (248,588) | (236) | (75,663) | (173,161) |
| Total accumulated depreciation | <u>(8,067,866)</u> | <u>(256,468)</u> | <u>(127,862)</u> | <u>(8,196,472)</u> |
| Net capital assets | <u>\$ 4,639,373</u> | <u>\$ 53,688</u> | <u>\$ 10,723</u> | <u>\$ 4,682,338</u> |

Depreciation expense for the year ended June 30, 2017 was charged to housing authority activities as follows:

| | |
|---------------------------|-------------------|
| Public and Indian Housing | <u>\$ 256,468</u> |
|---------------------------|-------------------|

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt

Governmental Activities

During the year ended June 30, 2017, the following changes occurred in the liabilities reported in the government-wide statement of net position:

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> | <u>Due Within</u> <u>One Year</u> |
|---|--|-------------------|-------------------|--|--------------------------------------|
| Revenue Bonds | | | | | |
| 2012 Series GRT refunding & Improvement Revenue Bonds | \$ 5,385,000 | \$ - | \$ 320,000 | \$ 5,065,000 | \$ 330,000 |
| Total Revenue Bonds | <u>5,385,000</u> | <u>-</u> | <u>320,000</u> | <u>5,065,000</u> | <u>330,000</u> |
| Notes Payable | | | | | |
| NMFA #12 Truck Bay | 167,738 | - | 11,183 | 156,555 | 11,183 |
| NMFA #10 Fire Pumper | 105,865 | - | 20,233 | 85,632 | 20,652 |
| NMFA #16 Police Vehicles | 134,613 | - | 25,576 | 109,037 | 26,159 |
| NMFA #24 Double-Sided Digital Reader Board | 36,037 | - | 11,174 | 24,863 | 11,353 |
| NMFA #30 Abe Montoya Recreation Center | 2,699,917 | - | 265,150 | 2,434,767 | 287,126 |
| Total Notes Payable | <u>3,144,170</u> | <u>-</u> | <u>333,316</u> | <u>2,810,854</u> | <u>356,473</u> |
| Compensated Absences | 412,134 | 214,896 | 216,570 | 410,460 | 249,183 |
| Total Long-term debt | <u>\$ 8,941,304</u> | <u>\$ 214,896</u> | <u>\$ 869,886</u> | <u>\$ 8,286,314</u> | <u>\$ 935,656</u> |

Bonds

Annual debt service requirements to maturity for the revenue bonds are as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt</u> <u>Service</u> |
|--|---------------------|---------------------|-------------------------------------|
| 2018 | \$ 330,000 | \$ 143,350 | \$ 473,350 |
| 2019 | 335,000 | 136,750 | 471,750 |
| 2020 | 335,000 | 130,050 | 465,050 |
| 2021 | 345,000 | 123,350 | 468,350 |
| 2022 | 350,000 | 116,450 | 466,450 |
| 2023-2027 | 1,880,000 | 437,150 | 2,317,150 |
| 2028-2032 | 1,490,000 | 123,750 | 1,613,750 |
| | <u>\$ 5,065,000</u> | <u>\$ 1,210,850</u> | <u>\$ 6,275,850</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

NMFA Loans

NMFA Loans outstanding at June 30, 2017 are comprised of the following:

| | <u>NMFA #12</u> <u>Truck Bay</u> | <u>NMFA #10</u> <u>Fire Pumper</u> | <u>NMFA #16</u> <u>Police Vehicles</u> |
|-----------------|---|---|---|
| Original Issue: | \$ 223,300 | \$ 203,000 | \$ 232,638 |
| Principal: | May 1 | May 1 | May 1 |
| Interest: | November 1 May 1 | November 1 May 1 | November 1 May 1 |
| Interest Rates: | 0.190% | 2.231% | 0.510% |
| Maturity Date: | May 2031 | May 2021 | May 2021 |
| | <u>NMFA #24</u> <u>Double-Sided</u> <u>Digital Reader</u> <u>Board</u> | <u>NMFA #30 Abe</u> <u>Montoya</u> <u>Recreation</u> <u>Center</u> | <u>NMFA #30 Abe</u> <u>Montoya</u> <u>Recreation</u> <u>Center</u> |
| Original Issue: | \$ 112,045 | \$ 2,801,121 | \$ 2,801,121 |
| Principal: | May 1 | May 1 | May 1 |
| Interest: | November 1 May 1 | November 1 May 1 | November 1 May 1 |
| Interest Rates: | 0.210% | 2.300% | 2.300% |
| Maturity Date: | May 2023 | May 2025 | May 2025 |

The City entered into several loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements.

Annual debt service requirements to maturity for the NMFA loans are as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt</u> <u>Service</u> |
|--|---------------------|-------------------|-------------------------------------|
| 2018 | \$ 356,473 | \$ 38,944 | \$ 395,417 |
| 2019 | 360,574 | 35,009 | 395,583 |
| 2020 | 356,105 | 30,514 | 386,619 |
| 2021 | 359,009 | 25,271 | 384,280 |
| 2022 | 313,738 | 19,267 | 333,005 |
| 2023-2027 | 1,020,226 | 21,312 | 1,041,538 |
| 2028-2032 | 44,729 | - | 44,729 |
| | <u>\$ 2,810,854</u> | <u>\$ 170,317</u> | <u>\$ 2,981,171</u> |

Compensated Absences- Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences decreased by \$1,674 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

Business-Type Activities

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2017:

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> | <u>Due Within</u> <u>One Year</u> |
|-----------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Notes Payable | | | | | |
| NMED Revolving Fund Program | | | | | |
| Loan #1438042 | \$ 5,536,740 | \$ - | \$ 454,998 | \$ 5,081,742 | \$ 464,098 |
| NMFA #13 Effluent Reuse | | | | | |
| Distribution | 37,733 | - | 2,472 | 35,261 | 2,478 |
| NMED Wastewater Construction | | | | | |
| Loan #CWSRF-004 | 4,645,277 | - | 357,328 | 4,287,949 | 357,329 |
| NMED Wastewater Facility | | | | | |
| Construction Loan #CWSRF-016 | 173,966 | 182,034 | - | 356,000 | - |
| NMFA #11 Solid Waste Disposal | | | | | |
| System | 1,690,192 | - | 361,042 | 1,329,150 | 298,049 |
| NMFA #14 Water Project Fund | 12,241 | - | 800 | 11,441 | 802 |
| NMFA #15 Taylor Wells #2 | | | | | |
| Replacement | 25,678 | - | 1,682 | 23,996 | 1,686 |
| NMFA #19 Peterson Dam and | | | | | |
| Reservoir | 48,000 | - | 3,000 | 45,000 | 3,000 |
| NMFA #18 Drinking Water State | | | | | |
| Revolving Loan | 259,145 | - | 14,104 | 245,041 | 13,527 |
| NMFA #21 Taylor Well Field Loan | 259,815 | - | 13,369 | 246,446 | 13,410 |
| NMFA #22 2010 DW Drinking | | | | | |
| Water Loan | 268,550 | - | 13,819 | 254,731 | 13,854 |
| NMFA #23 2011 DW Drinking | | | | | |
| Water Loan | 276,320 | - | 14,219 | 262,101 | 14,262 |
| NMFA #25 Water Project Fund | 65,152 | - | 3,543 | 61,609 | 3,552 |
| NMFA #27 Rehab 3 City Water | | | | | |
| Tanks | 222,300 | - | 9,134 | 213,166 | 10,876 |
| NMFA #28 Water Treatment Plant | 42,221 | - | 892 | 41,329 | 2,138 |
| NMFA #29 Storage, Conveyance, | | | | | |
| Delivery of Water | 83,797 | - | 4,312 | 79,485 | 4,323 |
| NMFA #31 Storage, Conveyance, | | | | | |
| Delivery of Water | - | 137,096 | 4,045 | 133,051 | 6,846 |
| Total Notes Payable | <u>13,647,127</u> | <u>319,130</u> | <u>1,258,759</u> | <u>12,707,498</u> | <u>1,210,230</u> |
| Landfill Closure and post closure | 1,509,226 | 61,384 | - | 1,570,610 | - |
| Compensated Absences | 132,731 | 129,815 | 132,417 | 130,129 | 132,417 |
| Total Long-term debt | <u>\$ 15,289,084</u> | <u>\$ 510,329</u> | <u>\$ 1,391,176</u> | <u>\$ 14,408,237</u> | <u>\$ 1,342,647</u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

NMFA Loans

NMFA Loans outstanding at June 30, 2017 are comprised of the following:

| | NMED | | NMED | |
|-----------------|----------------------|-----------------------|---------------------|------------------------|
| | Revolving | | Wastewater | |
| | Fund Program | NMFA #13 | Construction | NMFA #11 Solid |
| | Loan | Effluent Reuse | Loan | Waste Disposal |
| | #1438042 | Distribution | #CWSRF-004 | System |
| Original Issue: | \$ 9,250,540 | \$ 50,000 | \$ 7,146,582 | \$ 3,506,698 |
| Principal: | September 7 | June 1 | April 16 | May 1 |
| Interest: | September 7 | N/A | N/A | November 1 |
| | N/A | N/A | N/A | May 1 |
| Interest Rates: | 2.000% | N/A | N/A | 2.227% |
| Maturity Date: | September 2026 | June 2031 | April 2029 | May 2021 |
| | | NMFA #15 | | NMFA #18 |
| | NMFA #14 | Taylor Wells | NMFA #19 | Drinking Water |
| | Water Project | #2 | Peterson Dam | State Revolving |
| | Fund | Replacement | Reservoir | Loan |
| Original Issue: | \$ 132,000 | \$ 618,465 | \$ 60,000 | \$ 275,000 |
| Principal: | June 1 | June 1 | June 1 | June 1 |
| Interest: | N/A | June 1 | N/A | N/A |
| | N/A | N/A | N/A | N/A |
| Interest Rates: | N/A | 0.250% | N/A | N/A |
| Maturity Date: | June 2032 | June 2031 | June 2032 | June 2034 |
| | | NMFA #22 | NMFA #23 | |
| | NMFA #21 | 2010 DW | 2011 DW | NMFA #25 |
| | Taylor Well | Drinking | Drinking | Water Project |
| | Field Loan | Water | Water | Fund |
| Original Issue: | \$ 400,000 | \$ 305,525 | \$ 305,689 | \$ 72,200 |
| Principal: | June 1 | June 1 | June 1 | June 1 |
| Interest: | June 1 | June 1 | June 1 | June 1 |
| | December 1 | December 1 | December 1 | N/A |
| Interest Rates: | 0.250% | 0.250% | 0.250% | 0.250% |
| Maturity Date: | June 2035 | June 2035 | June 2035 | June 2034 |
| | | NMFA #29 | | |
| | NMFA #28 | Storage, | NMFA #27 | |
| | Water | Conveyance, | Rehab 3 City | NMED CSWRF |
| | Treatment | Delivery of | Water Tanks | 016 |
| | Plant | Water | | |
| Original Issue: | \$ 43,682 | \$ 87,800 | \$ 222,300 | \$ 356,000 |
| Principal: | June 1 | June 1 | June 1 | June 1 |
| Interest: | June 1 | N/A | N/A | N/A |
| | December 1 | N/A | N/A | N/A |
| Interest Rates: | 0.250% | N/A | N/A | N/A |
| Maturity Date: | June 2036 | June 2035 | June 2036 | June 2026 |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

**NMFA #31
Storage,
Conveyance,
Delivery of
Water**

Original Issue: \$ 137,096
Principal: June 1
Interest: June 1
N/A
Interest Rates: 0.250%
Maturity Date: June 2036

Annual debt service requirements to maturity for the NMFA loans are as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt</u> <u>Service</u> |
|--|----------------------|-------------------|-------------------------------------|
| 2018 | \$ 1,210,230 | \$ 139,478 | \$ 1,349,708 |
| 2019 | 1,235,869 | 123,346 | 1,359,215 |
| 2020 | 1,155,476 | 106,929 | 1,262,405 |
| 2021 | 1,487,468 | 91,571 | 1,579,039 |
| 2022 | 969,122 | 65,859 | 1,034,981 |
| 2023-2027 | 5,003,850 | 172,031 | 5,175,881 |
| 2028-2032 | 1,265,701 | 5,423 | 1,271,124 |
| 2033-2037 | 379,782 | 1,450 | 381,232 |
| | <u>\$ 12,707,498</u> | <u>\$ 706,087</u> | <u>\$ 13,413,585</u> |

The City of Las Vegas has pledged future revenues from the sewer system, net of operation and maintenance expenses, to repay \$9,250,540 to the New Mexico Environment Department for the Revolving Fund Program Loan #1438042, issued in 2002.

The City of Las Vegas has pledged future revenues from the sewer system, net of operation and maintenance expenses, to repay \$50,000 in Las Vegas NMFA #13 Effluent Reuse Distribution, issued in 2011. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the sewer system, net of operation and maintenance expenses and the distributions to the City of state shared gross receipts tax revenues from the New Mexico Taxation and Revenue Department to repay \$7,146,582 to the New Mexico Environment Department for the Wastewater Construction Loan #CWSRF-004, issued in 2010.

The City of Las Vegas has pledged future revenues from the solid waste disposal system, net of operation and maintenance expenses, to repay \$3,506,698 in Las Vegas NMFA #11 Solid Waste Disposal System, issued in 2010. The bonds are payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$132,000 Las Vegas NMFA #14 Water Project Fund, issued in 2012. The loan is payable solely from utility customer net revenues.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$618,465 Las Vegas NMFA #15 Taylor Wells #2 Replacement, issued in 2012. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$60,000 Las Vegas NMFA #19 Peterson Dam Reservoir, issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$275,000 NMFA #19 Drinking Water State Revolving Loan issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$400,000 NMFA #21 Taylor Well Field Loan issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$305,205 NMFA #22 2010 DW Drinking Water issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$305,689 NMFA #23 2011 DW Drinking Water issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$72,200 NMFA #25 Water Project Fund issued in 2014. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$43,682 NMFA #28 Water treatment Plant issued in 2015. The City has the option to borrow up to \$43,682, but have only borrowed \$36,004 as of June 30, 2015. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$87,800 NMFA #29 Storage, Conveyance, Delivery of Water issued in 2015. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$222,300 NMFA #27 DW Drinking Water issued in 2013. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$137,096 NMFA #31 Water Project Loan issued in 2016. The loan is payable solely from utility customer net revenues.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$356,000 NMED #CWSRF-016 Clean Water State Revolving Loan issued in 2012. The loan is payable solely from utility customer net revenues.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 7. Long-term Debt (continued)

Compensated Absences- Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences decreased \$2,602 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

Internal Service Funds

Compensated Absences- Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences decreased \$3,546 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> | <u>Due Within</u> <u>One Year</u> |
|-----------------------------|--|------------------|------------------|--|--------------------------------------|
| Compensated Absences | \$ 37,497 | \$ 21,735 | \$ 25,281 | \$ 33,951 | \$ 27,216 |
| Total Long-term debt | \$ 37,497 | \$ 21,735 | \$ 25,281 | \$ 33,951 | \$ 27,216 |

NOTE 8. Risk Management

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City participates in the New Mexico Self-Insurers' Fund risk pool. The New Mexico Self-Insurer's Fund risk pool operates as a common risk management and insurance program for workers compensation and property and casualty coverage.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim

At June 30, 2017, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following fund reflected a deficit fund balance as of June 30, 2017:

| | | |
|---|----|----------|
| Gasoline Tax Revenue Bonds- Debt Service Fund | \$ | (19,533) |
|---|----|----------|

- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2017.
- C. Designated cash appropriations in excess of available balances: There were no funds that exceeded budgeted designated cash appropriations for the year ended June 30, 2017.

NOTE 10. Pension Plan – Public Employees Retirement Association –

Plan Description: 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 Officer, 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), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA fund.

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.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at: http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016_CAFR_12.22.2016_FINAL-with-corrections.pdf.

Contributions. The contribution requirements of defined benefit plan members and The City 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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at:

http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016_CAFR_12.22.2016_FINAL-with-corrections.pdf.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

The PERA coverage options that apply to the City are Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the City were \$1,109,584 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2017.

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

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’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2016 were included in the total contributions for a specific employer.

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

For PERA Fund Municipal General Division, at June 30, 2017, the City reported a liability of \$12,220,530 for its proportionate share of the net pension liability. At June 30, 2016, the City’s proportion was 0.7649 percent, which was a decrease of 0.0133 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized PERA Fund Municipal General Division pension expense of \$1,343,417. At June 30, 2017, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Changes in proportion | \$ - | \$ 473,729 |
| Differences between expected and actual experience | 610,588 | 119,265 |
| Net difference between projected and actual earnings on pension plan investments | 2,248,552 | - |
| Changes of assumption | 716,591 | 2,032 |
| Contributions subsequent to the measurement date | <u>624,696</u> | <u>-</u> |
| Total | <u><u>\$ 4,200,427</u></u> | <u><u>\$ 595,026</u></u> |

For Municipal General, \$624,696 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------------|--------------|
| 2018 | \$ (553,914) |
| 2019 | (553,914) |
| 2020 | (1,306,990) |
| 2021 | (565,887) |
| Thereafter | - |

For PERA Fund Municipal Police Division, at June 30, 2017, the City reported a liability of \$4,960,430 for its proportionate share of the net pension liability. At June 30, 2016, the City's proportion was 0.6723 percent, which was a decrease of 0.0624 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized PERA Fund Municipal Police Division pension expense of \$604,621. At June 30, 2017, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Changes in proportion | \$ - | \$ 327,239 |
| Differences between expected and actual experience | 364,168 | - |
| Net difference between projected and actual earnings on pension plan investments | 784,520 | - |
| Changes of assumption | 328,551 | 89,460 |
| Contributions subsequent to the measurement date | <u>352,690</u> | <u>-</u> |
| Total | <u><u>\$ 1,829,929</u></u> | <u><u>\$ 416,699</u></u> |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

\$352,690 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|----------------------------|--------------|
| 2018 | \$ (212,080) |
| 2019 | (212,080) |
| 2020 | (442,101) |
| 2021 | (194,279) |
| Thereafter | - |

For PERA Fund Municipal Fire Division, at June 30, 2017, the City reported a liability of \$3,115,365 for its proportionate share of the net pension liability. At June 30, 2016, the City’s proportion was 0.4670 percent, which was a decrease of 0.0669 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized PERA Fund Municipal Fire Division pension expense of \$279,079. At June 30, 2017, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Changes in proportion | \$ - | \$ 379,717 |
| Differences between expected and actual experience | 141,077 | - |
| Net difference between projected and actual earnings on pension plan investments | 259,494 | - |
| Changes of assumption | 164,792 | - |
| Contributions subsequent to the measurement date | 132,198 | - |
| Total | \$ 697,561 | \$ 379,717 |

\$132,198 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|----------------------------|-------------|
| 2018 | \$ (16,945) |
| 2019 | (16,945) |
| 2020 | (91,693) |
| 2021 | (60,063) |
| Thereafter | - |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

| | |
|----------------------------|--|
| Actuarial valuation date | June 30, 2015 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of pay, open |
| Amortization period | Solved for based on statutory rates |
| Asset valuation method | Fair value |
| Actuarial assumptions: | |
| Investment rate of return | 7.48% annual rate, net of investment expense |
| Projected benefit payment | 100 years |
| Payroll growth | 2.75% for the first 10 years, then 3.25% all other years |
| Projected salary increases | 2.75% to 14.25% annual rate |
| Includes inflation at | 2.25% annual rate first 10 years, 2.75% all other years |
| Mortality assumptions | RP-2000 mortality tables (combined table for healthy post-retirements, Employee table for active members, and disabled table for disabled retirees before retirement age) with projections to 2018 using scale AA. |
| Experience study dates | July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 |

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

| ALL FUNDS - Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|-------------------|---|
| Global Equity | 43.50% | 7.39% |
| Risk Reduction & Mitigation | 21.50 | 1.79 |
| Credit Oriented Fixed Income | 15.00 | 5.77 |
| Real Assets | 20.00 | 7.35 |
| Total | <u>100.00%</u> | |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.48 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 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

| | 1% Decrease (6.48%) | Current Discount Rate (7.48%) | 1% Increase (8.48%) |
|---|--------------------------------|--|--------------------------------|
| PERA Fund Municipal General Division | | | |
| City's proportionate share of the net pension liability | \$ 18,219,720 | \$ 12,220,530 | \$ 7,244,496 |
| PERA Fund Municipal Police Division | | | |
| City's proportionate share of the net pension liability | \$ 7,298,023 | \$ 4,960,430 | \$ 3,048,552 |
| PERA Fund Municipal Fire Division | | | |
| City's proportionate share of the net pension liability | \$ 4,074,882 | \$ 3,115,365 | \$ 2,327,223 |

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY16 PERA financial report. The report is available at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016_CAFR_12.22.2016_FINAL-with-corrections.pdf.

Payables to the pension plan. At June 30, 2017 there were no contributions due and payable to PERA for the City.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. Roosevelt County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.5% of each participating employee’s annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City’s contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015, were \$188,486, \$180,008 and \$172,626, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2017 in the remaining cases.

NOTE 13. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 14. Restatement of Net Position

The City recorded a restatement of net position during the fiscal year ended June 30, 2017. This restatement increased the Water fund’s beginning net position and increased the beginning balance of construction in progress by \$150,533.

| | Water |
|--|---------------|
| Net position - beginning, as originally stated | \$ 29,824,023 |
| Net position - restatement | 150,533 |
| Net position - beginning, as restated | \$ 29,974,556 |

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 15. Landfill Closure and Post Closure Care Costs

The City reports a liability for post closure care costs in connection with its closed and inactive landfill. The City did not use the landfill for the year ending June 30, 2017. The City's waste is currently hauled to Wagon Mound and the City pays tipping fees. In 2007, the City obtained an updated Closure and Post Closure Care plan and the City obtains a current estimate of the closure costs each year. The total estimate of the landfill closure liability is \$1,570,610 at June 30, 2017. The City has no other responsibility for landfill activity.

As outlined in 20 NMAC 9.1 502.B, post closure maintenance activities will continue for a period of 30 years after original closure of the landfill. Inspection and maintenance reports will be compiled by the City of Las Vegas and submitted to the NMED in the annual monitoring reports. Periodically, the City will obtain an updated Closure and Post Closure Care plan in which the estimated liability has the potential to change due to inflation or deflation, technology, or applicable laws or regulations.

NOTE 16. Subsequent Events

The date to which events occurring after June 30, 2017, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 13, 2017, which is the date on which the financial statements were issued.

NOTE 17. Restricted Net Position

The government-wide statement of net position reports \$2,657,457 of restricted net position, all of which is restricted by enabling legislation. See pages 42 and 87 through 91 for descriptions of the related restrictions for special revenue, debt service and capital projects funds.

NOTE 18. Concentrations

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the City is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 19. Commitments

The City has various construction and purchase commitments as of June 30, 2017. The funding to cover the various commitments was grant funding, bond and/or note proceeds, including bonds, grants, and cash reserves.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 20. Joint Powers Agreement

Agreement: Fire Marshal's Office
Participants with City: New Mexico State Fire Marshal and City of Las Vegas Fire Department
Party responsible for operation: City of Las Vegas
Description: Operation of City Fire Department
Period: May 10, 2010 until termination
Cost to City: Indeterminate
City contributions: Indeterminate
Audit responsibility: City of Las Vegas

Agreement: Region IV Task Force - Attorney
Participants with City: Region IV Drug Enforcement Coordinating Council, the Fourth, Eighth, and Tenth Judicial District Attorney's Offices
Party responsible for operation: District Attorney
Description: Prosecution of drug and career criminal cases
Period: Until terminated
Cost to City: Maximum of \$75,000 annually
City contributions: Indeterminate
Audit responsibility: District Attorney

Agreement: Region IV Narcotics Task Force
Participants with City: Raton Police Department, Las Vegas Police Department, San Miguel County Sheriff's Department, Union County Sheriff's Department, Springer Police Department, New Mexico Highlands University Police Department, and 4th Judicial District Attorney's Office
Party responsible for operation: City of Las Vegas
Description: Prosecution of drug and career criminal cases
Period: May 15, 2013 until terminated
Cost to City: \$329,478 annually
City contributions: Indeterminate
Audit responsibility: City of Las Vegas

Agreement: Board of Regents for New Mexico Highlands University (NMHU)
Participants with City: NMHU
Party responsible for operation: City of Las Vegas
Description: Establish jurisdiction for the NMHU Police Department
Period: June 28, 2013 until terminated
Cost to City: Indeterminate
City contributions: Indeterminate
Audit responsibility: City of Las Vegas

Agreement: NM Insurer's Fund
Participants with City: Numerous other NM state entities
Party responsible for operation: State of New Mexico
Description: Means by which public agencies can jointly exercise powers upon each other
Period: February 22, 1996 until terminated

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 20. Joint Powers Agreement (continued)

| | |
|----------------------------------|---|
| Agreement: | Emergency |
| Participants with City: | San Miguel County |
| Party responsible for operation: | City of Las Vegas |
| Description: | Enhance civil emergency |
| Period: | November 7, 1997 until terminated |
| Cost to City: | Indeterminate |
| City contributions: | Indeterminate |
| Audit responsibility: | City of Las Vegas |
| | |
| Agreement: | Waste Isolation Pilot Project |
| Participants with City: | Public Regulation Commission and State Fire Board |
| Party responsible for operation: | City of Las Vegas |
| Description: | Develop and implement a hazardous materials emergency response training program |
| Period: | May 20, 2010 until terminated |
| Cost to City: | Indeterminate |
| City contributions: | Indeterminate |
| Audit responsibility: | City of Las Vegas |

NOTE 21. Subsequent Pronouncements

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The City expects this pronouncement to have a material effect on the financial statements.

In December 2015, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84, *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

STATE OF NEW MEXICO
City of Las Vegas
Notes to the Financial Statements
June 30, 2017

NOTE 21. Subsequent Pronouncements (continued)

In January 2017, GASB Statement No. 84, *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City does not expect the pronouncement to have a material effect on the financial statements.

In March 2017, GASB Statement No. 85, *Omnibus 2017* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The City is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to in-substance defeasance of debt using only existing resources. The City does not expect the pronouncement to have a material effect on the financial statements.

In June 2017, GASB Statement No. 87 *Leases* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

City of Las Vegas

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

| | 2017 | 2016 | 2015 |
|--|---------------------------|---------------------------|---------------------------|
| | Measurement | Measurement | Measurement |
| | Date | Date | Date |
| | (As of and for the | (As of and for the | (As of and for the |
| | Year Ended | Year Ended | Year Ended |
| | June 30, 2016) | June 30, 2015) | June 30, 2014) |
| City of Las Vegas' proportion of the net pension liability | 0.7649% | 0.7782% | 0.8426% |
| City of Las Vegas' proportionate share of the net pension liability | \$ 12,220,530 | \$ 7,934,423 | \$ 6,573,184 |
| City of Las Vegas' covered payroll | \$ 6,369,110 | \$ 6,521,974 | \$ 6,553,874 |
| City of Las Vegas' proportionate share of the net pension liability as a percentage of its covered-employee payroll | 191.87% | 121.66% | 100.29% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.18% | 76.99% | 81.29% |

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

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

STATE OF NEW MEXICO

City of Las Vegas

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

| | 2017 | 2016 | 2015 |
|--|-----------------------------|-----------------------------|-----------------------------|
| | Measurement | Measurement | Measurement |
| | Date | Date | Date |
| | (As of and for the | (As of and for the | (As of and for the |
| | Year Ended | Year Ended | Year Ended |
| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
| City of Las Vegas' proportion of the net pension liability | 0.6723% | 0.7347% | 0.7773% |
| City of Las Vegas' proportionate share of the net pension liability | \$ 4,960,430 | \$ 3,532,849 | \$ 2,533,913 |
| City of Las Vegas' covered payroll | \$ 1,565,066 | \$ 1,452,646 | \$ 1,465,270 |
| City of Las Vegas' proportionate share of the net pension liability as a percentage of its covered-employee payroll | 316.95% | 243.20% | 172.93% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.18% | 76.99% | 81.29% |

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

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

STATE OF NEW MEXICO

City of Las Vegas

Schedule I
Page 3 of 3

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

| | 2017 | 2016 | 2015 |
|--|---------------------------|---------------------------|---------------------------|
| | Measurement | Measurement | Measurement |
| | Date | Date | Date |
| | (As of and for the | (As of and for the | (As of and for the |
| | Year Ended | Year Ended | Year Ended |
| | June 30, 2016) | June 30, 2015) | June 30, 2014) |
| City of Las Vegas' proportion of the net pension liability | 0.4670% | 0.5339% | 0.5892% |
| City of Las Vegas' proportionate share of the net pension liability | \$ 3,115,365 | \$ 2,755,555 | \$ 2,459,317 |
| City of Las Vegas' covered payroll | \$ 627,227 | \$ 607,950 | \$ 644,152 |
| City of Las Vegas' proportionate share of the net pension liability as a percentage of its covered-employee payroll | 496.69% | 453.25% | 381.79% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.18% | 76.99% | 81.29% |

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

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

STATE OF NEW MEXICO
City of Las Vegas
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Municipal General Division
Last 10 Fiscal Years*

| | As of and for the Year Ended June 30, 2017 | As of and for the Year Ended June 30, 2016 | As of and for the Year Ended June 30, 2015 |
|--|---|---|---|
| Contractually required contribution | \$ 624,696 | \$ 608,250 | \$ 622,849 |
| Contributions in relation to the contractually required contribution | (624,696) | (608,250) | (622,849) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City of Las Vegas' covered payroll | \$ 6,541,322 | \$ 6,369,110 | \$ 6,521,974 |
| Contributions as a percentage of covered-employee payroll | 9.55% | 9.55% | 9.55% |

* 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, City of Las Vegas will present information for those years for which information is available.

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

STATE OF NEW MEXICO
City of Las Vegas
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Municipal Police Division
Last 10 Fiscal Years*

| | As of and for the Year Ended June 30, 2017 | As of and for the Year Ended June 30, 2016 | As of and for the Year Ended June 30, 2015 |
|--|---|---|---|
| Contractually required contribution | \$ 352,690 | \$ 310,170 | \$ 274,550 |
| Contributions in relation to the contractually required contribution | (352,690) | (310,170) | (274,550) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| City of Las Vegas' covered payroll | \$ 1,783,120 | \$ 1,565,066 | \$ 1,452,646 |
| Contributions as a percentage of covered-employee payroll | 19.78% | 19.82% | 18.90% |

* 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, City of Las Vegas will present information for those years for which information is available.

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

STATE OF NEW MEXICO
City of Las Vegas
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Municipal Fire Division
Last 10 Fiscal Years*

| | As of and for the Year Ended <u>June 30, 2017</u> | As of and for the Year Ended <u>June 30, 2016</u> | As of and for the Year Ended <u>June 30, 2015</u> |
|--|--|--|--|
| Contractually required contribution | \$ 132,198 | \$ 135,795 | \$ 131,621 |
| Contributions in relation to the contractually required contribution | <u>(132,198)</u> | <u>(135,795)</u> | <u>(131,621)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City of Las Vegas' covered payroll | \$ 610,615 | \$ 627,227 | \$ 607,950 |
| Contributions as a percentage of covered-employee payroll | 21.65% | 21.65% | 21.65% |

* 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, City of Las Vegas will present information for those years for which information is available.

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

STATE OF NEW MEXICO
City of Las Vegas
Notes to Required Supplementary Information
June 30, 2017

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at <http://s3.amazonaws.com/boardaudio/Final-Version-2016-PERA-GASB-68-Report.pdf> See the notes to the financial statements on the CAFR pages 74-76 which summarizes actuarial assumptions and methods effective with the June 30, 2016 valuation.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Fund Descriptions
June 30, 2017

Special Revenue Funds

Sick Leave Contingency (102) – This fund was created to account for funds for the payment of early retirement leave. The authority for creation of this fund is the City Council.

Corrections (201) – This fund was created to receive correction fees imposed pursuant to Section 35-14-11, NMSA 1978, which provides that every municipality shall enact an ordinance requiring the assessment of correction fees to be collected as court costs.” This section goes on to impose a correction fee of \$20.00 and restricts the use of correction fees for: municipal jailer or juvenile detention officer training; the construction planning, construction, operation and maintenance of a municipal jail or juvenile detention facility; paying the cost of housing municipal prisoners in a county jail or detention facility or housing juveniles in a detention facility; complying with match or contribution requirements for the receipt of federal funds relating to jails or juvenile detention facilities; providing inpatient treatment or other substance abuse programs in conjunction with or as an alternative to jail sentencing; defraying the cost of transporting prisoners to jails or juveniles to juvenile detention facilities; or providing electronic monitoring systems.

Lodgers’ Tax Promotion (202) – This fund was created to receive the proceeds of the Lodgers’ Tax, which is imposed pursuant to the “Lodgers’ Tax Act” (Sections 3-38-13 through 3-13-24, NMSA 1978). The Lodgers’ Tax is 5% of the gross taxable rent. Section 3-38-15(E) provides that the City shall use “not less than ½ of the proceeds of such tax for the purpose of advertising, publishing, and promoting facilities.”

State Fire Grant (203) – This fund is used to account for the operation and maintenance of the Fire Department. Financing is provided by an allocation of State Funds “State Fire Allotment” as determined under the State Fire Marshall Code. Personnel services are financed and accounted for in the General Fund. This fund was authorized by Section 59A-53-2 enabling legislation.

Emergency Medical Services (206) – This fund was created to receive and account for funds allotted to the City under the Emergency Medical Service Fund Act, Section 24-10A-1, NASA 1978 Compilation and EMS Fund Regulation 94-11.

State Library Grant (213) – To account for a grant received from the State Library of New Mexico, Laws of NM 2002, Chapter 93. The funding may be used for the purchase of library materials or equipment to provide access to information resources for the City’s use.

State Law Enforcement (215) - To account for a State grant restricted to equipment purchases for use in law enforcement training and planning. The fund was created under the Authority of Section 29-13-4, NMSA 1978 Compilation.

Special Legislative Appropriations (217) – To account for funds provided in connection with special legislative appropriations, including domestic violence. This fund is authorized by City Council approval.

Historical Preservation (218) – To account for funds received from U.S. Department of the Interior, National Park Service, pursuant to the National Historic Preservation Act of 1986, as amended, 16 U.S.C.470 et. Seq. and the required local match. Federal funds flow through State of New Mexico Historic Preservation Division.

2017 Region IV JAG (219) – To account for a federal grant received from the Edward Byrne Justice Assistance Grant (JAG) to investigate narcotics related crimes and execute impact operations in increasing officer presence in neighborhoods and through interstate corridors. The authority for creation of this fund is the New Mexico Department of Public Safety on behalf of the Region IV Multi-Jurisdictional Task Force.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Fund Descriptions
June 30, 2017

Special Revenue Funds (continued)

2016 Region IV JAG (221) – To account for a federal grant received from the Edward Byrne Justice Assistance Grant (JAG) to investigate narcotics related crimes and execute impact operations in increasing officer presence in neighborhoods and through interstate corridors. The authority for creation of this fund is the New Mexico Department of Public Safety on behalf of the Region IV Multi-Jurisdictional Task Force.

Transportation Grant #5311 (231) – To account for funds received from the U.S. Department of Transportation pursuant to 49 U.S.C. Section 5311 for assistance in operating a rural bus service. Funds accounted for include locally generated fares as well as a required local match. The authority for creation of this fund is the New Mexico Department of Transportation, Transit and Rail Division.

NM Tourism Coop Grant (232) – To account for a grant from the State of New Mexico Tourism Department for the purpose of promoting tourism in the City of Las Vegas and surrounding area. The authority for creation of this fund is the New Mexico Tourism Department.

Transportation Center (235) – To account for expenditures associated to the maintenance of the City of Las Vegas Transportation Center. The authority for creation of this fund is the City Council.

Seizure (241) – The fund was established for the purpose of accounting for the revenues and expenditures derived from confiscation of property or money in drug raids conducted by the Region IV Narcotics Division. The authority for creation of this fund is State of New Mexico Public Safety Department.

2015 DJ-BX-0738 (245) – To account for a federal grant received from the Edward Byrne Justice Assistance Grant for the purpose of overtime salaries and equipment purchases. The authority for creation of this fund is the Department of Justice.

Juvenile Justice Grant (247) – To account for a grant received from the State of New Mexico Children, Youth & Family Department to provide a continuum of graduated sanction services and alternative to detention services to juvenile offenders and youth at risk. The authority for creation of this fund is State of New Mexico Children, Youth and Families Department.

2016 JAG – DJ-BX-0939 (248) – To account for a federal grant received from the Edward Byrne Justice Assistance Grant for the purpose of equipment purchases for the City of Las Vegas and San Miguel County. The authority for creation of this fund is the Department of Justice.

KAB Grant (252) – To account for the expenditures of funds received pursuant to the New Mexico Litter Control and Beautification Act (Section 67-16-1 to 67-16-14, as amended). The funds are received from the New Mexico State Highway and Transportation Department for the purpose of helping continue local Keep America Beautiful programs and establish a summer youth employment program to help with litter control projects, as required by the Act.

NM Traffic Safety (253) – This fund was created to receive and account for funds allotted to the City of Las Vegas by the New Mexico State Highway and Transportation Department Traffic Safety Bureau for the purpose of enforcing DWI laws within the City's jurisdiction. NMSA 1978 11-6A-1 to 6.

Waste Isolation Pilot Project (260) – This fund was created to account for a Joint Powers Agreement with the State Fire Marshall's Office to address emergency response preparedness as it pertains to the transport of hazardous materials under the Waste Isolation Plant (WIPP) Project.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Fund Descriptions
June 30, 2017

Special Revenue Funds (continued)

2011 Bulletproof Vest PTR (261) - The fund was created for the purpose of accounting for the revenues and expenditures derived from the Bureau of Justice Assistance Bullet Proof Vest Partnership for the purpose of purchasing police equipment.

San Miguel County DWI Program (271) - The fund was established for the purpose of accounting for the revenues and expenditures derived from San Miguel County DWI Planning Council for the purpose of police overtime. The authority for creation of this fund is the City Council.

Senior Citizens Center (282) - The fund was created to account for the operation of a senior citizen center located in San Miguel County for the purpose of providing meals and social activities for senior citizens. The authority for creation of this fund is State of New Mexico Department of Aging and Long Term Services.

Las Vegas PD Awards (283) - This fund was established to receive and account for funds awarded to the City of Las Vegas Police Department for awards for meritorious exceptional lifesaving and honorable acts on duty officers' awards. The authority for creation of this fund is the City Council.

Veterans' Memorial (284) - This fund was created to account for contributions, rental of office space, activities and expenditures of the Veterans' Committee. The authority for creation of this fund is the City Council.

4th of July Fiestas (288) - This fund was created to account for the activities and expenditures for the 4th of July Fiestas. The authority for creation of this fund is the City Council.

JAG DCE/SP (297) - The fund was created to account for federal funds received from the Department of Justice for the purpose of a DOMESTIC CANNABIS ERADICATION SUPPRESSION PROGRAM. The authority for creation of this fund is the Department of Justice.

Seizure and Donations 2010 (293) - This fund was established for the purpose of accounting for the expenditures and revenues derived from confiscation of property or money in drug raids conducted by the Region IV Narcotics Division (NMSA, 1978 30-31-34).

Enhanced 911 Grant (294) - To account for resources received from the State E-911 Fund for acquisition and maintenance of equipment necessary to provide 911 services to the community. The authority for creation of this fund is Section 63-9D-3 through 63-9D-20 NMSA 1978.

Fire Prevention (764) - To account for the contributions, activities and expenditures related to the Fire Districts. The authority for creation of this fund is the City Council.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Fund Descriptions
June 30, 2017

Capital Projects Funds

Street Co-Op Projects (214) – To account for funds provided for street co-op projects.

Street Improvement (216) – To account for the costs of paving the streets in certain areas (districts) within the City. Financing is provided by gasoline taxes and a 1/4% local option gross receipts tax authorized by City Ordinance #73-23 and NMSA 1978 7-1-6.9 and 7-24A 10 to 12.

Capital Improvement (220) – This fund was created pursuant to Ordinance #73-8 adopted on August 8, 1984, dedicating the proceeds of a ¼ cent local option gross receipts tax. The effective date of this tax was January 1, 1985. The ordinance commits these tax revenues to be used for the repair and replacement of infrastructure improvements. Specifically, sanitary sewer lines, storm sewers and other drainage improvements, streets and alley, and acquisition of rights of way and related facilities within the municipality or within the extraterritorial zone of the municipality. NMSA 1978 7-19-12 to 7-19-17.1.

Downtown Master Plan (275) – The fund was created to account for a state funds received from the State of New Mexico "2013 Work New Mexico Act" for the purpose to implement Phase II Renovation of E. Romero Hose & Fire Building.

Rehab Taxiway ABC & Apron (433) – This fund was established for the purpose of accounting for a grant from the Federal Aviation Administration FAA for the rehabilitation of Taxiways A,B,C, and the Apron and the design of a snow removal equipment building at the Municipal Airport in Las Vegas, New Mexico.

La Plaza League (470) – This fund was established to receive and account for funds for the little league project. Funding is provided through a grant by PNM.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Fund Descriptions
June 30, 2017

Debt Service Funds

The Recreation Center Phase II (330) - Pursuant to Ordinance No. 12-15, is used to accumulate monies for payment of the October 31, 2012 New Mexico Gross Receipts Tax Refunding and Improvement Revenue Bonds. Financing is provided by a 1/8% local option gross receipts tax authorized by City Ordinance #01-18, pursuant to Section 7-19D-11 (D) NMSA 1978

Gasoline Tax Revenue Bonds (331) - To accumulate monies for payment of the 1990 \$1,130,000 Gas Tax Revenue Bonds for the purpose of laying off, opening, constructing, reconstructing, resurfacing, maintaining, acquiring rights-of-way, repairing and otherwise improving alleys, streets, public roads and bridges for any combination of the forgoing. Funding is provided by transfers of a portion of the gas tax collection which are receipted in the Street Improvement Fund and transfers from the Gas Utility Fund.

Municipal Pooled GRT Bonds (334) - Pursuant to Ordinance No. 12-15, to accumulate monies for payment of the October 31, 2012 New Mexico Gross Receipts Tax and Improvement Revenue Bonds issued for the purpose of refunding, refinancing, discharging and paying the City's Gross Receipts Tax Revenue Bonds. Funding is provided by transfers of a portion of the ¼% gross receipted tax collected under Authority of Ordinance 73-23, which is receipted in the Capital Improvement Fund.

NMFA Equipment Loan (337) - To accumulate monies for the payment of a loan entered into to purchase equipment citywide. The loan is payable to New Mexico Finance Authority and is subject to an intercept agreement out of state share gross receipts taxes.

NMFA Fire Equipment Loan (338) - To accumulate monies for the payment of a loan entered into to purchase fire equipment. The loan is payable to New Mexico Finance Authority and is subject to an intercept agreement from the annual State Fire Allotment.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

Special Revenue

| | Sick Leave Contingency 102 | Corrections 201 | Lodgers' Tax Promotion 202 | State Fire Grant 203 |
|--|---|----------------------------|---|---------------------------------|
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ 230,972 | \$ 45,749 | \$ 205,244 | \$ 186,161 |
| Receivables, net | - | - | 29,396 | - |
| Due from other funds | - | - | - | - |
| <i>Total assets</i> | <u>\$ 230,972</u> | <u>\$ 45,749</u> | <u>\$ 234,640</u> | <u>\$ 186,161</u> |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - |
| Due to other funds | 20,000 | 28,710 | - | - |
| <i>Total liabilities</i> | <u>20,000</u> | <u>28,710</u> | <u>-</u> | <u>-</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable | | | | |
| Inventory | - | - | - | - |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | - | - |
| Capital projects | - | - | - | - |
| General government | 210,972 | - | - | - |
| Public safety | - | 17,039 | - | 186,161 |
| Culture and recreation | - | - | 234,640 | - |
| Health and welfare | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| <i>Total fund balances</i> | <u>210,972</u> | <u>17,039</u> | <u>234,640</u> | <u>186,161</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 230,972</u> | <u>\$ 45,749</u> | <u>\$ 234,640</u> | <u>\$ 186,161</u> |

See independent auditors' report.

Special Revenue

| Emergency Medical Services 206 | State Library Grant 213 | State Law Enforcement 215 | Special Legislative Appropriations 217 | Historical Preservation 218 | 2017 Region IV JAG 219 |
|---|--|--|---|--|---------------------------------------|
| \$ 14,044 | \$ 6 | \$ - | \$ - | \$ 12,782 | \$ - |
| - | - | - | 235,680 | - | 2,152 |
| - | - | - | - | - | - |
| <u>\$ 14,044</u> | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ 235,680</u> | <u>\$ 12,782</u> | <u>\$ 2,152</u> |
| \$ 79 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | 235,680 | - | 2,152 |
| <u>79</u> | <u>-</u> | <u>-</u> | <u>235,680</u> | <u>-</u> | <u>2,152</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 12,782 | - |
| - | - | - | - | - | - |
| - | 6 | - | - | - | - |
| 13,965 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>13,965</u> | <u>6</u> | <u>-</u> | <u>-</u> | <u>12,782</u> | <u>-</u> |
| <u>\$ 14,044</u> | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ 235,680</u> | <u>\$ 12,782</u> | <u>\$ 2,152</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

Special Revenue

| | 2016 Region IV JAG 221 | Transportation Grant #5311 231 | NM Tourism Coop Grant 232 | 2015 Region IV JAG 234 |
|--|---------------------------------------|---|--|---------------------------------------|
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ - | \$ 156,705 | \$ 1,406 | \$ - |
| Receivables, net | - | 21,017 | - | - |
| Due from other funds | - | - | - | - |
| <i>Total assets</i> | <u>\$ -</u> | <u>\$ 177,722</u> | <u>\$ 1,406</u> | <u>\$ -</u> |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ - | \$ 1,205 | \$ - | \$ - |
| Accrued payroll | - | 5,716 | - | - |
| Due to other funds | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>6,921</u> | <u>-</u> | <u>-</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable | | | | |
| Inventory | - | - | - | - |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | - | - |
| Capital projects | - | - | - | - |
| General government | - | 170,801 | 1,406 | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>170,801</u> | <u>1,406</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ 177,722</u> | <u>\$ 1,406</u> | <u>\$ -</u> |

See independent auditors' report.

Special Revenue

| Transportation Center 235 | 2015 JAG 240 | Seizure 241 | SA Prevention Initiative 242 | 2015 DJ-BX-0738 245 | Juvenile Justice Grant 247 |
|--|-------------------------|------------------------|---|------------------------------------|---|
| \$ 55,845 | \$ - | \$ 689 | \$ - | \$ - | \$ - |
| - | - | - | - | - | 13,817 |
| - | - | - | - | - | - |
| \$ 55,845 | \$ - | \$ 689 | \$ - | \$ - | \$ 13,817 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2 |
| - | - | - | - | - | - |
| - | - | - | - | - | 13,815 |
| - | - | - | - | - | 13,817 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 55,845 | - | - | - | - | - |
| - | - | 689 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 55,845 | - | 689 | - | - | - |
| \$ 55,845 | \$ - | \$ 689 | \$ - | \$ - | \$ 13,817 |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

Special Revenue

| | 2016 JAG - DJ- BX-0939 248 | KAB Grant 252 | NM Traffic Safety 253 | Waste Isolation Pilot Project 260 |
|--|---|--------------------------|--------------------------------------|--|
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ - | \$ 10,024 | \$ - | \$ - |
| Receivables, net | - | - | 7,638 | - |
| Due from other funds | - | - | - | - |
| <i>Total assets</i> | <u>\$ -</u> | <u>\$ 10,024</u> | <u>\$ 7,638</u> | <u>\$ -</u> |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | - | 7,638 | - |
| <i>Total liabilities</i> | <u>-</u> | <u>-</u> | <u>7,638</u> | <u>-</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable | | | | |
| Inventory | - | - | - | - |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | - | - |
| Capital projects | - | - | - | - |
| General government | - | 10,024 | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>10,024</u> | <u>-</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ 10,024</u> | <u>\$ 7,638</u> | <u>\$ -</u> |

See independent auditors' report.

Special Revenue

| 2011 Bulletproof Vest Partnership 261 | San Miguel County DWI 271 | Senior Citizens Center 282 | Las Vegas PD Awards 283 | Veterans' Memorial 284 | 4th of July Fiestas 288 |
|--|--|---|--|---------------------------------------|--|
| \$ 204 | \$ 702 | \$ - | \$ 2,219 | \$ 13,971 | \$ 40,705 |
| - | - | 80,368 | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 204</u> | <u>\$ 702</u> | <u>\$ 80,368</u> | <u>\$ 2,219</u> | <u>\$ 13,971</u> | <u>\$ 40,705</u> |
| \$ - | \$ - | \$ 10,555 | \$ - | \$ - | \$ 6,308 |
| - | - | 8,208 | - | - | - |
| - | - | 39,864 | - | - | - |
| - | - | 58,627 | - | - | 6,308 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 204 | 702 | - | 2,219 | - | - |
| - | - | - | - | 13,971 | 34,397 |
| - | - | 21,741 | - | - | - |
| - | - | - | - | - | - |
| <u>204</u> | <u>702</u> | <u>21,741</u> | <u>2,219</u> | <u>13,971</u> | <u>34,397</u> |
| <u>\$ 204</u> | <u>\$ 702</u> | <u>\$ 80,368</u> | <u>\$ 2,219</u> | <u>\$ 13,971</u> | <u>\$ 40,705</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

Special Revenue

| | JAG DCE/SP 297 | 2013 Region IV 298 | Seizures and Donations 2010 293 | Enhanced-911 Grant 294 |
|--|---------------------------|-------------------------------|--|---------------------------------------|
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ 112 | \$ - | \$ 183 | \$ 2 |
| Receivables, net | - | - | - | - |
| Due from other funds | - | - | - | - |
| <i>Total assets</i> | <u>\$ 112</u> | <u>\$ -</u> | <u>\$ 183</u> | <u>\$ 2</u> |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable | | | | |
| Inventory | - | - | - | - |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | - | - |
| Capital projects | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 112 | - | 183 | 2 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| <i>Total fund balances</i> | <u>112</u> | <u>-</u> | <u>183</u> | <u>2</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 112</u> | <u>\$ -</u> | <u>\$ 183</u> | <u>\$ 2</u> |

See independent auditors' report.

| <u>Special Revenue</u> | | <u>Capital Projects</u> | | | |
|-------------------------------|--------------------------------|--|---------------------------------------|--|---|
| <u>2010 Region IV 296</u> | <u>Fire Prevention 764</u> | <u>Street Co-Op Projects 214</u> | <u>Street Improvement 216</u> | <u>Capital Improvement 220</u> | <u>Downtown Master Plan 275</u> |
| \$ - | \$ 39,353 | \$ 78,993 | \$ 238,424 | \$ - | \$ - |
| - | - | 23,905 | 158,697 | 109,293 | - |
| - | - | - | 117,840 | - | - |
| <u>\$ -</u> | <u>\$ 39,353</u> | <u>\$ 102,898</u> | <u>\$ 514,961</u> | <u>\$ 109,293</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ 23,905 | \$ 5,429 | \$ 1,950 | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 23,905 | 5,429 | 1,950 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 78,993 | 509,532 | 107,343 | - |
| - | - | - | - | - | - |
| - | 39,353 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 39,353 | 78,993 | 509,532 | 107,343 | - |
| <u>\$ -</u> | <u>\$ 39,353</u> | <u>\$ 102,898</u> | <u>\$ 514,961</u> | <u>\$ 109,293</u> | <u>\$ -</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

| | <u>Capital Projects</u> | | | <u>Debt Service</u> |
|--|---------------------------|--|--------------------------------|---|
| | <u>CDBG Alamo 277</u> | <u>Rehab Taxiway ABC & Apron 433</u> | <u>La Plaza League 470</u> | <u>Recreation Center Phase II 330</u> |
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ - | \$ 183,891 | \$ 1 | \$ 417,389 |
| Receivables, net | - | - | - | 81,391 |
| Due from other funds | - | - | - | - |
| <i>Total assets</i> | <u>\$ -</u> | <u>\$ 183,891</u> | <u>\$ 1</u> | <u>\$ 498,780</u> |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 2,645 |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,645</u> |
| <i>Fund balances</i> | | | | |
| Nonspendable | | | | |
| Inventory | - | - | - | - |
| Spendable | | | | |
| Restricted for: | | | | |
| Future debt service payments | - | - | - | 496,135 |
| Capital projects | - | 183,891 | 1 | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>183,891</u> | <u>1</u> | <u>496,135</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ 183,891</u> | <u>\$ 1</u> | <u>\$ 498,780</u> |

See independent auditors' report.

Debt Service

| Gasoline Tax Revenue Bonds 331 | Municipal Pooled GRT Bonds 334 | NMFA Equipment Loan 337 | NMFA Fire Equipment Loan 338 | Total Nonmajor Governmental Funds |
|---|---|--|---|--|
| \$ - | \$ 180,721 | \$ 36,313 | 1,652 | \$ 2,154,462 |
| - | - | - | - | 763,354 |
| - | - | - | - | 117,840 |
| <u>\$ -</u> | <u>\$ 180,721</u> | <u>\$ 36,313</u> | <u>\$ 1,652</u> | <u>\$ 3,035,656</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 52,078 |
| - | - | - | - | 13,924 |
| <u>19,533</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>367,392</u> |
| <u>19,533</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>433,394</u> |
| - | - | - | - | - |
| - | 180,721 | 36,313 | 1,652 | 714,821 |
| - | - | - | - | 879,760 |
| - | - | - | - | 461,830 |
| - | - | - | - | 246,664 |
| - | - | - | - | 283,014 |
| - | - | - | - | 35,706 |
| <u>(19,533)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(19,533)</u> |
| <u>(19,533)</u> | <u>180,721</u> | <u>36,313</u> | <u>1,652</u> | <u>2,602,262</u> |
| <u>\$ -</u> | <u>\$ 180,721</u> | <u>\$ 36,313</u> | <u>\$ 1,652</u> | <u>\$ 3,035,656</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

| | Special Revenue | | | |
|--|---|----------------------------|---|---------------------------------|
| | Sick Leave Contingency 102 | Corrections 201 | Lodgers' Tax Promotion 202 | State Fire Grant 203 |
| <i>Revenues</i> | | | | |
| Taxes: | | | | |
| Gross receipts | \$ - | \$ - | \$ - | \$ - |
| Gasoline and motor vehicle | - | - | - | - |
| Other | - | - | 318,088 | - |
| Intergovernmental: | | | | |
| Federal operating grants | - | - | - | - |
| Federal capital grants | - | - | - | - |
| State operating grants | - | - | - | 288,506 |
| State capital grants | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and fees | - | 64,080 | - | - |
| Interest income | - | - | - | - |
| Other | - | - | 1,361 | - |
| <i>Total revenues</i> | <u>-</u> | <u>64,080</u> | <u>319,449</u> | <u>288,506</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| General government | 1,088 | - | - | - |
| Public safety | - | 43,200 | - | 74,083 |
| Public works | - | - | - | - |
| Culture and recreation | - | - | 294,443 | - |
| Health and welfare | - | - | - | - |
| Capital outlay | - | - | - | 42,711 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>1,088</u> | <u>43,200</u> | <u>294,443</u> | <u>116,794</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(1,088)</u> | <u>20,880</u> | <u>25,006</u> | <u>171,712</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | - | - | - | - |
| Transfers in | 100,000 | - | - | - |
| Transfers out | - | - | (60,356) | (34,065) |
| <i>Total other financing sources (uses)</i> | <u>100,000</u> | <u>-</u> | <u>(60,356)</u> | <u>(34,065)</u> |
| <i>Net change in fund balances</i> | 98,912 | 20,880 | (35,350) | 137,647 |
| <i>Fund balances - beginning of year</i> | <u>112,060</u> | <u>(3,841)</u> | <u>269,990</u> | <u>48,514</u> |
| <i>Fund balances - end of year</i> | <u>\$ 210,972</u> | <u>\$ 17,039</u> | <u>\$ 234,640</u> | <u>\$ 186,161</u> |

See independent auditors' report.

Special Revenue

| Emergency Medical Services 206 | State Library Grant 213 | State Law Enforcement 215 | Special Legislative Appropriations 217 | Historical Preservation 218 | 2017 Region IV JAG 219 |
|---|--|--|---|--|---------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 30,620 | 23,287 | 38,000 | - | 10,000 | 14,256 |
| - | - | - | 374,800 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>30,620</u> | <u>23,287</u> | <u>38,000</u> | <u>374,800</u> | <u>10,000</u> | <u>14,256</u> |
| - | - | - | - | - | - |
| 1,048 | - | 15,906 | - | - | 14,256 |
| - | - | - | - | - | - |
| - | 23,287 | - | - | - | - |
| 23,208 | - | - | - | - | - |
| - | - | 3,692 | 374,800 | 12,124 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>24,256</u> | <u>23,287</u> | <u>19,598</u> | <u>374,800</u> | <u>12,124</u> | <u>14,256</u> |
| <u>6,364</u> | <u>-</u> | <u>18,402</u> | <u>-</u> | <u>(2,124)</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | - | - | 9,000 | - |
| - | - | (26,342) | - | - | - |
| <u>-</u> | <u>-</u> | <u>(26,342)</u> | <u>-</u> | <u>9,000</u> | <u>-</u> |
| 6,364 | - | (7,940) | - | 6,876 | - |
| 7,601 | 6 | 7,940 | - | 5,906 | - |
| <u>\$ 13,965</u> | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,782</u> | <u>\$ -</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

| | Special Revenue | | | |
|--|---------------------------------------|---|--|---------------------------------------|
| | 2016 Region IV JAG 221 | Transportation Grant #5311 231 | NM Tourism Coop Grant 232 | 2015 Region IV JAG 234 |
| <i>Revenues</i> | | | | |
| <i>Taxes:</i> | | | | |
| Gross receipts | \$ - | \$ - | \$ - | \$ - |
| Gasoline and motor vehicle | - | - | - | - |
| Other | - | - | - | - |
| <i>Intergovernmental:</i> | | | | |
| Federal operating grants | 8,344 | 160,821 | - | - |
| Federal capital grants | - | - | - | - |
| State operating grants | - | - | - | - |
| State capital grants | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and fees | - | - | - | - |
| Interest income | - | 11,035 | - | - |
| Other | - | - | - | - |
| <i>Total revenues</i> | <u>8,344</u> | <u>171,856</u> | <u>-</u> | <u>-</u> |
| <i>Expenditures</i> | | | | |
| <i>Current:</i> | | | | |
| General government | - | 266,906 | - | - |
| Public safety | 8,344 | - | - | - |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Capital outlay | - | - | - | - |
| <i>Debt service:</i> | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>8,344</u> | <u>266,906</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>(95,050)</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | - | - | - | - |
| Transfers in | - | 75,000 | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>75,000</u> | <u>-</u> | <u>-</u> |
| <i>Net change in fund balances</i> | - | (20,050) | - | - |
| <i>Fund balances - beginning of year</i> | - | 190,851 | 1,406 | - |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ 170,801</u> | <u>\$ 1,406</u> | <u>\$ -</u> |

See independent auditors' report.

Special Revenue

| Transportation Center 235 | 2015 JAG 240 | Seizure 241 | SA Prevention Initiative 242 | 2015 DJ-BX-0738 245 | Juvenile Justice Grant 247 |
|--|-------------------------|------------------------|---|------------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 1,778 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 39,526 |
| - | - | - | - | - | - |
| 5,705 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>5,705</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,778</u> | <u>39,526</u> |
| 79,447 | - | - | - | - | - |
| - | - | - | - | 1,778 | 41,078 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>79,447</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,778</u> | <u>41,078</u> |
| <u>(73,742)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,552)</u> |
| - | - | - | - | - | - |
| 75,000 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>75,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 1,258 | - | - | - | - | (1,552) |
| <u>54,587</u> | <u>-</u> | <u>689</u> | <u>-</u> | <u>-</u> | <u>1,552</u> |
| <u>\$ 55,845</u> | <u>\$ -</u> | <u>\$ 689</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

| | Special Revenue | | | |
|--|---|--------------------------|--------------------------------------|--|
| | 2016 JAG - DJ- BX-0939 248 | KAB Grant 252 | NM Traffic Safety 253 | Waste Isolation Pilot Project 260 |
| <i>Revenues</i> | | | | |
| <i>Taxes:</i> | | | | |
| Gross receipts | \$ - | \$ - | \$ - | \$ - |
| Gasoline and motor vehicle | - | - | - | - |
| Other | - | - | - | - |
| <i>Intergovernmental:</i> | | | | |
| Federal operating grants | 11,425 | - | - | - |
| Federal capital grants | - | - | - | - |
| State operating grants | - | - | 15,243 | 6,000 |
| State capital grants | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and fees | - | - | - | - |
| Interest income | - | - | - | - |
| Other | - | 965 | - | - |
| <i>Total revenues</i> | <u>11,425</u> | <u>965</u> | <u>15,243</u> | <u>6,000</u> |
| <i>Expenditures</i> | | | | |
| <i>Current:</i> | | | | |
| General government | - | - | - | - |
| Public safety | 5,657 | - | 15,243 | - |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Capital outlay | 5,768 | - | - | 12,000 |
| <i>Debt service:</i> | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>11,425</u> | <u>-</u> | <u>15,243</u> | <u>12,000</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>965</u> | <u>-</u> | <u>(6,000)</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net change in fund balances</i> | - | 965 | - | (6,000) |
| <i>Fund balances - beginning of year</i> | - | 9,059 | - | 6,000 |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ 10,024</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

Special Revenue

| 2011 Bulletproof Vest Partnership 261 | San Miguel County DWI 271 | Senior Citizens Center 282 | Las Vegas PD Awards 283 | Veterans' Memorial 284 | 4th of July Fiestas 288 |
|--|--|---|--|---------------------------------------|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 6,810 | - | 248,417 | - | - | - |
| - | - | - | - | - | - |
| - | - | 485,045 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 3,150 | - |
| - | - | - | - | - | 48,334 |
| - | - | - | - | - | - |
| - | - | 1,408 | 9,016 | - | - |
| <u>6,810</u> | <u>-</u> | <u>734,870</u> | <u>9,016</u> | <u>3,150</u> | <u>48,334</u> |
| - | - | - | - | - | - |
| 7,004 | - | - | 6,865 | - | - |
| - | - | - | - | - | - |
| - | - | 774,556 | - | - | 91,107 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>7,004</u> | <u>-</u> | <u>774,556</u> | <u>6,865</u> | <u>-</u> | <u>91,107</u> |
| <u>(194)</u> | <u>-</u> | <u>(39,686)</u> | <u>2,151</u> | <u>3,150</u> | <u>(42,773)</u> |
| - | - | - | - | - | - |
| - | - | 70,000 | - | - | 25,000 |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>70,000</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| (194) | - | 30,314 | 2,151 | 3,150 | (17,773) |
| <u>398</u> | <u>702</u> | <u>(8,573)</u> | <u>68</u> | <u>10,821</u> | <u>52,170</u> |
| <u>\$ 204</u> | <u>\$ 702</u> | <u>\$ 21,741</u> | <u>\$ 2,219</u> | <u>\$ 13,971</u> | <u>\$ 34,397</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

| | Special Revenue | | | |
|--|---------------------------|-------------------------------|--|---------------------------------------|
| | JAG DCE/SP 297 | 2013 Region IV 298 | Seizures and Donations 2010 293 | Enhanced-911 Grant 294 |
| <i>Revenues</i> | | | | |
| Taxes: | | | | |
| Gross receipts | \$ - | \$ - | \$ - | \$ - |
| Gasoline and motor vehicle | - | - | - | - |
| Other | - | - | - | - |
| Intergovernmental: | | | | |
| Federal operating grants | - | - | - | 9,167 |
| Federal capital grants | - | - | - | - |
| State operating grants | - | - | - | - |
| State capital grants | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and fees | - | - | - | - |
| Interest income | - | - | - | - |
| Other | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,167</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 2,163 | - | 1,609 | 9,491 |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>2,163</u> | <u>-</u> | <u>1,609</u> | <u>9,491</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(2,163)</u> | <u>-</u> | <u>(1,609)</u> | <u>(324)</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | (3,725) | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>(3,725)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net change in fund balances</i> | (5,888) | - | (1,609) | (324) |
| <i>Fund balances - beginning of year</i> | <u>6,000</u> | <u>-</u> | <u>1,792</u> | <u>326</u> |
| <i>Fund balances - end of year</i> | <u>\$ 112</u> | <u>\$ -</u> | <u>\$ 183</u> | <u>\$ 2</u> |

See independent auditors' report.

| <u>Special Revenue</u> | | <u>Capital Projects</u> | | | |
|-------------------------------|--------------------------------|--|---------------------------------------|--|---|
| <u>2010 Region IV 296</u> | <u>Fire Prevention 764</u> | <u>Street Co-Op Projects 214</u> | <u>Street Improvement 216</u> | <u>Capital Improvement 220</u> | <u>Downtown Master Plan 275</u> |
| \$ - | \$ - | \$ - | \$ 574,946 | \$ 622,765 | \$ - |
| - | - | - | 364,089 | - | - |
| - | 240 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 16,736 | 61,405 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 163,821 | 1,360 | 270 | - |
| - | 16,976 | 225,226 | 940,395 | 623,035 | - |
| - | - | - | - | - | - |
| - | 3,268 | - | - | - | - |
| - | - | - | 746,391 | 25,363 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 473,379 | 34,516 | 455,728 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 3,268 | 473,379 | 780,907 | 481,091 | - |
| - | 13,708 | (248,153) | 159,488 | 141,944 | - |
| - | - | - | - | - | - |
| - | - | 12,273 | - | - | - |
| - | - | - | (12,273) | (350,750) | - |
| - | - | 12,273 | (12,273) | (350,750) | - |
| - | 13,708 | (235,880) | 147,215 | (208,806) | - |
| - | 25,645 | 314,873 | 362,317 | 316,149 | - |
| \$ - | \$ 39,353 | \$ 78,993 | \$ 509,532 | \$ 107,343 | \$ - |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

| | <u>Capital Projects</u> | | | <u>Debt Service</u> |
|--|---------------------------|--|--------------------------------|---|
| | <u>CDBG Alamo 277</u> | <u>Rehab Taxiway ABC & Apron 433</u> | <u>La Plaza League 470</u> | <u>Recreation Center Phase II 330</u> |
| <i>Revenues</i> | | | | |
| Taxes: | | | | |
| Gross receipts | \$ - | \$ - | \$ - | \$ 377,071 |
| Gasoline and motor vehicle | - | - | - | - |
| Other | - | - | - | - |
| Intergovernmental: | | | | |
| Federal operating grants | - | - | - | - |
| Federal capital grants | - | - | - | - |
| State operating grants | - | 9,364 | - | - |
| State capital grants | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and fees | - | - | - | - |
| Interest income | - | - | - | 5,044 |
| Other | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>9,364</u> | <u>-</u> | <u>382,115</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| General government | - | - | - | 12,255 |
| Public safety | - | - | - | - |
| Public works | - | 10,405 | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | 385,150 |
| Interest | - | - | - | 108,516 |
| <i>Total expenditures</i> | <u>-</u> | <u>10,405</u> | <u>-</u> | <u>505,921</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>(1,041)</u> | <u>-</u> | <u>(123,806)</u> |
| <i>Other financing sources (uses)</i> | | | | |
| Reversion to other governments | - | - | - | - |
| Transfers in | - | - | - | 324,667 |
| Transfers out | - | - | - | (450,000) |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(125,333)</u> |
| <i>Net change in fund balances</i> | - | (1,041) | - | (249,139) |
| <i>Fund balances - beginning of year</i> | - | 184,932 | 1 | 745,274 |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ 183,891</u> | <u>\$ 1</u> | <u>\$ 496,135</u> |

See independent auditors' report.

Debt Service

| Gasoline Tax Revenue Bonds 331 | Municipal Pooled GRT Bonds 334 | NMFA Equipment Loan 337 | NMFA Fire Equipment Loan 338 | Total Nonmajor Governmental Funds |
|---|---|--|---|--|
| \$ - | \$ - | \$ - | \$ - | \$ 1,574,782 |
| - | - | - | - | 364,089 |
| - | - | - | - | 318,328 |
| - | - | - | - | 446,762 |
| - | - | - | - | 14,256 |
| - | - | - | - | 945,591 |
| - | - | - | - | 374,800 |
| - | - | - | - | 86,996 |
| - | - | - | - | 112,414 |
| - | 82 | 515 | 97 | 16,773 |
| - | - | - | - | 178,201 |
| <u>-</u> | <u>82</u> | <u>515</u> | <u>97</u> | <u>4,432,992</u> |
| - | - | - | - | 359,696 |
| - | - | - | - | 250,993 |
| - | - | - | - | 782,159 |
| - | - | - | - | 1,183,393 |
| - | - | - | - | 23,208 |
| - | - | - | - | 1,414,718 |
| - | 200,000 | 36,750 | 31,416 | 653,316 |
| - | 100,750 | 897 | 2,649 | 212,812 |
| <u>-</u> | <u>300,750</u> | <u>37,647</u> | <u>34,065</u> | <u>4,880,295</u> |
| <u>-</u> | <u>(300,668)</u> | <u>(37,132)</u> | <u>(33,968)</u> | <u>(447,303)</u> |
| - | - | - | - | (3,725) |
| - | 300,750 | 37,698 | 34,065 | 1,063,453 |
| - | - | - | - | (933,786) |
| <u>-</u> | <u>300,750</u> | <u>37,698</u> | <u>34,065</u> | <u>125,942</u> |
| - | 82 | 566 | 97 | (321,361) |
| <u>(19,533)</u> | <u>180,639</u> | <u>35,747</u> | <u>1,555</u> | <u>2,923,623</u> |
| <u>\$ (19,533)</u> | <u>\$ 180,721</u> | <u>\$ 36,313</u> | <u>\$ 1,652</u> | <u>\$ 2,602,262</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Internal Service Funds
Combining Statement of Net Position
June 30, 2017

| | Automated System Financing | Utilities Administration | Utilities Service | Total |
|---|---|-------------------------------------|------------------------------|---------------------|
| Assets and deferred outflows of resources | | | | |
| <i>Assets</i> | | | | |
| <i>Current assets</i> | | | | |
| Cash and cash equivalents | \$ 143,326 | \$ 342,997 | \$ 344,499 | \$ 830,822 |
| Due from other funds | - | 20,000 | - | 20,000 |
| <i>Total current assets</i> | <u>143,326</u> | <u>362,997</u> | <u>344,499</u> | <u>850,822</u> |
| <i>Noncurrent assets</i> | | | | |
| Capital assets | 1,023,423 | 828,925 | 114,860 | 1,967,208 |
| Accumulated depreciation | (1,020,470) | (684,171) | (100,778) | (1,805,419) |
| <i>Total noncurrent assets</i> | <u>2,953</u> | <u>144,754</u> | <u>14,082</u> | <u>161,789</u> |
| <i>Deferred outflows of resources</i> | | | | |
| Change in assumptions | - | 34,450 | 31,391 | 65,841 |
| Employer contributions subsequent to the measurement date | - | 28,372 | 31,135 | 59,507 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 97,091 | 87,336 | 184,427 |
| Difference between expected and actual experience | - | 31,052 | 29,876 | 60,928 |
| <i>Total deferred outflows of resources</i> | <u>-</u> | <u>190,965</u> | <u>179,738</u> | <u>370,703</u> |
| <i>Total assets and deferred outflows of resources</i> | <u>\$ 146,279</u> | <u>\$ 698,716</u> | <u>\$ 538,319</u> | <u>\$ 1,383,314</u> |

See independent auditors' report.

| | Automated System Financing | Utilities Administration | Utilities Service | Total |
|---|---|-------------------------------------|------------------------------|---------------------|
| Liabilities, deferred inflows of resources, and net position | | | | |
| <i>Liabilities</i> | | | | |
| <i>Current liabilities</i> | | | | |
| Accounts payable | \$ 170 | \$ 7,373 | \$ 7,579 | \$ 15,122 |
| Accrued payroll expenses | - | 8,735 | 9,421 | 18,156 |
| Accrued compensated absences | - | 16,051 | 17,900 | 33,951 |
| <i>Total current liabilities</i> | <u>170</u> | <u>32,159</u> | <u>34,900</u> | <u>67,229</u> |
| <i>Noncurrent liabilities</i> | | | | |
| Accrued compensated absences | - | - | - | - |
| Net pension liability | - | 536,918 | 558,962 | 1,095,880 |
| <i>Total noncurrent liabilities</i> | <u>-</u> | <u>536,918</u> | <u>558,962</u> | <u>1,095,880</u> |
| <i>Total liabilities</i> | <u>170</u> | <u>569,077</u> | <u>593,862</u> | <u>1,163,109</u> |
| <i>Deferred inflows of resources</i> | | | | |
| Change in assumptions | - | 2,092 | 2,672 | 4,764 |
| Change in proportion | - | 32,115 | 32,455 | 64,570 |
| Difference between expected and actual experience | - | 2,966 | 3,594 | 6,560 |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>37,173</u> | <u>38,721</u> | <u>75,894</u> |
| <i>Net position</i> | | | | |
| Net investment in capital assets | 2,953 | 144,754 | 14,082 | 161,789 |
| Unrestricted | 143,156 | (52,288) | (108,346) | (17,478) |
| <i>Total net position</i> | <u>146,109</u> | <u>92,466</u> | <u>(94,264)</u> | <u>144,311</u> |
| <i>Total liabilities, deferred inflows of resources, and net position</i> | <u>\$ 146,279</u> | <u>\$ 698,716</u> | <u>\$ 538,319</u> | <u>\$ 1,383,314</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017

Statement B-2

| | Automated System Financing | Utilities Administration | Utilities Service | Total |
|---|---|-------------------------------------|------------------------------|--------------------|
| <i>Operating revenues</i> | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Total operating revenues | - | - | - | - |
| <i>Operating expenses</i> | | | | |
| Personnel services | - | 450,828 | 448,253 | 899,081 |
| Utilities | - | 3,741 | 7,173 | 10,914 |
| Contractual Services | - | 5,257 | - | 5,257 |
| Supplies and purchased power | 4,284 | 69,591 | 1,231 | 75,106 |
| Maintenance and materials | 224,681 | 6,402 | 3,264 | 234,347 |
| Depreciation | 2,757 | 22,644 | 5,429 | 30,830 |
| Other costs | 516 | 11,873 | 65,362 | 77,751 |
| Total operating expenses | 232,238 | 570,336 | 530,712 | 1,333,286 |
| Operating income (loss) | (232,238) | (570,336) | (530,712) | (1,333,286) |
| <i>Non-operating revenues (expenses)</i> | | | | |
| Investment income | 157 | 893 | 993 | 2,043 |
| Miscellaneous income | 250 | - | - | 250 |
| Total non-operating revenues (expenses) | 407 | 893 | 993 | 2,293 |
| Income (loss) before contributions and transfers | (231,831) | (569,443) | (529,719) | (1,330,993) |
| Transfers in | 300,000 | 655,180 | 421,580 | 1,376,760 |
| Transfers out | - | (180,000) | (20,000) | (200,000) |
| Change in net position | 68,169 | (94,263) | (128,139) | (154,233) |
| Net position - beginning | 77,940 | 186,729 | 33,875 | 298,544 |
| Net position - end of year | \$ 146,109 | \$ 92,466 | \$ (94,264) | \$ 144,311 |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

Statement B-3

| | Automated System Financing | Utilities Administration | Utilities Service | Total |
|---|---|-------------------------------------|------------------------------|-----------------------|
| <i>Cash flows from operating activities</i> | | | | |
| Cash received from user charges | \$ - | \$ - | \$ - | \$ - |
| Cash payments to employees for services | - | (438,868) | (432,773) | (871,641) |
| Cash payments to suppliers for goods and services | (229,311) | (92,860) | (72,909) | (395,080) |
| <i>Net cash provided (used) by operating activities</i> | <u>(229,311)</u> | <u>(531,728)</u> | <u>(505,682)</u> | <u>(1,266,721)</u> |
| <i>Cash flows from noncapital financing activities</i> | | | | |
| Miscellaneous income | 250 | 2 | - | 252 |
| Cash transfers | 300,000 | 475,180 | 401,580 | 1,176,760 |
| <i>Net cash provided (used) by noncapital financing activities</i> | <u>300,250</u> | <u>475,182</u> | <u>401,580</u> | <u>1,177,012</u> |
| <i>Cash flows from investing activities</i> | | | | |
| Interest on investments | 157 | 891 | 993 | 2,041 |
| <i>Net cash provided (used) by investing activities</i> | <u>157</u> | <u>891</u> | <u>993</u> | <u>2,041</u> |
| <i>Cash flows from capital and related financing activities</i> | | | | |
| Acquisition of capital assets | - | (5,490) | - | (5,490) |
| <i>Net cash provided (used) by capital and related financing activities</i> | <u>-</u> | <u>(5,490)</u> | <u>-</u> | <u>(5,490)</u> |
| <i>Net (decrease) increase in cash and cash equivalents</i> | 71,096 | (61,145) | (103,109) | (93,158) |
| <i>Cash and cash equivalents - beginning of year</i> | <u>72,230</u> | <u>404,142</u> | <u>447,608</u> | <u>923,980</u> |
| <i>Cash and cash equivalents - end of year</i> | <u>\$ 143,326</u> | <u>\$ 342,997</u> | <u>\$ 344,499</u> | <u>\$ 830,822</u> |
| <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i> | | | | |
| Operating income (loss) | \$ (232,238) | \$ (570,336) | \$ (530,712) | \$ (1,333,286) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 2,757 | 22,644 | 5,429 | 30,830 |
| Noncash pension expense (benefit) | - | 35,260 | 31,817 | 67,077 |
| Changes in assets, deferred outflows, and liabilities: | | | | |
| Deferred outflows - subsequent contributions | - | (1,525) | (1,376) | (2,901) |
| Accounts payable | 170 | 4,004 | 4,121 | 8,295 |
| Accrued payroll expenses | - | (19,727) | (13,463) | (33,190) |
| Accrued compensated absences | - | (2,048) | (1,498) | (3,546) |
| <i>Net cash provided (used) by operating activities</i> | <u>\$ (229,311)</u> | <u>\$ (531,728)</u> | <u>\$ (505,682)</u> | <u>\$ (1,266,721)</u> |

See independent auditors' report.

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Deposit Accounts
June 30, 2017

Schedule III
Page 1 of 2

| Bank Name/ Account Type | Account Type | Bank Balance | Deposits in Transit | Outstanding Checks | Totals |
|-------------------------------------|-----------------|-------------------|------------------------|-----------------------|-------------------|
| Community First Bank | | | | | |
| General Fund | Demand Account | \$ - | \$ - | \$ - | \$ - |
| Library Special | Demand Account | 17,869 | - | 703 | 17,166 |
| Economic Development | Demand Account | - | - | - | - |
| Recreation Center Phase II | Demand Account | 77,393 | - | - | 77,393 |
| Waste Water Reserves | Demand Account | - | - | - | - |
| Gas Meter Deposit | Demand Account | 259,189 | 4,052 | 6,653 | 256,588 |
| Meter Deposits - Gas | Demand Account | - | - | - | - |
| Water Reserve | Demand Account | - | - | - | - |
| Water Construction | Demand Account | - | - | - | - |
| Water Improvement Bond | Demand Account | - | - | - | - |
| Meter Deposits - Water | Demand Account | - | - | - | - |
| Housing Low Rent | Demand Account | - | - | - | - |
| Enterprise Pool | Demand Account | 14,084,269 | 97,478 | 181,832 | 13,999,915 |
| <i>Total Community Bank</i> | | <u>14,438,720</u> | <u>101,530</u> | <u>189,188</u> | <u>14,351,062</u> |
| Southwest Capital Bank | | | | | |
| General Fund | Demand Account | 2,586,059 | 123,197 | 135,535 | 2,573,721 |
| Naturak Gas UB | Demand Account | 125,174 | - | - | 125,174 |
| Water Construction Project | Demand Account | 902,628 | - | - | 902,628 |
| Water Meter Deposit | Demand Account | 80,260 | 5,450 | 10,215 | 75,495 |
| HA Tenant Deposits | Demand Account | 41,485 | 386 | 1,053 | 40,818 |
| Housing Authority | Demand Account | 425,706 | 101,733 | 18,269 | 509,170 |
| PD Safe Keeping | Demand Account | 43,083 | - | - | 43,083 |
| Bond Trust | Demand Account | 25,822 | - | 300 | 25,522 |
| Payroll | Demand Account | 256,784 | - | 256,382 | 402 |
| Capital Improvement | Demand Account | 107,904 | - | 96,539 | 11,365 |
| Water Projects | Demand Account | 2,345,455 | - | 27,026 | 2,318,429 |
| HA Modernization | Demand Account | 285,064 | 8,135 | 293,199 | - |
| Certificate of Depoist | Time Deposit | 5,000,000 | - | - | 5,000,000 |
| <i>Total Southwest Capital Bank</i> | | <u>12,225,424</u> | <u>238,901</u> | <u>838,518</u> | <u>11,625,807</u> |
| Wells Fargo | | | | | |
| Gross Receipts Tax Bonds | Demand Account | 180,721 | - | - | 180,721 |
| Water Reserve | Savings Account | 1,627,505 | - | - | 1,627,505 |
| <i>Total Wells Fargo</i> | | <u>1,808,226</u> | <u>-</u> | <u>-</u> | <u>1,808,226</u> |

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Deposit Accounts
June 30, 2017

Schedule III
Page 2 of 2

| Bank Name/ Account Type | Account Type | Bank Balance | Deposits in Transit | Outstanding Checks | Totals |
|---|--------------|----------------------|------------------------|-----------------------|----------------------|
| NMFA | | | | | |
| LASVEGAS24-State Treasurer | NMFA Cash | \$ 119 | \$ - | \$ - | \$ 119 |
| LASVEGAS24- Reserve Funds Payable | NMFA Cash | 11,336 | - | - | 11,336 |
| LASVEGAS16-State Treasurer | NMFA Cash | 846 | - | - | 846 |
| LASVEGAS16-Reserve Funds Payable | NMFA Cash | 23,472 | - | - | 23,472 |
| LASVEGAS10- State Treasurer | NMFA Cash | 107 | - | - | 107 |
| LASVEGAS12-State Treasurer | NMFA Cash | 181 | - | - | 181 |
| LASVEGAS11- State Treasurer | NMFA Cash | 130 | - | - | 130 |
| LASVEGAS11-Reserve Funds Payable | NMFA Cash | 354,712 | - | - | 354,712 |
| LASVEGAS18-State Treasurer | NMFA Cash | 1,284 | - | - | 1,284 |
| LASVEGAS21-State Treasurer | NMFA Cash | 2,140 | - | - | 2,140 |
| LASVEGAS23-State Treasurer | NMFA Cash | 2,611 | - | - | 2,611 |
| LASVEGAS22- State Treasurer | NMFA Cash | 2,810 | - | - | 2,810 |
| LASVEGAS27- State Treasurer | NMFA Cash | 1,616 | - | - | 1,616 |
| LASVEGAS28- State Treasurer | NMFA Cash | 236 | - | - | 236 |
| LASVEGAS30-Reserve Funds Payable | NMFA Cash | 283,391 | - | - | 283,391 |
| LASVEGAS30-State Treasurer | NMFA Cash | 56,605 | - | - | 56,605 |
| LASVEGAS31-Program Funds | NMFA Cash | 1,233,864 | - | - | 1,233,864 |
| LASVEGAS31-Reserve Funds Payable | NMFA Cash | 137,096 | - | - | 137,096 |
| <i>Total NMFA</i> | | <u>2,112,556</u> | <u>-</u> | <u>-</u> | <u>2,112,556</u> |
| <i>Total Deposits</i> | | <u>\$ 30,584,926</u> | <u>\$ 340,431</u> | <u>\$ 1,027,706</u> | <u>29,897,651</u> |
| Add: Petty cash | | | | | 1,266 |
| Less: Restricted cash and cash equivalents per Exhibit A-1 | | | | | (2,485,457) |
| Less: Investments per Exhibit A-1 | | | | | (5,000,000) |
| Less: Agency cash per Exhibit E-1 | | | | | <u>(69,689)</u> |
| <i>Total unrestricted cash and cash equivalents per Exhibit A-1</i> | | | | | <u>\$ 22,343,771</u> |

See independent auditors' report.

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STATE OF NEW MEXICO
City of Las Vegas
Schedule of Collateral Pledged By Depository
For Public Funds
June 30, 2017

Schedule IV

| <u>Name of Depository</u> | <u>Description of Pledged Collateral</u> | <u>Maturity</u> | <u>CUSIP Number</u> | <u>Fair Market Value at June 30, 2017</u> | <u>Location of Safekeeper</u> |
|-------------------------------|--|-----------------|---------------------|---|-------------------------------|
| Community First Bank | | | | | |
| | FNMA ARM- Pool#:725904 | 4/1/2034 | 31402DNV8 | \$ 174,091 | Kansas City, MO |
| | FNMA ARM- Pool#:708316 | 6/1/2033 | 31401G3Z5 | 51,055 | Kansas City, MO |
| | FHLMC- Pool#N70059 | 9/1/2023 | 31281LB49 | 60,209 | Kansas City, MO |
| | FHLMC- Pool#780095 | 12/1/2032 | 31342AC80 | 14,181 | Kansas City, MO |
| | FNMA ARM- Pool#:654324 | 10/1/2032 | 31390R4H3 | 26,802 | Kansas City, MO |
| | GNMA SERIES 2003-97 CLASS ME | 3/20/2033 | 38374EXD4 | 15,690 | Kansas City, MO |
| | GNMA-II-Pool#:080819 | 1/20/2034 | 36225C4D5 | 49,247 | Kansas City, MO |
| | FNMA- Pool#257076 | 2/1/2028 | 31371NQ57 | 74,722 | Kansas City, MO |
| | FNMA- Pool#256951 | 10/1/2037 | 31371NL86 | 16,639 | Kansas City, MO |
| | FNMA- Pool#938120 | 5/1/2037 | 31412XVM3 | 30,439 | Kansas City, MO |
| | LAS VEGAS NM CITY SCH DIST #2 | 8/15/2019 | 51778FCT4 | 465,242 | Kansas City, MO |
| | FHLMC Series 3982 Class MD | 5/15/2039 | 3137AKAS0 | 641,319 | Kansas City, MO |
| | US Treasury Note | 2/28/2018 | 912828UR9 | 1,993,750 | Kansas City, MO |
| | FHLMC- Pool#G14450 | 10/1/2026 | 31128MDEX7 | 813,527 | Kansas City, MO |
| | FNMA- PoolAL1749 | 4/1/2027 | 3138EH5K4 | 899,210 | Kansas City, MO |
| | FNMA- Pool#AL2740 | 7/1/2027 | 3138EKBJ3 | 820,588 | Kansas City, MO |
| | Letter of Credit #3033001079 | 9/29/2017 | NA | <u>2,500,000</u> | Irving, TX |
| | <i>Total Community First Bank</i> | | | <u>8,646,710</u> | |
| Southwest Capital Bank | | | | | |
| | FHLB FN MA1080 | 6/1/2022 | 31418AFW3 | 119,665 | Dallas, TX |
| | FHLMC Agency - 1X | 2/15/2019 | 3134G3B82 | 1,500,000 | Dallas, TX |
| | FHLB-LC4305000001 | 1/25/2018 | LOC | 3,500,000 | Dallas, TX |
| | FHLB-LC4305000003 | 1/25/2018 | LOC | 680,000 | Dallas, TX |
| | FHLB-LC4305000002 | 1/25/2018 | LOC | 500,000 | Dallas, TX |
| | FHLB-LC4305000001 | 1/25/2018 | LOC | <u>50,000</u> | Dallas, TX |
| | <i>Total Southwest Capital Bank</i> | | | <u>6,349,665</u> | |
| Wells Fargo Bank | | | | | |
| | FNMA FNMS | 1/1/2043 | 3138MPRS6 | 80,284 | Bank of New York Mellon |
| | FNMA FNMS | 8/1/2030 | 3138WFF27 | <u>677,510</u> | Bank of New York Mellon |
| | <i>Total Wells Fargo Bank</i> | | | <u>757,794</u> | |
| | <i>Total Pledged Collateral</i> | | | <u><u>\$ 15,754,169</u></u> | |

See independent auditors' report.

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STATE OF NEW MEXICO

Schedule V

City of Las Vegas

Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2017

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|--------------------------|--|------------------|------------------|--|
| Assets | | | | |
| Cash | \$ 60,441 | \$ 86,014 | \$ 76,766 | \$ 69,689 |
| <i>Total assets</i> | <u>\$ 60,441</u> | <u>\$ 86,014</u> | <u>\$ 76,766</u> | <u>\$ 69,689</u> |
| Liabilities | | | | |
| Due to other entities | \$ 60,441 | \$ 86,014 | \$ 76,766 | \$ 69,689 |
| <i>Total liabilities</i> | <u>\$ 60,441</u> | <u>\$ 86,014</u> | <u>\$ 76,766</u> | <u>\$ 69,689</u> |

See independent auditors' report.

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STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2017

Schedule VI
Page 1 of 5

| Line Item Number | Description | Low Rent Public Housing Program NM004000001 14.850 | Revitalization of Severely Distressed Public Housing 14.866 | Total |
|------------------------|---|---|---|----------------------------|
| 111 | Cash - Unrestricted | \$ 509,170 | \$ - | \$ 509,170 |
| 114 | Cash - Tenant Security Deposits | 40,818 | - | 40,818 |
| 100 | Total Cash | <u>549,988</u> | - | <u>549,988</u> |
| 124 | Accounts Receivable - Other Government | 437,110 | - | 437,110 |
| 125 | Accounts Receivable - Miscellaneous | - | - | - |
| 126 | Accounts Receivable - Tenants - Dwelling Rents | 8,612 | - | 8,612 |
| 126.1 | Allowance for Doubtful Accounts - Dwelling Rents | <u>(225)</u> | - | <u>(225)</u> |
| 120 | Total Receivables, Net of Allowance for Doubtful Accounts | <u>445,497</u> | - | <u>445,497</u> |
| 131 | Investments - Unrestricted | <u>115,024</u> | - | <u>115,024</u> |
| 130 | Total Investments | 115,024 | - | 115,024 |
| 143 | Inventories | 9,238 | - | 9,238 |
| 143.1 | Allowance for Obsolete Inventories | - | - | - |
| 150 | Total Current Assets | <u>1,119,747</u> | - | <u>1,119,747</u> |
| 161 | Land | 160,150 | - | 160,150 |
| 162 | Buildings | 12,155,763 | - | 12,155,763 |
| 163 | Furniture, Equipment & Machinery - Dwellings | 259,878 | - | 259,878 |
| 164 | Furniture, Equipment & Machinery - Administration | 303,019 | - | 303,019 |
| 165 | Leasehold Improvements | - | - | - |
| 166 | Accumulated Depreciation | (8,196,472) | - | (8,196,472) |
| 167 | Construction in progress | - | - | - |
| 160 | Total Capital Assets, Net of Accumulated Depreciation | <u>4,682,338</u> | - | <u>4,682,338</u> |
| 180 | Total Non-Current Assets | <u>4,682,338</u> | - | <u>4,682,338</u> |
| 190 | Total Assets | <u>5,802,085</u> | - | <u>5,802,085</u> |
| 200 | Deferred Outflows of Resources | <u>269,199</u> | - | <u>269,199</u> |
| 290 | Total Assets and Deferred Outflows of Resources | <u><u>\$ 6,071,284</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 6,071,284</u></u> |

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2017

| Line Item Number | Description | Low Rent Public Housing Program NM004000001 14.850 | Revitalization of Severely Distressed Public Housing 14.866 | Total |
|------------------------|--|---|---|---------------------|
| 312 | Accounts Payable <= 90 Days | \$ 66,748 | \$ - | \$ 66,748 |
| 313 | Accounts Payable > 90 Days Past Due | | | - |
| 321 | Accrued Wage/Payroll Taxes Payable | 13,938 | - | 13,938 |
| 322 | Accrued Compensated Absences - Current Portion | 31,197 | - | 31,197 |
| 341 | Tenant Security Deposits | 40,818 | - | 40,818 |
| 342 | Deferred Revenues | | | - |
| 310 | Total Current Liabilities | <u>152,701</u> | <u>-</u> | <u>152,701</u> |
| 357 | Accrued Pension and OPEB Liabilities | <u>776,720</u> | <u>-</u> | <u>776,720</u> |
| 350 | Total Non-Current Liabilities | <u>776,720</u> | <u>-</u> | <u>776,720</u> |
| 300 | Total Liabilities | <u>929,421</u> | <u>-</u> | <u>929,421</u> |
| 400 | Deferred Inflows of Resources | <u>54,476</u> | <u>-</u> | <u>54,476</u> |
| 508.1 | Net investment in capital assets | 4,682,338 | - | 4,682,338 |
| 512.1 | Unrestricted Net Position | <u>405,049</u> | <u>-</u> | <u>405,049</u> |
| 513 | Total Equity/Net Position | <u>5,087,387</u> | <u>-</u> | <u>5,087,387</u> |
| 600 | <i>Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position</i> | <u>\$ 6,071,284</u> | <u>\$ -</u> | <u>\$ 6,071,284</u> |

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2017

Schedule VI
Page 3 of 5

| Line Item Number | Description | Low Rent Public Housing Program NM004000001 14.850 | Revitalization of Severely Distressed Public Housing 14.866 | Capital Fund Program 14.872 | Total |
|------------------------|--|---|---|--------------------------------------|------------|
| 70300 | Net Tenant Rental Revenue | \$ 521,555 | \$ - | \$ - | \$ 521,555 |
| 70400 | Tenant Revenue - Other | 28,243 | - | - | 28,243 |
| 70500 | Total Tenant Revenue | 549,798 | - | - | 549,798 |
| 70600 | HUD PHA Operating Grants | 644,012 | - | - | 644,012 |
| 70610 | Capital Grants | - | - | 370,137 | 370,137 |
| 71100 | Investment Income - Unrestricted | 322 | - | - | 322 |
| 71500 | Other Revenue | 2,276 | - | - | 2,276 |
| 70000 | Total Revenue | 1,196,408 | - | 370,137 | 1,566,545 |
| 91100 | Administrative Salaries | 219,702 | - | - | 219,702 |
| 91200 | Auditing Fees | 4,000 | - | 1,257 | 5,257 |
| 91400 | Advertising and Marketing | 733 | - | - | 733 |
| 91500 | Employee Benefit Contributions - Administrative | 232,233 | - | - | 232,233 |
| 91600 | Office Expenses | 17,512 | - | - | 17,512 |
| 91800 | Travel | 16,942 | - | - | 16,942 |
| 91900 | Other Operating - Administrative | 23,120 | - | 2,930 | 26,050 |
| 91000 | Total Operating - Administrative | 514,242 | - | 4,187 | 518,429 |
| 93100 | Water | 65,605 | - | - | 65,605 |
| 93200 | Electricity | 10,399 | - | - | 10,399 |
| 93300 | Gas | 93,414 | - | - | 93,414 |
| 93400 | Fuel | 5,421 | - | - | 5,421 |
| 93600 | Sewer | 133,782 | - | - | 133,782 |
| 93000 | Total Utilities | 308,621 | - | - | 308,621 |

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2017

Schedule VI
Page 4 of 5

| Line Item Number | Description | Low Rent Public Housing Program NM004000001 14.850 | Revitalization of Severely Distressed Public Housing 14.866 | Capital Fund Program 14.872 | Total |
|------------------------|---|---|---|--------------------------------------|-----------|
| 94300 | Ordinary Maintenance & Operation | 79,268 | - | - | 79,268 |
| 94500 | Employee Benefit Contributions - Ordinary Maintenance | 85,621 | | | 85,621 |
| 94000 | Total Maintenance | 164,889 | - | - | 164,889 |
| 95100 | Protective Services - Labor | 205,182 | - | - | 205,182 |
| 95000 | Total Protective Services | 205,182 | - | - | 205,182 |
| 96140 | All Other Insurance | 66,179 | - | - | 66,179 |
| 96100 | Total Insurance Premiums | 66,179 | - | - | 66,179 |
| 96210 | Compensated Absences | 9,209 | - | - | 9,209 |
| 96300 | Payment In Lieu of Taxes | 2,000 | - | - | 2,000 |
| 96400 | Bad Debt - Tenant Rents | 15,516 | - | - | 15,516 |
| 96000 | Total Other General | 26,725 | - | - | 26,725 |
| 96900 | Total Operating Expenses | 1,285,838 | - | 4,187 | 1,290,025 |
| 97000 | Excess Operating Revenue Over Operating Expenses | 42,330 | - | 365,950 | 408,280 |
| 97400 | Depreciation Expense | 256,468 | - | - | 256,468 |
| 90000 | Total Expenses | 1,542,306 | - | 4,187 | 1,546,493 |
| 10010 | Operating Transfers In | - | - | - | - |
| 10020 | Operating Transfers Out | - | - | - | - |
| 10030 | Operating Transfers from/to Primary Government | - | - | - | - |
| 10091 | Inter Project excess Cash Transfer In | | | | - |
| 10092 | Inter Project excess Cash Transfer Out | - | - | - | - |
| 10100 | Total Other Financing Sources (Uses) | - | - | - | - |
| 10000 | Excess (Deficiency) of Operating Revenue Over (Under) Expenses | (345,898) | - | 365,950 | 20,052 |

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2017

| Line Item Number | Description | Low Rent Public Housing Program NM004000001 14.850 | Revitalization of Severely Distressed Public Housing 14.866 | Capital Fund Program 14.872 | Total |
|------------------------|-------------------------------------|---|---|--------------------------------------|---------------------|
| 11030 | Beginning Equity | \$ 5,066,624 | \$ 711 | \$ - | \$ 5,067,335 |
| 11040-10 | Prior Period Adjustments | - | - | - | - |
| 11040-20 | Equity Transfers | 366,661 | (711) | (365,950) | - |
| 11040-30 | Prior Year Voids | - | - | - | - |
| 11040-40 | Return of Funds to HUD | - | - | - | - |
| | <i>Ending Equity (deficit)</i> | <u>\$ 5,087,387</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,087,387</u> |
| 11190 | <i>Unit Months Available</i> | <u>3,180</u> | <u>-</u> | <u>-</u> | <u>3,180</u> |
| 11210 | <i>Number of Unit Months Leased</i> | <u>2,930</u> | <u>-</u> | <u>-</u> | <u>2,930</u> |
| 11270 | <i>Excess Cash</i> | <u>\$ 902,851</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 902,851</u> |

See independent auditors' report.

COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson
New Mexico State Auditor
The United States Office of Management and Budget and
The City Council
City of Las Vegas
Las Vegas, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the General Fund of the City of Las Vegas, New Mexico (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 13, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

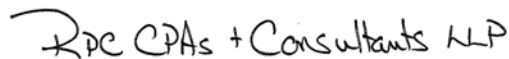
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 findings as items NM 2015-001 and NM 2017-001.

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 result 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.



RPC CPAs + Consultants, LLP
Albuquerque, NM
December 13, 2017

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FEDERAL FINANCIAL ASSISTANCE

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

INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson
New Mexico State Auditor
The United States Office of Management and Budget and
The City Council
City of Las Vegas
Las Vegas, New Mexico

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City 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 the major federal program for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item FA 2017-001. Our opinion on the major federal program is not modified with respect to these matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

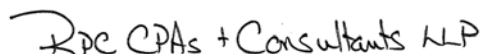
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of 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 and, therefore, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as FA 2017-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
December 13, 2017

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

| Funding Source/Grant or Contact Name | CFDA Number | Pass-Through Grant Number |
|---|--------------------|----------------------------------|
| U.S. Department of Justice | | |
| <i>Direct Funding</i> | | |
| Bulletproof Vest Partnership Program | 16.607 | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| <i>Pass-Through Programs from NM Department of Public Safety</i> | | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| Edward Byrne Memorial Justice Assistant Grant (JAG) | 16.804 | |
| Total U.S. Department of Justice | | |
| U.S. Department of Transportation | | |
| <i>Pass-Through Programs from NM Department of Transportation</i> | | |
| Formula Grants for Other Than Urbanized Areas | 20.509 | |
| Total U.S. Department of Transportation | | |
| U.S. Department of Housing and Urban Development | | |
| <i>Direct Funding</i> | | |
| Public and Indian Housing | 14.850 | |
| Public Housing Capital Fund | * | 14.872 |
| Total U.S. Department of Housing and Urban Development | | |
| U.S. Department of Health and Human Services | | |
| <i>Passed through the Northern NM Economic Division District</i> | | |
| Aging Cluster - Nutrition Services Incentive Program | 93.053 | |
| Aging Cluster - Title IIIB | 93.044 | |
| Aging Cluster - Title IIIC1 and Title IIIC2 | 93.045 | |
| Total U.S. Department of Health and Human Services | | |
| U. S. Environmental Protection Agency | | |
| <i>Passed through the New Mexico Finance Authority</i> | | |
| CWSRF Cluster - Capitalization Grants for Clean Water State Revolving Funds | 66.458 | |
| Total U. S. Environmental Protection Agency | | |
| <i>Total Federal Financial Assistance</i> | | |
| (*) Denotes Major Federal Program | | |

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

| <u>Expenditures</u> | <u>Funds Provided to Subrecipients</u> | <u>Noncash Assistance</u> |
|---------------------------|--|-------------------------------|
| \$ 7,484 | \$ - | \$ - |
| 7,004 | - | - |
| 1,778 | - | - |
| 2,163 | - | - |
| 11,424 | - | - |
| 14,257 | - | - |
| 8,344 | - | - |
| <u>52,454</u> | <u>-</u> | <u>-</u> |
| | | |
| <u>160,821</u> | <u>-</u> | <u>-</u> |
| <u>160,821</u> | <u>-</u> | <u>-</u> |
| | | |
| 644,012 | - | - |
| 370,137 | - | - |
| <u>1,014,149</u> | <u>-</u> | <u>-</u> |
| | | |
| 75,526 | - | - |
| 30,604 | - | - |
| 142,287 | - | - |
| <u>248,417</u> | <u>-</u> | <u>-</u> |
| | | |
| <u>211,737</u> | <u>-</u> | <u>-</u> |
| <u>211,737</u> | <u>-</u> | <u>-</u> |
| | | |
| <u><u>\$1,687,578</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

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STATE OF NEW MEXICO
City of Las Vegas
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Las Vegas (the City) and is presented on a modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements except for the proprietary funds. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. Loans

The City expended federal awards in the form of loans in the Clean Water State Revolving Fund program totaling \$211,737 during the year ended June 30, 2017.

3. 10% de minimus Indirect Cost Rate

The City did not elect to use the allowed 10% indirect cost rate.

4. Federally Funded Insurance

The City has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

| | |
|--|-----------------------------|
| Total federal awards expended per Schedule of Expenditures of Federal Awards | \$ 1,687,578 |
| Total expenditures funded by other sources | <u>30,073,599</u> |
| <i>Total expenditures</i> | <u><u>\$ 31,761,177</u></u> |

See independent auditors' report.

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STATE OF NEW MEXICO
City of Las Vegas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements:

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

4. Identification of major programs:

| CFDA Number | Federal Program |
|----------------|-----------------------------|
| 14.872 | Public Housing Capital Fund |

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

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section II – Findings - Financial Statement Audit

None noted

Section III – Findings – Federal Awards

FA 2017-001 – Physical Inventory of CFP Property (significant deficiency and other noncompliance)

Federal Program Information:

| | |
|-----------------|--|
| Funding agency: | U.S. Department of Housing and Urban Development |
| Title: | Public Housing Capital Fund |
| Grant Number: | NM02P00750114, NM02P00750115, NM02P00750116 |
| CFDA number: | 14.872 |

Condition: During testwork it was noted that the Authority has not taken a physical inventory of the property and reconciled with the property in the past two years. In addition, the Authority does not have controls in place to ensure compliance.

Criteria: Per 2 CFR section 200.313(d)(2) “A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.”

Questioned Costs: None

Effect: The Housing Authority is not in compliance with requirements of 2 CFR section 200.313(d)(2).

Cause: The Authority did not maintain a listing identifying each asset that makes up the CFP capitalized assets. Each individual asset was maintained in the file for the unit in which it was kept, with no master list. The Finance Department maintained a listing of the total capital assets for CFP however, the Housing Authority did not maintain a detail of the total capital assets and did not provide adequate documentation to support the performance of a physical inventory.

Auditors’ Recommendation: We recommend that Housing Authority management maintain a detailed listing of all individual items that comprise each of the capitalized items for CFP, including where it is kept and original individual costs. Furthermore, we recommend that the Housing Authority implement internal controls to ensure that a physical inventory of property records is taken and reconciled every two years.

Agency’s Response: The Las Vegas Housing Authority will initiate an internal physical inventory of all property, reconciled with the master property records on an annual basis. The first internal physical inventory will be completed no later than January 31, 2018. Thereafter, a physical inventory will be submitted to the finance department no later than July 31. The Housing Authority will maintain a detailed listing of all individual items that comprise each of the capitalized items for CFP, including where it is kept and original individual costs. The physical inventory requirement will be completed by the Department Director.

Section IV – Section NMSA 12-6-5 1978 Findings

NM 2015-001 (FS 2015-001) — Insufficient Internal Controls related to Credit Cards (Finding that Does not Rise to the Level of a Significant Deficiency) Repeated/Modified

Condition: The City implemented a process to involve individual departments in the review process however, the City does not have sufficient controls in place to support fuel cards' usage. Although each department of the City is responsible for reviewing fuel logs for each fuel card, there is no clear evidence of review.

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring. Without evidence of review, the City is unable to monitor the operation of the control.

Effect: The City may be paying for unallowable expenses. Inconsistent monitoring of fuel log usage could result in abuse or fraud.

Cause: The City has assigned the task of verifying the accuracy of the logs to the individual departments. However, no formal documentation of this review exists. The City sends out an email asking if the fuel logs appear reasonable and if no response is received from the departments, it is assumed that the fuel logs are accurate.

Auditors' Recommendation: The City has made progress by involving the departments in the review process however, we recommend that the City implement a system of review that requires written documentation of the accuracy of the logs, as well as the person performing the review.

Agency's Response: The City of Las Vegas will work with the Department Directors to continue the review of the monthly fuel reports and the monthly exception fuel reports. The Finance Department will require the verification of the fuel logs by each department to be reviewed for accuracy, signed by the person who has reviewed the fuel logs, and submit a signed written document back to the Purchasing Division within 5 days. This will be implemented with the December 2017 fuel invoice. The review of all fuel logs and verification will be overseen by the Finance Director.

NM 2017-001 — Insufficient Internal Controls related to the Procurement Process (Finding that Does not Rise to the Level of a Significant Deficiency)

Condition: The City's procurement records including successful bidders, publications, scoring sheet evaluations and related documentation were not maintained in a centralized location by the purchasing department.

Criteria: The City's records to support goods and services that require the City to undergo the procurement process should be maintained in a centralized location to ensure compliance with NMSA 13-1-21 to 13-1-199.

Effect: Misplacing information regarding the procurement process can lead to noncompliance with NMSA 13-1-21 to 13-1-199, and could lead to the award being given to the wrong vendor, or payments to incorrect vendors.

Cause: The City's departments are responsible for maintaining the documentation related to the procurement of goods and services for their respective departments however, the information was not readily available and each department had to search for the documents, as they were not kept in an organized manner.

Auditors' Recommendation: We recommend that the City implement a process to ensure that the different departments provide the adequate documentation to the purchasing department throughout the process of procuring goods or services.

Agency's Response: The City of Las Vegas Purchasing Division has updated their bid files to include the award letter documentation. The bid files contain the actual bid or request for proposal document, the bid tabulations, copies of bids or request for proposals received, copy of contracts and the bid award documents. This has been part of our established procurement process. Any and all required documentation will be submitted as part of our bid and/or proposal file administered by the Finance Director.

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Schedule VIII
Page 5 of 5

Section V – Prior Year Audit Findings

FS 2015-001 — Insufficient Internal Controls related to Credit Cards (Finding that Does Not Rise to the Level of a Significant Deficiency) – Repeated/Modified

FS 2015-002 — Deficiencies in Internal Control Structure Design (Significant Deficiency) - Repeated/Modified (Title Modified) - Resolved

FS 2016-001 – Placing of Construction in Progress into Service (Significant Deficiency) - Resolved

NM 2016-001 — Preparation of Accounts Payable (Finding that does not arise to the Level of Significant Deficiency) - Resolved

STATE OF NEW MEXICO

City of Las Vegas

Other Disclosures

June 30, 2017

Exit Conference

An exit conference was held on December 13, 2017. In attendance were the following:

Representing the City of Las Vegas/City of Las Vegas Housing Authority:

Tonita Gurule-Girón

Richard Trujillo

Ann Marie Gallegos

Tana Vega

Lorraine Ortiz

Mayor

City Manager

Finance Director

Deputy Finance Director

Housing Authority Director

Representing RPC CPAs + Consultants, LLP:

Danny Martinez, CPA, CGFM

Partner

Auditor Prepared Financial Statements

RPC CPAs + Consultants, LLP prepared the GAAP-basis financial statements and footnotes of the City of Las Vegas from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.