

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
FINANCIAL STATEMENTS  
JUNE 30, 2018**



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS**

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**STATE OF NEW MEXICO  
CITY OF LAS VEGAS**

**Official Roster**

**Year Ended June 30, 2018**

**City Commission**

Tonita Gurule-Girón	Mayor
David Ulibarri	Councilor
Vince Howell	Councilor
Barbara Perea-Casey	Councilor
David L. Romero	Councilor
David G. Romero	Councilor

**Administration**

Ann Marie Gallegos	Interim City Manager
Tana Vega	Interim Finance Director
Casandra Fresquez	City Clerk
Barbara Padilla	Interim 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2018, and the respective changes in financial position and, where applicable, cash flows 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.

## Emphasis of Matter

As discussed in Note 20 to the financial statements, the beginning balance of net position of the City has been restated due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. The restatement resulted in a decrease in the beginning balance of net position of the City of \$11,819,248 for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 5 through 13 and schedule of proportionate share of net pension liability and net OPEB liability, and schedules of pension and OPEB contributions and related notes on pages 72 through 80 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 financial statements that collectively comprise the City's basic financial statements. The 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), other schedules required by Section 2.2.2.NMAC, and Schedule 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, other schedules required by Section 2.2.2 NMAC and the Financial Data Schedule 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, other schedules required by Section 2.2.2 NMAC and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.



Albuquerque, New Mexico  
December 15, 2018



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Management's Discussion and Analysis  
June 30, 2018**

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, 2018 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, 2018. 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*, Independent Auditor's Report on Compliance for each Major Program and Internal Control Over Compliance required by the 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, 2% 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.

**PRINCIPALS**

**Honesty**

**Accountability**

**Adaptability**

**Respect**

**Duty**

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Management's Discussion and Analysis  
June 30, 2018**

**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  
June 30, 2018**

**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, 2018. 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, 2018 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, 2018 by \$96,918,709 (*net position*). Of this amount, \$3,295,406 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$2,140,119 during the year. The majority of this decrease is due to the restatement of beginning net position for the OPEB liability.
- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$8,679,921. Of this total, \$878,204 is designated for debt service and \$1,718,081 is designated for capital projects.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$4,300,709 or 41 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  
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Management's Discussion and Analysis  
June 30, 2018**

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 14 through 17 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 forty 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 18 through 22 of this report.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Management's Discussion and Analysis  
June 30, 2018**

*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:

**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 23 through 30 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 31 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 32 through 71 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 85 through 104 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 \$96,918,709 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 \$90,319,984 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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Management's Discussion and Analysis  
June 30, 2018**

**City of Las Vegas' Net Position**

	June 30, 2017			June 30, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets and Deferred Outflows of Resources</b>						
Cash and Cash Equivalents	\$ 2,860,339	19,483,432	22,343,771	5,257,827	20,900,686	26,158,513
Other current assets	4,059,234	8,080,082	12,139,316	3,815,873	8,384,684	12,200,557
Capital assets, net of accumulated depreciation	52,154,287	53,978,690	106,132,977	50,837,796	58,230,747	109,068,543
Deferred outflows of resources	5,115,674	1,612,243	6,727,917	3,289,614	1,052,211	4,341,825
<b>Total assets and deferred outflows of resources</b>	<b>64,189,534</b>	<b>83,154,447</b>	<b>147,343,981</b>	<b>63,201,110</b>	<b>88,568,328</b>	<b>151,769,438</b>
<b>Liabilities and Deferred Inflows of Resources</b>						
Long-term liabilities outstanding	7,350,658	13,111,204	20,461,862	6,603,244	11,892,225	18,495,469
Other liabilities	1,361,172	4,774,352	6,135,524	1,300,157	3,044,572	4,344,729
Net pension liability	15,230,559	5,065,766	20,296,325	12,922,027	4,084,519	17,006,546
Net OPEB liability	-	-	-	7,019,095	2,931,102	9,950,197
Deferred inflows of resources	1,046,161	345,281	1,391,442	3,716,796	1,336,992	5,053,788
<b>Total liabilities and deferred inflows of resources</b>	<b>24,988,550</b>	<b>23,296,603</b>	<b>48,285,153</b>	<b>31,561,319</b>	<b>23,289,410</b>	<b>54,850,729</b>
<b>Net Position</b>						
Net investment in capital assets	43,902,376	39,161,792	83,064,168	43,668,254	46,651,730	90,319,984
Restricted	2,657,457	-	2,657,457	3,300,613	-	3,300,613
Unrestricted	(7,358,849)	20,696,052	13,337,203	(15,329,076)	18,627,188	3,298,112
<b>Total net position</b>	<b>39,200,984</b>	<b>59,857,844</b>	<b>99,058,828</b>	<b>31,639,791</b>	<b>65,278,918</b>	<b>96,918,709</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 64,189,534</b>	<b>83,154,447</b>	<b>147,343,981</b>	<b>63,201,110</b>	<b>88,568,328</b>	<b>151,769,438</b>

A portion of City of Las Vegas' net position (3.40%) 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 \$3,298,112 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 decreased by \$2,140,119 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  
June 30, 2018**

**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 \$8,679,921. The key element of this increase is due to the inclusion of the Recreation Center Phase II in fiscal year 2016. Approximately 48 percent of this total amount, \$4,278,470, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance of \$4,401,451 is restricted and committed 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 \$16,940,158 in the fiscal year ended June 30, 2018, which represents an increase of \$1,189,056 from the fiscal year ended June 30, 2017 due to higher gross receipts tax revenues. Expenditures for governmental funds, totaling \$14,786,649, which represents a decrease of \$5,335,798 from the fiscal year ended June 30, 2017.

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 \$4,300,709.

**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 \$18,627,188. The total increase in net position for the enterprise funds was \$5,421,074. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

**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.

**STATE OF NEW MEXICO**  
**CITY OF LAS VEGAS**  
**Management's Discussion and Analysis**  
**June 30, 2018**

**Capital Asset and Debt Administration**

**Capital assets.** City of Las Vegas' capital assets for its governmental and business-type activities as of June 30, 2018 amount to \$104,426,116 (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 \$940,434 for governmental activities and an increase of \$6,401,368 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, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	\$ 19,268,701	1,191,978	20,460,679
Construction in progress	-	7,215,862	7,215,862
Infrastructure	18,508,152	44,179,279	62,687,431
Buildings & improvements	26,136,779	5,382,910	31,519,689
Machinery & equipment	6,036,258	4,464,643	10,500,901
Vehicles	6,437,969	4,739,896	11,177,865
Water rights	-	4,440,682	4,440,682
Water systems	-	3,270,820	3,270,820
Land improvements	-	858,256	858,256
Total capital assets	<u>76,387,859</u>	<u>75,744,326</u>	<u>152,132,185</u>
Accumulated depreciation	<u>(25,550,063)</u>	<u>(22,156,006)</u>	<u>(47,706,069)</u>
Capital assets, net of accumulated depreciation	<u>\$ 50,837,796</u>	<u>53,588,320</u>	<u>104,426,116</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 has total long-term obligations outstanding of approximately \$20,765,084.



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Management's Discussion and Analysis  
June 30, 2018**

**City of Las Vegas' Outstanding Debt as of June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Bonds	\$ 4,735,000	-	4,735,000
NMFA Loans	2,434,542	-	2,434,542
Landfill Closure Costs	-	1,514,201	1,514,201
Wastewater Loans	-	8,937,047	8,937,047
Solid Waste Loans	-	1,031,101	1,031,101
Water Loans	-	1,610,869	1,610,869
Compensated absences	376,571	125,753	502,324
Total long-term liabilities	\$ <u>7,546,113</u>	<u>13,218,971</u>	<u>20,765,084</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.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 5,257,827	19,555,808	24,813,635
Investments	1,619,693	3,380,307	5,000,000
Receivables, net	2,258,813	4,149,927	6,408,740
Inventory	154,255	351,661	505,916
Due from other governments	-	285,901	285,901
Internal balances	(216,888)	216,888	-
<i>Total current assets</i>	<u>9,073,700</u>	<u>27,940,492</u>	<u>37,014,192</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	-	1,344,878	1,344,878
Capital assets	76,387,859	88,866,493	165,254,352
Less accumulated depreciation	(25,550,063)	(30,635,746)	(56,185,809)
<i>Total noncurrent assets</i>	<u>50,837,796</u>	<u>59,575,625</u>	<u>110,413,421</u>
<i>Total assets</i>	<u>59,911,496</u>	<u>87,516,117</u>	<u>147,427,613</u>
<b>Deferred outflows of resources</b>			
Pension related	3,167,472	1,001,207	4,168,679
OPEB related	122,142	51,004	173,146
<i>Total deferred outflows of resources</i>	<u>3,289,614</u>	<u>1,052,211</u>	<u>4,341,825</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 63,201,110</u>	<u>88,568,328</u>	<u>151,769,438</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Statement of Net Position (continued)**  
**June 30, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Accounts payable	125,624	339,911	465,535
Accrued payroll	214,154	79,896	294,050
Accrued compensated absences	247,295	112,628	359,923
Tenant security deposits	-	41,747	41,747
Meter deposits payable	-	530,551	530,551
Deferred revenue	-	610,886	610,886
Accrued interest	17,510	80,326	97,836
Current portion of long-term debt	695,574	1,248,627	1,944,201
<i>Total current liabilities</i>	<u>1,300,157</u>	<u>3,044,572</u>	<u>4,344,729</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	129,276	47,634	176,910
Accrued landfill post closure costs	-	1,514,201	1,514,201
Bonds payable	4,400,000	-	4,400,000
Notes payable	2,073,968	10,330,390	12,404,358
Net pension liability	12,922,027	4,084,519	17,006,546
Net OPEB liability	7,019,095	2,931,102	9,950,197
<i>Total noncurrent liabilities</i>	<u>26,544,366</u>	<u>18,907,846</u>	<u>45,452,212</u>
<i>Total liabilities</i>	<u>27,844,523</u>	<u>21,952,418</u>	<u>49,796,941</u>
<b>Deferred inflows of resources</b>			
Pension related	2,119,269	669,880	2,789,149
OPEB related	1,597,527	667,112	2,264,639
<i>Total deferred inflows of resources</i>	<u>3,716,796</u>	<u>1,336,992</u>	<u>5,053,788</u>
<b>Net position</b>			
Net investment in capital assets	43,668,254	46,651,730	90,319,984
Restricted for:			
Debt service	878,204	-	878,204
Capital projects	1,718,081	-	1,718,081
Special revenue	707,034	-	707,034
Unrestricted	(15,331,782)	18,627,188	3,295,406
<i>Total net position</i>	<u>31,639,791</u>	<u>65,278,918</u>	<u>96,918,709</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 63,201,110</u>	<u>88,568,328</u>	<u>151,769,438</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, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
General government	\$ 4,466,558	1,671,220	261,010	255,087
Public safety	5,651,466	15,870	276,794	7,440
Public works	2,435,905	350,392	-	-
Culture and recreation	2,580,572	-	18,063	-
Health and welfare	537,088	-	734,328	-
Interest on long-term debt	183,625	-	-	-
<i>Total governmental activities</i>	<u>15,855,214</u>	<u>2,037,482</u>	<u>1,290,195</u>	<u>262,527</u>
<b>Business-Type Activities:</b>				
Wastewater	2,193,316	2,841,241	-	32,843
Natural gas	4,163,215	4,873,091	-	-
Solid waste	2,580,419	3,048,385	-	-
Water	3,476,692	4,728,460	-	4,704,217
Housing authority	1,465,580	521,969	684,165	226,423
<i>Total business-type activities</i>	<u>13,879,222</u>	<u>16,013,146</u>	<u>684,165</u>	<u>4,963,483</u>
<i>Total primary government</i>	<u>\$ 29,734,436</u>	<u>18,050,628</u>	<u>1,974,360</u>	<u>5,226,010</u>

**General Revenues, Transfers, and Reversions to Other Governments:**

Taxes:

Property taxes, levied for general purposes

Gross receipts taxes

Gasoline and motor vehicle taxes

Licenses and fees

Other taxes

Investment income

Miscellaneous

Transfers

Total general revenues, transfers and reversions to other governments

Change in net position

Net position, beginning as previously reported

Restatement (note 20)

Net position, beginning as restated

*Net position, ending*

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

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
(2,279,241)	-	6,653,875
(5,351,362)	-	5,951,570
(2,085,513)	-	2,786,297
(2,562,509)	-	2,598,635
197,240	-	1,271,416
(183,625)	-	183,625
<u>(12,265,010)</u>	<u>-</u>	<u>19,445,418</u>
-	680,768	680,768
-	709,876	709,876
-	467,966	467,966
-	5,955,985	5,955,985
-	(33,023)	(33,023)
<u>-</u>	<u>7,781,572</u>	<u>7,781,572</u>
<u>(12,265,010)</u>	<u>7,781,572</u>	<u>(4,483,438)</u>
1,112,714	-	1,112,714
9,533,473	1,050,672	10,584,145
448,478	-	448,478
270,321	-	270,321
1,097,782	-	1,097,782
40,213	88,238	128,451
473,402	47,274	520,676
65,000	(65,000)	-
<u>13,041,383</u>	<u>1,121,184</u>	<u>14,162,567</u>
<u>776,373</u>	<u>8,902,756</u>	<u>9,679,129</u>
39,200,984	59,857,844	99,058,828
<u>(8,337,566)</u>	<u>(3,481,682)</u>	<u>(11,819,248)</u>
<u>30,863,418</u>	<u>56,376,162</u>	<u>87,239,580</u>
<u>\$ 31,639,791</u>	<u>65,278,918</u>	<u>96,918,709</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Balance Sheet - Governmental Funds**  
**June 30, 2018**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,389,088	2,868,739	5,257,827
Investments	1,619,693	-	1,619,693
Receivables, net	1,679,941	578,872	2,258,813
Inventory	153,995	-	153,995
Prepaid expenditures	260	-	260
Due from other funds	628,217	-	628,217
	<u>6,471,194</u>	<u>3,447,611</u>	<u>9,918,805</u>
<i>Total assets</i>	<u>\$ 6,471,194</u>	<u>3,447,611</u>	<u>9,918,805</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 78,929	46,695	125,624
Accrued payroll	197,757	16,397	214,154
Due to other funds	741,666	103,439	845,105
	<u>1,018,352</u>	<u>166,531</u>	<u>1,184,883</u>
<i>Total liabilities</i>	<u>1,018,352</u>	<u>166,531</u>	<u>1,184,883</u>
<i>Deferred Inflows of resources</i>			
Unavailable revenue - property taxes	54,001	-	54,001
	<u>54,001</u>	<u>-</u>	<u>54,001</u>
<i>Total deferred Inflows of resources</i>	<u>54,001</u>	<u>-</u>	<u>54,001</u>
<i>Fund Balances</i>			
Nonspendable:			
Inventory	153,995	-	153,995
Spendable			
Restricted for:			
Future debt service payments	-	878,204	878,204
Capital projects	-	1,718,081	1,718,081
General government	-	272,905	272,905
Public safety	-	142,295	142,295
Culture and recreation	-	253,351	253,351
Health and welfare	-	38,483	38,483
Committed to:			
Minimum fund balance	944,137	-	944,137
Unassigned (deficit)	4,300,709	(22,239)	4,278,470
	<u>5,398,841</u>	<u>3,281,080</u>	<u>8,679,921</u>
<i>Total fund balances</i>	<u>5,398,841</u>	<u>3,281,080</u>	<u>8,679,921</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 6,471,194</u>	<u>3,447,611</u>	<u>9,918,805</u>

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





**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Revenues</i>			
Taxes:	\$		
Property	1,486,285	-	1,486,285
Gross receipts	7,782,716	1,750,757	9,533,473
Gasoline and motor vehicle	78,678	369,800	448,478
Other	761,588	336,194	1,097,782
<i>Intergovernmental</i>			
Federal operating grants	16,084	866,502	882,586
Federal capital grants	-	687	687
State operating grants	-	407,609	407,609
State capital grants	-	261,840	261,840
Charges for services	1,666,470	371,012	2,037,482
Licenses and fees	184,093	86,228	270,321
Investment income	23,290	16,923	40,213
Other	452,702	20,700	473,402
<i>Total revenues</i>	<u>12,451,906</u>	<u>4,488,252</u>	<u>16,940,158</u>
<i>Expenditures</i>			
<i>Current:</i>			
General government	3,622,271	457,112	4,079,383
Public safety	4,808,198	170,835	4,979,033
Public works	453,738	861,446	1,315,184
Culture and recreation	1,071,598	1,223,969	2,295,567
Health and welfare	410,310	33,054	443,364
Capital outlay	225,069	578,951	804,020
<i>Debt service:</i>			
Principal	-	686,473	686,473
Interest	-	183,625	183,625
<i>Total expenditures</i>	<u>10,591,184</u>	<u>4,195,465</u>	<u>14,786,649</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,860,722</u>	<u>292,787</u>	<u>2,153,509</u>
<i>Other financing sources (uses)</i>			
Transfers in	570,000	956,574	1,526,574
Transfers out	(879,667)	(581,907)	(1,461,574)
<i>Total other financing sources (uses)</i>	<u>(309,667)</u>	<u>374,667</u>	<u>65,000</u>
<i>Net change in fund balance</i>	1,551,055	667,454	2,218,509
<i>Fund balances - beginning of year</i>	<u>3,847,786</u>	<u>2,613,626</u>	<u>6,461,412</u>
<i>Fund balances - end of year</i>	<u>\$ 5,398,841</u>	<u>3,281,080</u>	<u>8,679,921</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**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, 2018**

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

Net Change in fund balances - total governmental funds	\$ 2,218,509
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	804,020
Depreciation expense	(1,744,454)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:	
Decrease in unavailable revenue related to property taxes receivable	(373,571)
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:	
Pension expense	(712,778)
OPEB expense	(156,914)
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.	
Decrease in accrued interest	1,360
Decrease in accrued compensated absences	33,889
Principal payments on bonds and notes payable	706,312
	<hr/>
<i>Change in net position of governmental activities</i>	<i>\$ 776,373</i>
	<hr/> <hr/>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**General Fund Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 1,291,033	1,291,033	1,486,285	195,252
Gross receipts	6,964,600	6,964,600	7,782,716	818,116
Gasoline and motor vehicle	75,716	75,716	78,678	2,962
Franchise	775,000	775,000	761,588	(13,412)
Intergovernmental income:				
Federal Operating grant	-	8,000	16,084	8,084
State operating grant	-	-	-	-
Charges for services	-	-	1,666,470	1,666,470
Licenses and fees	138,000	138,000	184,093	46,093
Investment income	7,000	7,000	23,290	16,290
Miscellaneous	1,729,536	1,730,202	452,702	(1,277,500)
Total revenues	<u>10,980,885</u>	<u>10,989,551</u>	<u>12,451,906</u>	<u>1,462,355</u>
<i>Expenditures</i>				
Current:				
General government	2,475,927	2,483,927	3,622,271	(1,138,344)
Public safety	5,375,711	5,375,711	4,808,198	567,513
Public works	470,804	470,804	453,738	17,066
Culture and recreation	645,484	645,484	1,071,598	(426,114)
Health and welfare	-	-	410,310	(410,310)
Miscellaneous	2,358,248	2,358,248	-	2,358,248
Capital Outlay	-	-	225,069	(225,069)
Total expenditures	<u>11,326,174</u>	<u>11,334,174</u>	<u>10,591,184</u>	<u>742,990</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(345,289)</u>	<u>(344,623)</u>	<u>1,860,722</u>	<u>2,205,345</u>
<i>Other financing sources (uses)</i>				
Transfers in	170,000	170,000	570,000	(400,000)
Transfers out	(868,517)	(868,517)	(879,667)	11,150
Total other financing sources (uses)	<u>(698,517)</u>	<u>(698,517)</u>	<u>(309,667)</u>	<u>(388,850)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>1,551,055</u>	<u>1,551,055</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,597,903</u>	<u>2,597,903</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>4,148,958</u>	<u>4,148,958</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 1,551,055
Adjustments to revenues				-
Adjustments to expenditures				-
<i>Net change in fund balances (GAAP)</i>				<u>\$ 1,551,055</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, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Natural Gas</b>	<b>Solid Waste</b>	<b>Water</b>
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 2,243,307	4,551,120	3,671,349	7,550,127
Investments	888,738	1,935,412	-	556,157
Receivables, net	262,013	358,804	278,374	3,234,040
Inventory	-	137,153	-	194,175
Due from other governments	-	-	-	-
Due from other funds	-	-	-	19,533
<i>Total current assets</i>	<u>3,394,058</u>	<u>6,982,489</u>	<u>3,949,723</u>	<u>11,554,032</u>
<i>Noncurrent assets</i>				
Restricted cash and cash equivalents	46,168	273,561	359,508	623,894
Due from other funds	-	-	-	-
Capital assets	25,681,274	1,974,399	3,573,618	42,503,364
Less: accumulated depreciation	(6,243,468)	(1,331,332)	(2,139,035)	(10,607,212)
<i>Total noncurrent assets</i>	<u>19,483,974</u>	<u>916,628</u>	<u>1,794,091</u>	<u>32,520,046</u>
<b>Deferred outflows of resources</b>				
Pension related	82,904	94,660	170,041	230,523
OPEB related	4,288	4,895	8,019	11,922
<i>Total deferred outflows of resources</i>	<u>87,192</u>	<u>99,555</u>	<u>178,060</u>	<u>242,445</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 22,965,224</u>	<u>7,998,672</u>	<u>5,921,874</u>	<u>44,316,523</u>

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

<b>Business-Type Activities - Enterprise Funds</b>		<b>Proprietary Activities</b>
<b>Public and Indian Housing</b>	<b>Total</b>	<b>Internal Service Funds</b>
374,799	18,390,702	1,165,106
-	3,380,307	-
16,696	4,149,927	-
20,333	351,661	-
285,901	285,901	-
15,000	34,533	20,000
<b>712,729</b>	<b>26,593,031</b>	<b>1,185,106</b>
41,747	1,344,878	-
412,110	412,110	-
13,122,167	86,854,822	2,011,671
(8,479,740)	(28,800,787)	(1,834,959)
<b>5,096,284</b>	<b>59,811,023</b>	<b>176,712</b>
161,614	739,742	261,465
8,357	37,481	13,523
<b>169,971</b>	<b>777,223</b>	<b>274,988</b>
<b>5,978,984</b>	<b>87,181,277</b>	<b>1,636,806</b>

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, 2018

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Wastewater</u>	<u>Natural Gas</u>	<u>Solid Waste</u>	<u>Water</u>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Accounts payable	\$ 20,645	25,410	14,540	247,393
Accrued payroll	5,767	8,245	16,701	13,097
Accrued compensated absences	8,999	14,903	22,499	16,022
Tenant security deposits	-	-	-	-
Meter deposits payable	-	424,178	-	106,373
Due to other funds	60,000	-	79,755	110,000
Unearned revenue - grants	-	-	-	610,886
Accrued interest	75,154	-	4,695	477
Current portion of notes payable	850,994	-	296,381	101,252
<i>Total current liabilities</i>	<u>1,021,559</u>	<u>472,736</u>	<u>434,571</u>	<u>1,205,500</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences	1,648	6,719	14,532	6,314
Accrued landfill closure costs	-	-	1,514,201	-
Notes payable	8,086,053	-	734,720	1,509,617
Net pension liability	338,217	386,174	693,697	940,441
Net OPEB liability	246,423	281,306	460,894	685,135
<i>Total noncurrent liabilities</i>	<u>8,672,341</u>	<u>674,199</u>	<u>3,418,044</u>	<u>3,141,507</u>
<i>Total liabilities</i>	<u>9,693,900</u>	<u>1,146,935</u>	<u>3,852,615</u>	<u>4,347,007</u>
<b>Deferred inflows of resources</b>				
Pension related	55,469	63,334	113,770	154,237
OPEB related	56,085	64,025	104,899	155,935
<i>Total deferred inflows of resources</i>	<u>111,554</u>	<u>127,359</u>	<u>218,669</u>	<u>310,172</u>
<b>Net Position</b>				
Net investments in capital assets	10,500,759	643,067	403,482	30,285,283
Unrestricted	2,659,011	6,081,311	1,447,108	9,374,061
<i>Total net position</i>	<u>13,159,770</u>	<u>6,724,378</u>	<u>1,850,590</u>	<u>39,659,344</u>
<i>Total Liabilities, deferred inflows of resources, and net position</i>	<u>\$ 22,965,224</u>	<u>7,998,672</u>	<u>5,921,874</u>	<u>44,316,523</u>

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

<b>Business-Type Activities - Enterprise Funds</b>		<b>Proprietary Activities</b>
<b>Public and Indian Housing</b>	<b>Total</b>	<b>Internal Service Funds</b>
27,481	335,469	4,442
13,026	56,836	23,060
23,599	86,022	26,606
41,747	41,747	-
-	530,551	-
-	249,755	-
-	610,886	-
-	80,326	-
-	1,248,627	-
<u>105,853</u>	<u>3,240,219</u>	<u>54,108</u>
10,518	39,731	7,903
-	1,514,201	-
-	10,330,390	-
659,318	3,017,847	1,066,672
480,260	2,154,018	777,084
<u>1,150,096</u>	<u>17,056,187</u>	<u>1,851,659</u>
<u>1,255,949</u>	<u>20,296,406</u>	<u>1,905,767</u>
108,131	494,941	174,939
109,306	490,250	176,862
<u>217,437</u>	<u>985,191</u>	<u>351,801</u>
4,642,427	46,475,018	176,712
(136,829)	19,424,662	(797,474)
<u>4,505,598</u>	<u>65,899,680</u>	<u>(620,762)</u>
<u>5,978,984</u>	<u>87,181,277</u>	<u>1,636,806</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, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<u>Wastewater</u>	<u>Natural Gas</u>	<u>Solid Waste</u>	<u>Water</u>
<i>Operating revenues</i>				
Charges for services	\$ 2,841,241	4,873,091	3,048,385	4,728,460
Total operating revenues	<u>2,841,241</u>	<u>4,873,091</u>	<u>3,048,385</u>	<u>4,728,460</u>
<i>Operating expenses</i>				
Personnel services	309,433	319,924	705,729	718,503
Utilities	188,531	5,589	28,616	261,125
Contractual services	56,207	2,433,254	0	65,030
Supplies and purchased power	39,420	7,751	14,771	35,531
Maintenance and materials	236,140	114,814	257,031	167,063
Depreciation	520,130	70,494	295,803	745,144
Other costs	467,500	727,667	941,682	1,004,777
Total operating expenses	<u>1,817,361</u>	<u>3,679,493</u>	<u>2,243,632</u>	<u>2,997,173</u>
<i>Operating income (loss)</i>	1,023,880	1,193,598	804,753	1,731,287
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	-	-	236,013	814,659
Interest expense	(94,177)	-	(34,193)	(10,154)
Investment income	16,853	35,071	13,476	18,746
Grant revenue	-	-	-	-
Miscellaneous	-	250	1,645	22,241
Total non-operating revenues (expenses)	<u>(77,324)</u>	<u>35,321</u>	<u>216,941</u>	<u>845,492</u>
<i>Income (loss) before contributions and transfers</i>	<u>946,556</u>	<u>1,228,919</u>	<u>1,021,694</u>	<u>2,576,779</u>
Capital grants	32,843	-	-	4,704,217
Transfers in	362,012	257,044	600,001	6,302,310
Transfers out	(639,956)	(798,216)	(983,511)	(6,854,598)
Change in net position	701,455	687,747	638,184	6,728,708
Net position - beginning	12,751,026	6,370,778	1,759,875	33,744,467
GASB 75 implementation (note 20)	(292,711)	(334,147)	(547,469)	(813,831)
Total net position, beginning as restated	<u>12,458,315</u>	<u>6,036,631</u>	<u>1,212,406</u>	<u>32,930,636</u>
Net position - end of year	\$ <u>13,159,770</u>	<u>6,724,378</u>	<u>1,850,590</u>	<u>39,659,344</u>

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



<b>Business-Type Activities - Enterprise Funds</b>		<b>Proprietary Activities</b>
<b>Public and Indian Housing</b>	<b>Total</b>	<b>Internal Service Funds</b>
521,969	16,013,146	-
521,969	16,013,146	-
663,400	2,716,989	1,161,774
264,561	748,422	70,659
836	2,555,327	-
8,741	106,214	20,960
42,596	817,644	185,315
283,268	1,914,839	29,540
202,178	3,343,804	69,461
1,465,580	12,203,239	1,537,709
(943,611)	3,809,907	(1,537,709)
-	1,050,672	-
-	(138,524)	-
1,599	85,745	2,493
684,165	684,165	-
20,108	44,244	3,030
705,872	1,726,302	5,523
(237,739)	5,536,209	(1,532,186)
226,423	4,963,483	-
220,663	7,742,030	1,884,914
(220,663)	(9,496,944)	(195,000)
(11,316)	8,744,778	157,728
5,087,387	59,713,533	144,561
(570,473)	(2,558,631)	(923,051)
4,516,914	57,154,902	(778,490)
4,505,598	65,899,680	(620,762)

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, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Natural Gas</b>	<b>Solid Waste</b>	<b>Water</b>
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ 2,967,121	4,983,776	3,186,001	4,169,512
Cash payments to employees for services	(1,006,265)	(369,363)	(704,537)	(892,864)
Cash payments to suppliers for goods and services	(376,273)	(3,374,485)	(1,311,665)	(2,954,935)
<i>Net cash provided (used) by operating activities</i>	<u>1,584,583</u>	<u>1,239,928</u>	<u>1,169,799</u>	<u>321,713</u>
<i>Cash flows from noncapital financing activities</i>				
Gross receipts taxes	-	-	236,013	814,659
Cash received from noncapital grants	-	-	-	-
Miscellaneous income	-	250	1,645	22,241
Landfill closure costs	-	-	(56,409)	-
Transfers and Interfund activity	(277,944)	(541,172)	(383,510)	(552,288)
<i>Net cash provided (used) by noncapital financing activities</i>	<u>(277,944)</u>	<u>(540,922)</u>	<u>(202,261)</u>	<u>284,612</u>
<i>Cash flows from investing activities</i>				
Sale (purchase) of investments	-	-	-	-
Interest on investments	16,853	35,071	13,476	18,746
<i>Net cash provided (used) by investing activities</i>	<u>16,853</u>	<u>35,071</u>	<u>13,476</u>	<u>18,746</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(391,527)	(270,258)	(86,974)	(7,269,257)
Cash received from capital grants	32,843	-	-	4,704,217
Interest paid	(101,723)	-	(35,301)	(10,181)
Proceeds from issuance of long-term debt	-	-	-	80,886
Principal payments on bonds, loans, and notes payable	(825,719)	-	(298,049)	(85,599)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(1,286,126)</u>	<u>(270,258)</u>	<u>(420,324)</u>	<u>(2,579,934)</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	<u>37,366</u>	<u>463,819</u>	<u>560,690</u>	<u>(1,954,863)</u>
<i>Cash and cash equivalents - beginning of year</i>	<u>2,252,109</u>	<u>4,360,862</u>	<u>3,470,167</u>	<u>10,128,884</u>
<i>Cash and cash equivalents - end of year</i>	<u>2,289,475</u>	<u>4,824,681</u>	<u>4,030,857</u>	<u>8,174,021</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income (loss)	\$ 1,023,880	1,193,598	804,753	1,731,287
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	520,130	70,494	295,803	745,144
Changes in assets, deferred outflows and liabilities				
Receivables, net	125,880	110,685	137,617	(558,948)
Inventory	-	4,575	-	55,871
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Accounts payable	(66,840)	(104,529)	(69,565)	(838,664)
Accrued payroll	(1,364)	1,306	624	(3,240)
Accrued compensated absences	(3,819)	2,931	(3,793)	(2,615)
Tenant security deposits	-	-	-	-
Meter deposits payable	-	14,544	-	(15,638)
Unearned revenue	-	-	-	(622,978)
Pension and related accounts	(18,793)	(59,965)	(5,944)	(183,823)
OPEB and related accounts	5,509	6,289	10,304	15,317
<i>Net cash provided (used) by operating activities</i>	<u>\$ 1,584,583</u>	<u>1,239,928</u>	<u>1,169,799</u>	<u>321,713</u>

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

<b>Business-Type Activities - Enterprise Funds</b>		<b>Proprietary Activities</b>
<b>Public and Indian Housing</b>	<b>Total</b>	<b>Internal Service Funds</b>
513,660	15,820,070	-
(606,818)	(3,579,847)	(959,865)
(844,246)	(8,861,604)	(357,075)
(937,404)	3,378,619	(1,316,940)
-	1,050,672	-
684,165	684,165	-
20,108	44,244	3,280
-	(56,409)	-
-	(1,754,914)	1,689,914
704,273	(32,242)	1,693,194
115,024	115,024	-
1,599	85,745	2,493
116,623	200,769	2,493
(243,357)	(8,261,373)	(44,463)
226,423	4,963,483	-
-	(147,205)	-
-	80,886	-
-	(1,209,367)	-
(16,934)	(4,573,576)	(44,463)
(133,442)	(1,026,430)	334,284
549,988	20,762,010	830,822
416,546	19,735,580	1,165,106
(943,611)	3,809,907	(1,537,709)
283,268	1,914,839	29,540
(8,309)	(193,075)	-
(11,095)	49,351	-
(285,901)	(285,901)	-
10,000	10,000	-
(39,267)	(1,118,865)	(10,680)
(912)	(3,586)	4,904
2,920	(4,376)	558
929	929	-
-	(1,094)	-
-	(622,978)	-
43,838	(224,687)	179,075
10,736	48,155	17,372
(937,404)	3,378,619	(1,316,940)

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

<i>Assets</i>	
Cash	\$ <u>66,913</u>
<i>Total assets</i>	\$ <u><u>66,913</u></u>
<i>Liabilities</i>	
Due to other entities	\$ <u>66,913</u>
<i>Total liabilities</i>	\$ <u><u>66,913</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, 2018**

**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 Town 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 with 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.

**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.

During fiscal year 2017, GASB Statement No. 77, Tax Abatement Disclosures, became effective. The City does not have any agreements that require disclosure under the standards.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Financial Reporting Entity (continued)**

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.

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*.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (continued)**

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.

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 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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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.

*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.

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.



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2018, 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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**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)**

**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.

**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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**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.

**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 (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA's. 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.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments 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.

**STATE OF NEW MEXICO  
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Notes to the Financial Statements  
June 30, 2018**

**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)**

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.

**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 \$153,995 in nonspendable fund balance at June 30, 2018.

**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 \$3,303,619 in restricted fund balances at June 30, 2018.

**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 1/12<sup>th</sup> of the General Fund final budgeted expenditures as required by the DFA – LGD. At June 30, 2018, the City reported \$944,137 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, 2018.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
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June 30, 2018**

**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)**

**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 \$4,278,470 in unassigned fund balances at June 30, 2018.

**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 1/12<sup>th</sup> the General Fund expenditures. The City had minimum fund balance of \$944,137 at June 30, 2018.

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.
- 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, 2018**

**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:

	<b>Excess (deficiency) of revenues over expenditures</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted Governmental Funds:		
General	\$ (345,289)	(344,623)
Nonmajor Governmental Funds	(2,501,104)	(2,712,894)
	<b>Change in Net Position</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted Enterprise Funds:		
Water	\$ (4,623,712)	(3,669,712)

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, 2018 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.

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**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, 2018.

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, 2018**

**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, 2018, \$31,512,262 of the City’s bank balance of \$32,443,063 was subject to custodial credit risk. \$15,893,401 was uninsured and collateralized by collateral held by the pledging bank’s trust department, not in the City’s name and \$15,618,861 of the City’s deposits was uninsured and uncollateralized at June 30, 2018.

	<u>Community First Bank</u>	<u>Southwest Capital Bank</u>	<u>Wells Fargo Bank N.A.</u>	<u>Total</u>
Amount of deposits	\$ 16,735,373	\$ 13,895,420	\$ 1,812,270	\$ 32,443,063
FDIC coverage	(250,000)	(250,000)	(430,801)	(930,801)
Total uninsured public funds	<u>\$ 16,485,373</u>	<u>\$ 13,645,420</u>	<u>\$ 1,381,469</u>	<u>\$ 31,512,262</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	\$ 8,757,092	\$ 6,301,223	\$ 835,086	\$ 15,893,401
Uninsured and uncollateralized	<u>\$ 7,728,281</u>	<u>\$ 7,344,197</u>	<u>\$ 546,383</u>	<u>\$ 15,618,861</u>
Collateral requirement (50%)	\$ 8,242,686	\$ 6,822,710	\$ 690,735	\$ 15,756,131
Pledged securities	<u>8,757,092</u>	<u>6,301,223</u>	<u>835,086</u>	<u>15,893,401</u>
Over (under) collateralized	<u>\$ 514,406</u>	<u>\$ (521,487)</u>	<u>\$ 144,351</u>	<u>\$ 137,270</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	\$ 24,813,635
Investments	5,000,000
Restricted cash and cash equivalents	1,344,878
Agency funds cash and cash equivalents	66,913
Total cash and cash equivalents	<u>\$ 31,225,426</u>
Plus: outstanding checks	4,570,216
Less: outstanding deposits	(1,640,361)
Less: cash in NMFA	(1,710,952)
Less: petty cash	(1,266)
Bank balance of deposits	<u>\$ 32,443,063</u>



**STATE OF NEW MEXICO**  
**CITY OF LAS VEGAS**  
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**June 30, 2018**

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2018 are as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 100,174	\$ -	\$ 100,174
Gross receipts taxes	1,411,763	317,581	1,729,344
Gasoline and oil taxes	-	62,775	62,775
Franchise and lodgers' taxes	75,651	37,472	113,123
MVD tax	13,726	-	13,726
Miscellaneous	1,412	-	1,412
Court fees	390,632	-	390,632
Intergovernmental grants:			
State	-	107,322	107,322
Federal	-	53,722	53,722
Totals	<u>1,993,358</u>	<u>578,872</u>	<u>2,572,230</u>
Less: Allowances	<u>(313,417)</u>	<u>-</u>	<u>(313,417)</u>
Net Receivables	<u>\$ 1,679,941</u>	<u>\$ 578,872</u>	<u>\$ 2,258,813</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 \$50,001 for the City for the year ended June 30, 2018.

Proprietary fund receivables as of June 30, 2018, 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	\$ 531,536	598,623	522,644	2,225,865	-	3,878,668
Less: Allowances	(269,523)	(299,612)	(280,886)	(1,006,208)	(225)	(1,856,454)
Other receivables:						
State grants	-	-	-	1,842,693	-	1,842,693
Gross receipts taxes	-	-	36,616	146,171	-	182,787
Miscellaneous	-	59,793	-	25,519	16,921	102,233
Totals	<u>\$ 262,013</u>	<u>358,804</u>	<u>278,374</u>	<u>3,234,040</u>	<u>16,696</u>	<u>4,149,927</u>

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**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
General Fund	General Fund	400,000
Historical Preservation	Capital Improvement	25,000
Transportation Grant #5311	General Fund	60,000
Senior Citizens Center	General Fund	70,000
4th of July Fiestas	General Fund	25,000
The Recreation Center Phase II	General Fund	324,667
Municipal Pooled GRT Bonds	Capital Improvement	301,750
Automated System Financing	Utility Administration	65,000
Automated System Financing	Waste Water Fund	65,000
Automated System Financing	Gas Fund	65,000
Automated System Financing	Solid Waste	65,000
Automated System Financing	Water Fund	65,000
Automated System Financing	Capital Improvement	65,000
NMFA Equipment Loan	Lodgers Tax	11,428
NMFA Equipment Loan	State Law Enforcement	26,639
NMFA Fire Equipment Loan	State Fire Grant	34,065
Rehab Taxiway ABC & Apron	Street Improvement	28,025
Recreation Phase II	Recreation Center GRT Phase II	50,000
Utilities Administration	Waste Water Fund	152,621
Utilities Administration	Gas Fund	212,257
Utilities Administration	Solid Waste	152,621
Utilities Administration	Water Fund	223,373
Utilities Services	Waste Water Fund	60,323
Utilities Services	Gas Fund	263,915
Utilities Services	Solid Waste	165,889
Utilities Services	Water Fund	263,915
		<u>\$ 3,411,488</u>

**STATE OF NEW MEXICO  
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**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, 2018 is as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Corrections	\$ 28,710
General Fund	Senior Citizens Fund	7,502
General Fund	Solid Waste Fund	79,755
General Fund	Enhanced 911 Grant	2,398
General Fund	Airport Fund	266,556
General Fund	Recreation Center	48,000
General Fund	Water	110,000
General Fund	Wastewater	60,000
General Fund	Juvenile Justice Grant	17,453
General Fund	NM Traffic Safety	6,244
General Fund	2011 Bulletproof Vest PTR	1,599
Utilities Administration	Sick Leave Contingency	20,000
Water GRT	Gasoline Tax Revenue Bonds	19,533
Public Indian Housing	General Fund	427,110
		<u>\$ 1,094,860</u>

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

**STATE OF NEW MEXICO  
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June 30, 2018**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land and construction in progress are not subject to depreciation.

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
Capital assets not being depreciated:				
Land	\$ 19,268,701	-	-	19,268,701
Construction in progress	4,939,467	-	(4,939,467)	-
Total capital assets not being depreciated	<u>24,208,168</u>	<u>-</u>	<u>(4,939,467)</u>	<u>19,268,701</u>
Capital assets being depreciated:				
Infrastructure	18,425,649	82,503	-	18,508,152
Buildings and improvements	20,888,599	5,248,180	-	26,136,779
Machinery and equipment	5,966,503	69,755	-	6,036,258
Vehicles	6,094,920	343,049	-	6,437,969
Total capital assets being depreciated	<u>51,375,671</u>	<u>5,743,487</u>	<u>-</u>	<u>57,119,158</u>
Total capital assets	<u>75,583,839</u>	<u>5,743,487</u>	<u>(4,939,467)</u>	<u>76,387,859</u>
Accumulated depreciation:				
Infrastructure	(4,550,739)	(690,649)	-	(5,241,388)
Buildings and improvements	(8,976,324)	(458,551)	-	(9,434,875)
Machinery and equipment	(5,253,449)	(242,848)	-	(5,496,297)
Vehicles	(5,025,097)	(352,406)	-	(5,377,503)
Total accumulated depreciation	<u>(23,805,609)</u>	<u>(1,744,454)</u>	<u>-</u>	<u>(25,550,063)</u>
Net capital assets	<u>\$ 51,778,230</u>	<u>3,999,033</u>	<u>(4,939,467)</u>	<u>50,837,796</u>

Depreciation expense for the year ended June 30, 2018 was charged to governmental activities as follows:

General government	\$ 193,606
Public safety	359,202
Public works	985,712
Culture and recreation	141,978
Health and welfare	63,956
Total	<u>\$ 1,744,454</u>

**STATE OF NEW MEXICO  
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Notes to the Financial Statements  
June 30, 2018**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities:**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions/ Reclass</u>	<u>Balance June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ 1,191,978	-	-	1,191,978
Water rights	4,288,025	152,657	-	4,440,682
Construction in progress	4,729,345	4,430,143	(1,943,626)	7,215,862
Total capital assets not being depreciated	<u>10,209,348</u>	<u>4,582,800</u>	<u>(1,943,626)</u>	<u>12,848,522</u>
Capital assets being depreciated:				
Water systems	3,270,820	-	-	3,270,820
Land improvements	858,256	-	-	858,256
Infrastructure	39,995,810	4,183,469	-	44,179,279
Buildings and improvements	4,848,523	534,387	-	5,382,910
Furniture, fixtures and equipment	3,933,369	518,275	12,999	4,464,643
Vehicles	4,565,721	187,174	(12,999)	4,739,896
Total capital assets being depreciated	<u>57,472,499</u>	<u>5,423,305</u>	<u>-</u>	<u>62,895,804</u>
Total capital assets	<u>67,681,847</u>	<u>10,006,105</u>	<u>(1,943,626)</u>	<u>75,744,326</u>
Accumulated depreciation:				
Water systems	(2,986,390)	(57,842)	-	(3,044,232)
Land improvements	(655,186)	(16,704)	-	(671,890)
Infrastructure	(6,417,935)	(970,192)	-	(7,388,127)
Buildings and improvements	(4,125,447)	(44,093)	-	(4,169,540)
Furniture, fixtures and equipment	(2,880,117)	(222,130)	-	(3,102,247)
Vehicles	(3,429,820)	(350,150)	-	(3,779,970)
Total accumulated depreciation	<u>(20,494,895)</u>	<u>(1,661,111)</u>	<u>-</u>	<u>(22,156,006)</u>
Net capital assets	<u>\$ 47,186,952</u>	<u>8,344,994</u>	<u>(1,943,626)</u>	<u>53,588,320</u>

Depreciation expense for the year ended June 30, 2018 was charged to business-type activities as follows:

Internal service	\$ 29,540
Wastewater	520,130
Natural gas	70,494
Solid Waste	295,803
Water	745,144
Total	<u>\$ 1,661,111</u>

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
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**NOTE 6. CAPITAL ASSETS (CONTINUED)**

**Housing Authority:**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ 160,150	-	-	160,150
Construction in progress	-	77,916	-	77,916
Total capital assets not being depreciated	<u>160,150</u>	<u>77,916</u>	<u>-</u>	<u>238,066</u>
Capital assets being depreciated:				
Land improvements	1,055,045	36,748	-	1,091,793
Buildings and improvements	11,100,720	112,856	-	11,213,576
Furniture, fixtures and equipment	388,555	15,837	-	404,392
Vehicles	174,340	-	-	174,340
Total capital assets being depreciated	<u>12,718,660</u>	<u>165,441</u>	<u>-</u>	<u>12,884,101</u>
Total capital assets	<u>12,878,810</u>	<u>243,357</u>	<u>-</u>	<u>13,122,167</u>
Accumulated depreciation:				
Land improvements	(694,051)	(54,305)	-	(748,356)
Buildings and improvements	(6,971,706)	(218,608)	-	(7,190,314)
Furniture, fixtures and equipment	(357,554)	(10,119)	-	(367,673)
Vehicles	(173,161)	(236)	-	(173,397)
Total accumulated depreciation	<u>(8,196,472)</u>	<u>(283,268)</u>	<u>-</u>	<u>(8,479,740)</u>
Net capital assets	<u>\$ 4,682,338</u>	<u>(39,911)</u>	<u>-</u>	<u>4,642,427</u>

Depreciation expense for the year ended June 30, 2018 was charged to housing authority activities as follows:

Public and Indian Housing    \$ 283,268

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**NOTE 7. LONG-TERM DEBT**

**Governmental Activities**

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
<b>Revenue Bonds</b>					
2012 Series GRT refunding & Improvement Revenue Bonds	\$ 5,065,000	\$ -	330,000	4,735,000	335,000
<b>Total Revenue Bonds</b>	<u>\$ 5,065,000</u>	<u>\$ -</u>	<u>330,000</u>	<u>4,735,000</u>	<u>335,000</u>
<b>Notes Payable</b>					
NMFA #12 Truck Bay	\$ 156,555	\$ -	11,183	145,372	11,183
NMFA #10 Fire Pumper	85,632	-	20,652	64,980	21,118
NMFA #16 Police Vehicles	109,037	-	26,159	82,878	26,834
NMFA #24 Double-Sided Digital Reader Board	24,863	-	11,353	13,510	11,556
NMFA #30 Abe Montoya Recreation Center	<u>2,434,767</u>	<u>-</u>	<u>306,965</u>	<u>2,127,802</u>	<u>289,883</u>
<b>Total Notes Payable</b>	<u>2,810,854</u>	<u>-</u>	<u>376,312</u>	<u>2,434,542</u>	<u>360,574</u>
Compensated Absences	<u>410,460</u>	<u>323,033</u>	<u>356,922</u>	<u>376,571</u>	<u>247,295</u>
<b>Total Long-term debt</b>	<u>\$ 8,286,314</u>	<u>\$ 323,033</u>	<u>1,063,234</u>	<u>7,546,113</u>	<u>942,869</u>

**Bonds**

In October 2012, the City issued \$6,640,000 of Series 2012 Gross Receipts Tax Refunding and Improvement Revenue Bonds. The bonds were used to refund its 2002 Series GRT Refunding and Improvement Revenue Fund in the aggregate principal amount of \$2,510,000 and its March 2004 Recreation Center loan from NMFA in the principal amount of \$2,506,975. The bonds mature on June 2032 and have an interest rate of 2% to 4%.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	360,000	109,450	469,450
2024-2028	1,930,000	380,750	2,310,750
2029-2032	<u>1,080,000</u>	<u>70,700</u>	<u>1,150,700</u>
<b>Totals</b>	<u>\$ 4,735,000</u>	<u>1,067,500</u>	<u>5,802,500</u>

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Notes to the Financial Statements  
June 30, 2018**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**NMFA Loans**

NMFA Loans outstanding at June 30, 2018 are comprised of the following:

	<u><b>NMFA #12 Truck Bay</b></u>	<u><b>NMFA #10 Fire Pumper</b></u>	<u><b>NMFA #16 Police Vehicles</b></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><b>NMFA #24 Double Sided Digital Reader Board</b></u>	<u><b>NMFA #30 Abe Montoya Recreation Center</b></u>
Original Issue:	\$ 112,045	\$ 2,801,121
Principal:	May 1	May 1
Interest:	November 1 May 1	November 1 May 1
Interest Rates:	0.210%	2.300%
Maturity Date:	May 2023	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><b>Fiscal Year Ending June 30,</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total Debt Service</b></u>
2019	\$ 360,574	36,674	397,248
2020	356,105	32,576	388,681
2021	359,009	27,770	386,779
2022	313,738	22,111	335,849
2023	319,426	16,423	335,849
2024-2028	692,143	13,100	705,243
2029-2031	33,547	-	33,547
<b>Totals</b>	<u>\$ 2,434,542</u>	<u>148,654</u>	<u>2,583,196</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, 2018, compensated absences decreased by \$33,889 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.



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**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, 2018:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
<b>Notes Payable</b>					
NMED Revolving Fund Program					
Loan #1438042	\$ 5,081,742	-	464,098	4,617,644	473,380
NMFA #13 Effluent Reuse					
Distribution	35,261	-	2,478	32,783	2,483
NMED Wastewater Construction					
Loan #CWSRF-004	4,287,949	-	357,329	3,930,620	357,330
NMED Wastewater Facility					
Construction Loan #CWSRF-016	356,000	-	-	356,000	17,800
NMDA #11 Solid Waste Disposal					
System	1,329,150	-	298,049	1,031,101	296,381
NMFA #14 Water Project Fund	11,441	-	802	10,639	804
NMFA #15 Taylor Wells #2					
Replacement	23,996	-	1,686	22,310	1,691
NMFA #19 Peterson Dam and					
Reservoir	45,000	-	3,000	42,000	3,000
NMFA #18 Drinking Water State					
Revolving Loan	245,041	-	14,138	230,903	14,172
NMFA #21 Taylor Well Field Loan	246,446	-	13,403	233,043	19,725
NMFA #22 2010 DW Drinking					
Water Loan	254,731	-	13,853	240,878	15,029
NMFA #23 2011 DW Drinking					
Water Loan	262,101	-	14,254	247,847	15,037
NMFA #25 Water Project Fund	61,609	-	3,552	58,057	3,561
NMFA #27 Rehab 3 City Water					
Tanks	213,166	-	9,429	203,737	10,903
NMFA #28 Water Treatment					
Plant	41,329	-	2,127	39,202	2,144
NMFA #29 Storage, Conveyance,					
Delivery of Water	79,485	-	4,323	75,162	4,334
NMFA #31 Storage, Conveyance,					
Delivery of Water	133,051	-	6,846	126,205	6,864
NMFA #32 Phase II Water System					
Improvement	-	80,886	-	80,886	3,989
<b>Total Notes Payable</b>	<u>12,707,498</u>	<u>80,886</u>	<u>1,209,367</u>	<u>11,579,017</u>	<u>1,248,627</u>
Landfill Closure and post closure	1,570,610	-	56,409	1,514,201	-
Compensated Absences	130,129	98,059	102,435	125,753	86,022
<b>Total Long-term debt</b>	<u>\$ 14,408,237</u>	<u>178,945</u>	<u>1,368,211</u>	<u>13,218,971</u>	<u>1,334,649</u>

**STATE OF NEW MEXICO**  
**CITY OF LAS VEGAS**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**NMFA Loans**

NMFA Loans outstanding at June 30, 2018 are comprised of the following:

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

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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

	<b>NMFA #31 Storage, Conveyance, Delivery of Water</b>	<b>NMFA #32 Phase II, Water System, Improvements</b>
Original Issue:	\$ 137,096	81,694
Principal:	June 1	May 1
Interest:	June 1	May 1
	N/A	November 1
Interest Rates:	0.250%	0.250%
Maturity Date:	June 2036	May 2038

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2019	\$ 1,248,627	115,237	1,363,864
2020	1,168,260	97,727	1,265,987
2021	1,500,290	82,128	1,582,418
2022	980,974	56,617	1,037,591
2023	992,272	46,001	1,038,273
2024-2028	4,557,320	75,930	4,633,250
2029-2033	987,898	5,149	993,047
2034-2038	143,376	762	144,138
<b>Totals</b>	<b>\$ 11,579,017</b>	<b>479,551</b>	<b>12,058,568</b>

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**  
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**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.

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**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 \$356,000 NMED #CWSRF-016 Clean Water State Revolving Loan 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 \$81,694 NMFA #32 Phase II Water System Improvement Loan issued in 2018. The loan is payable solely from utility customer net revenues.

**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, 2018, compensated absences decreased \$4,376 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, 2018, compensated absences increased \$558 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 33,951	\$ 45,114	44,556	34,509	26,606
<b>Total Long-term debt</b>	<b>\$ 33,951</b>	<b>\$ 44,114</b>	<b>44,556</b>	<b>34,509</b>	<b>26,606</b>

**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, 2018, 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.

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**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, 2018:

Gasoline Tax Revenue Bonds – Debt Service Fund	\$ (19,533)
State Library Grant – Special Revenue Fund	(2,706)
Automated System Financing – Internal Service Fund	(67,375)
Utilities Administration – Internal Service Fund	(400,502)
Utilities Service – Internal Service Fund	(152,885)

- 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, 2018.
- C. Designated cash appropriations in excess of available balances: There were no funds that exceeded appropriations for the year ended June 30, 2018.

**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description.** The Public Employees Retirement Fund (PERA) 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, unless specifically excluded.

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

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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

**Contributions.** See PERA’s compressive annual financial report for Contribution provided description.

<b>PERA Contribution Rates and Pension Factors as of July 1, 2017</b>						
<b>Coverage Plan</b>	<b>Employee Contribution Percentage</b>		<b>Employer Contribution Percentage</b>	<b>Pension Factor per year of Service</b>		<b>Pension Maximum as a Percentage of the Final Average Salary</b>
	<b>Annual Salary less than \$20,000</b>	<b>Annual Salary greater than \$20,000</b>		<b>TIER 1</b>	<b>TIER 2</b>	
<b>STATE PLAN</b>						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.4%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.55%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.55%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.05%	3.0%	2.5%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%



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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

*For PERA Fund Division Municipal General*, at June 30, 2018, the City reported a liability of \$10,155,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City’s proportion was 0.7391%, which was a decrease of 0.0258% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$954,137. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 399,057	\$ 520,153
Effect of changes in assumptions	468,336	104,947
Differences between actual and expected projected earnings on plan investments	833,227	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	-	493,686
Contributions subsequent to the measurement date	<u>584,497</u>	<u>-</u>
Total	<u>\$ 2,285,117</u>	<u>\$ 1,118,786</u>

\$584,497 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2019	\$ 13,287
2020	745,255
2021	66,797
2022	(243,505)
2023	-
Total	<u>\$ 581,834</u>

**STATE OF NEW MEXICO  
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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

For PERA Fund Municipal Police Division, at June 30, 2018, the City reported a liability of \$4,089,518 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City’s proportion was 0.7361%, which was an increase of 0.0638% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$471,164. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 248,377	\$ 764,086
Effect of changes in assumptions	243,312	95,095
Differences between actual and expected projected earnings on plan investments	329,355	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	251,431	208,059
Contributions subsequent to the measurement date	315,698	-
Total	<u>\$ 1,388,173</u>	<u>\$ 1,067,240</u>

\$315,698 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2019	\$ (47,309)
2020	201,054
2021	(52,212)
2022	(96,298)
2023	-
Total	<u>\$ 5,235</u>

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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

For PERA Fund Municipal Fire Division, at June 30, 2018, the City reported a liability of \$2,761,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City’s proportion was 0.4826%, which was an increase of 0.0156% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$195,053. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 90,157	\$ 345,744
Effect of changes in assumptions	109,160	17,311
Differences between actual and expected projected earnings on plan investments	103,652	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	63,171	240,068
Contributions subsequent to the measurement date	129,249	-
Total	<u>\$ 495,389</u>	<u>\$ 603,123</u>

\$129,249 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2019	\$ (112,176)
2020	(36,481)
2021	(58,462)
2022	(29,864)
2023	-
Total	<u>\$ (236,983)</u>

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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

**PERA**

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefits	100 years
Payroll Growth	2.75% for first 9 years, then 3.25% annual rate
Includes inflation at	2.25% annual rate first 9 years 2.75% all other years
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience Study Dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2016 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017. These assumptions were adopted by the Board use in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>ALL FUNDS – Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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>	

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**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

**Discount rate.** A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**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.

	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
<b>PERA Fund Municipal General Division</b>			
City’s proportionate share of the net pension liability	\$ 15,917,586	10,155,859	5,364,183
	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
<b>PERA Fund Municipal Police Division</b>			
City’s proportionate share of the net pension liability	\$ 6,521,647	4,089,518	2,093,596
	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
<b>PERA Fund Municipal Fire Division</b>			
City’s proportionate share of the net pension liability	\$ 3,700,681	2,761,169	1,986,925

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in separately issued PERA’S financial reports.

**Payables to the pension plan.** The City remits the legally required employer and employee contributions on a monthly basis to PERA. At June 30, 2018, the City had remitted all contributions withheld in the month of June 2018.

**STATE OF NEW MEXICO**  
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**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

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

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

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

*Employees covered by benefit terms.* At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	<hr/>
	160,035
<b>Active Membership</b>	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<hr/>
	97,349
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**STATE OF NEW MEXICO**  
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**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

*Contributions.* Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$175,146 for the year ended June 30, 2018.

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

At June 30, 2018, the City reported a liability of \$9,950,197 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the City’s proportion was 0.21957 percent. For the year ended June 30, 2018, the City recognized OPEB expense of \$395,588. At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	381,834
Changes of assumptions	-	1,739,665
Net difference between projected and actual earnings on OPEB plan investments	-	143,140
Contributions made after the measurement date	<u>173,146</u>	<u>-</u>
Total	<u>\$ 173,146</u>	<u>2,264,639</u>

Deferred outflows of resources totaling \$173,146 represent City’s contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (481,478)
2020	(481,478)
2021	(481,478)
2022	(481,478)
2023	<u>(338,727)</u>
Total	<u>\$ (2,264,639)</u>

**STATE OF NEW MEXICO  
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**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

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

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

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

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

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



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**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029.

Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

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

	<u>1% Decrease</u> <u>(2.81%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.81%)</u>	<u>1% Increase</u> <u>(4.81%)</u>
City’s proportionate share of the OPEB liability	\$ 12,069,431	9,950,197	8,287,463

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

	<u>1% Decrease</u>	<u>Current Trend</u> <u>Rate</u>	<u>1% Increase</u>
	\$ 8,463,326	9,950,197	11,109,585

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

**Payable Changes in the Net OPEB Liability.** At June 30, 2018, the City reported a payable of \$28,692 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

**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, 2018 in the remaining cases.

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**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. 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, 2018. 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 \$1,514,201 at June 30, 2018. 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 15. SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 15, 2018, which is the date on which the financial statements were issued.

**NOTE 16. RESTRICTED NET POSITION**

The government-wide statement of net position reports \$3,303,319 of restricted net position, all of which is restricted by enabling legislation.

**NOTE 17. 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 18. COMMITMENTS**

The City has various construction and purchase commitments as of June 30, 2018. The funding to cover the various commitments was grant funding, bond and/or note proceeds, including bonds, grants, and cash reserves.

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**NOTE 19. 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 Multi-Jurisdictional Task Force
Participants with City:	City of Las Vegas, City of Las Vegas Police, San Miguel County Sheriff, Raton Raton Police, Springer Police, Union County Sheriff, Colfax County Sheriff, NM Highlands University Police, Mora County Sheriff, Harding County Sheriff, Cimarron Police, Angel Fire Police, Clayton Police, 4 <sup>th</sup> , 8 <sup>th</sup> and 10 <sup>th</sup> Judicial District Attorney's Office.
Party responsible for operation:	Each Party Involved.
Description:	Prevention, investigation, control and prosecution of unlawful drugs, Narcotics and controlled substances and related crimes through the joint and unified effort of the enumerated law enforcement agencies.
Period:	Until terminated
Cost to City:	Indeterminate
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 4 <sup>th</sup> 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

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Financial Statements  
June 30, 2018**

**NOTE 19. JOINT POWERS AGREEMENT (CONTINUED)**

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
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

**NOTE 20. RESTATEMENT**

The City's net position as of July 1, 2017 was decreased by \$11,819,248 reflecting the cumulative retrospective effect of the adoption of GASB Statement No. 75 (*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*) and was recorded as a prior period adjustment.

**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\***

	Fiscal Measurement	2018 2017	2017 2016	2016 2015	2015 2014
City of Las Vegas' proportion of the net pension liability		0.7391%	0.7649%	0.7782%	84.2600%
City of Las Vegas' proportionate share of the net pension liability	\$	10,155,859	12,220,530	7,934,423	6,573,184
City of Las Vegas covered payroll		6,084,603	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		166.91%	191.87%	121.66%	100.29%
Plan fiduciary net position as a percentage of the total pension liability		73.74%	69.18%	63.97%	81.29%

\* 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 requires 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\***

	<b>Fiscal Measurement</b>	<b>2018 2017</b>	<b>2017 2016</b>	<b>2016 2015</b>	<b>2015 2014</b>
City of Las Vegas' proportion of the net pension liability		0.7361%	0.6723%	73.4700%	0.7773%
City of Las Vegas' proportionate share of the net pension liability	\$	4,089,518	4,960,430	3,532,849	2,533,913
City of Las Vegas covered payroll		1,499,466	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		272.73%	316.95%	243.20%	172.93%
Plan fiduciary net position as a percentage of the total pension liability		73.74%	69.18%	76.99%	81.29%

\* 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.

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See notes to requires 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 Fire Division**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years\***

	Fiscal Measurement	2018 2017	2017 2016	2016 2015	2015 2014
City of Las Vegas' proportion of the net pension liability		0.4826%	0.4670%	0.5339%	0.5892%
City of Las Vegas' proportionate share of the net pension liability	\$	2,761,169	3,115,365	2,755,555	2,459,317
City of Las Vegas covered payroll		596,995	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		462.51%	496.69%	453.25%	381.79%
Plan fiduciary net position as a percentage of the total pension liability		74.73%	69.18%	76.99%	81.29%

\* 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 requires 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\***

	<b>Fiscal Measurement</b>	<b>2018 2017</b>	<b>2017 2016</b>	<b>2016 2015</b>	<b>2015 2014</b>
Contractually required contribution	\$	584,385	624,696	608,250	622,849
Contributions in relation to the contractually required contribution		<u>(584,385)</u>	<u>(624,696)</u>	<u>(608,250)</u>	<u>(622,849)</u>
Contribution deficiency (excess)	\$	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

\* 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 requires 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\***

	Fiscal Measurement	<u>2018 2017</u>	<u>2017 2016</u>	<u>2016 2015</u>	<u>2015 2014</u>
Contractually required contribution	\$	315,698	352,690	310,170	274,550
Contributions in relation to the contractually required contribution		<u>(315,698)</u>	<u>(352,690)</u>	<u>(310,170)</u>	<u>(274,550)</u>
Contribution deficiency (excess)	\$	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

\* 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 requires 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\***

	Fiscal Measurement	<u>2018 2017</u>	<u>2017 2016</u>	<u>2016 2015</u>	<u>2015 2014</u>
Contractually required contribution	\$	129,249	132,198	135,795	131,621
Contributions in relation to the contractually required contribution		<u>(129,249)</u>	<u>(132,198)</u>	<u>(135,795)</u>	<u>(131,621)</u>
Contribution deficiency (excess)	\$	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

\* 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 requires supplementary information.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of the City's Proportionate Share of the Net OPEB Liability**  
**of NMRHC Fund**  
**New Mexico Retiree Health Care (NMRHC) Plan**  
**Last 10 Fiscal Years\***

	<b>Fiscal Measurement</b>	<b>2018 2017</b>
City of Las Vegas' proportion of the net OPEB liability		0.21957%
City of Las Vegas' proportionate share of the net OPEB liability	\$	9,950,194
City of Las Vegas covered payroll		9,146,512
City of Las Vegas proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		11.34%

\* 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 requires supplementary information.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of the City's Contributions**  
**New Mexico Retiree Health Care (NMRHC) Plan**  
**Last 10 Fiscal Years\***

	<b>Fiscal Measurement</b>	<b>2018 2017</b>
Contractually required contribution	\$	697,238
Contributions in relation to the contractually required contribution		<u>349,936</u>
Contribution deficiency (excess)	\$	<u><u>347,302</u></u>
City of Las Vegas' covered payroll		9,146,512
Contribution as a percentage of covered-employee payroll		3.83%

\* 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 requires supplementary information.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to Required Supplementary Information  
June 30, 2018**

***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](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.

\*Refer to the RHCA Report for the OPEB related notes.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Nonmajor Governmental Fund Descriptions  
June 30, 2018**

**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.



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Nonmajor Governmental Fund Descriptions  
June 30, 2018**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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.

**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.

**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.

**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.

**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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Nonmajor Governmental Fund Descriptions  
June 30, 2018**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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.

**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.

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Nonmajor Governmental Fund Descriptions  
June 30, 2018**

**CAPITAL PROJECTS FUNDS (CONTINUED)**

**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.

**The Recreation Center Phase II Construction Capital Projects Fund (468)** – Pursuant to Ordinance No. 12-15, this fund 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.

**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.

**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 received 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 received 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**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Special Revenue</b>			
	<b>Sick Leave Contingency 102</b>	<b>Corrections 201</b>	<b>Lodgers' Tax Promotion 202</b>	<b>State Fire Grant 203</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 147,864	64,368	194,253	57,525
Receivables, net	-	-	37,472	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 147,864</u>	<u>64,368</u>	<u>231,725</u>	<u>57,525</u>
<i>Liabilities</i>				
Accounts payable	\$ -	-	9,784	1,601
Accrued payroll	-	-	-	-
Due to other funds	20,000	28,710	-	-
<i>Total liabilities</i>	<u>20,000</u>	<u>28,710</u>	<u>9,784</u>	<u>1,601</u>
<i>Fund balances</i>				
<i>Nonspendable</i>				
Inventory	-	-	-	-
<i>Spendable</i>				
<i>Restricted for:</i>				
Future debt service payments	-	-	-	-
Capital projects	-	-	-	-
General government	127,864	-	-	-
Public safety	-	35,658	-	55,924
Culture and recreation	-	-	221,941	-
Health and welfare	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>127,864</u>	<u>35,658</u>	<u>221,941</u>	<u>55,924</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 147,864</u>	<u>64,368</u>	<u>231,725</u>	<u>57,525</u>

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

**Special Revenue**

<b>Emergency Medical Services 206</b>	<b>State Library Grant 213</b>	<b>State Law Enforcement 215</b>	<b>Special Legislative Appropriations 217</b>	<b>Historical Preservation 218</b>	<b>2017 Region IV JAG 219</b>
6,186	8	-	-	37,782	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,186</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>37,782</u>	<u>-</u>
-	2,714	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	37,782	-
-	-	-	-	-	-
-	-	-	-	-	-
6,186	-	-	-	-	-
-	(2,706)	-	-	-	-
<u>6,186</u>	<u>(2,706)</u>	<u>-</u>	<u>-</u>	<u>37,782</u>	<u>-</u>
<u>6,186</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>37,782</u>	<u>-</u>

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

STATE OF NEW MEXICO  
City of Las Vegas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	Special Revenue			
	Transportation Grant #5311 231	NM Tourism Coop Grant 232	Transportation Center 235	Seizure 241
	<u>231</u>	<u>232</u>	<u>235</u>	<u>241</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 61,883	1,406	5,711	404
Receivables, net	34,519	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 96,402</u>	<u>1,406</u>	<u>5,711</u>	<u>404</u>
<i>Liabilities</i>				
Accounts payable	\$ 351	-	-	-
Accrued payroll	5,933	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>6,284</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Future debt service payments	-	-	-	-
Capital projects	-	-	-	-
General government	90,118	1,406	5,711	-
Public safety	-	-	-	404
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>90,118</u>	<u>1,406</u>	<u>5,711</u>	<u>404</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 96,402</u>	<u>1,406</u>	<u>5,711</u>	<u>404</u>

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

**Special Revenue**

<b>Juvenile Justice Grant 247</b>	<b>KAB Grant 252</b>	<b>NM Traffic Safety 253</b>	<b>Waste Isolation Pilot Project 260</b>	<b>2011 Bulletproof Vest Partnership 261</b>	<b>San Miguel County DWI 271</b>
-	10,024	-	-	-	702
17,453	-	7,655	-	1,803	-
-	-	-	-	-	-
<u>17,453</u>	<u>10,024</u>	<u>7,655</u>	<u>-</u>	<u>1,803</u>	<u>702</u>
-	-	-	-	-	-
-	-	-	-	-	-
17,453	-	6,244	-	1,599	-
<u>17,453</u>	<u>-</u>	<u>6,244</u>	<u>-</u>	<u>1,599</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,024	-	-	-	-
-	-	1,411	-	204	702
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>10,024</u>	<u>1,411</u>	<u>-</u>	<u>204</u>	<u>702</u>
<u>17,453</u>	<u>10,024</u>	<u>7,655</u>	<u>-</u>	<u>1,803</u>	<u>702</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Special Revenue</b>			
	<b>Senior Citizens Center 282</b>	<b>Las Vegas PD Awards 283</b>	<b>Veterans' Memorial 284</b>	<b>4th of July Fiestas 288</b>
	<u>282</u>	<u>283</u>	<u>284</u>	<u>288</u>
<i>Assets</i>				
Cash and cash equivalents	\$ -	6,709	13,911	17,499
Receivables, net	73,309	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 73,309</u>	<u>6,709</u>	<u>13,911</u>	<u>17,499</u>
<i>Liabilities</i>				
Accounts payable	\$ 23,046	-	-	-
Accrued payroll	10,464	-	-	-
Due to other funds	7,502	-	-	-
<i>Total liabilities</i>	<u>41,012</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	-	6,709	-	-
Culture and recreation	-	-	13,911	17,499
Health and welfare	32,297	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>32,297</u>	<u>6,709</u>	<u>13,911</u>	<u>17,499</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 73,309</u>	<u>6,709</u>	<u>13,911</u>	<u>17,499</u>

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



Special Revenue				Capital Projects	
JAG DCE/SP 297	Seizures and Donations 2010 293	Enhanced-911 Grant 294	Fire Prevention 764	Street Co-Op Projects 214	Street Improvement 216
112	483	-	40,686	353,401	610,738
-	-	2,400	-	23,905	180,098
-	-	-	-	-	-
<u>112</u>	<u>483</u>	<u>2,400</u>	<u>40,686</u>	<u>377,306</u>	<u>790,836</u>
-	-	-	-	-	4,569
-	-	-	-	-	-
-	-	2,398	-	-	-
-	-	2,398	-	-	4,569
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	377,306	786,267
-	-	-	-	-	-
112	483	2	40,686	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>112</u>	<u>483</u>	<u>2</u>	<u>40,686</u>	<u>377,306</u>	<u>786,267</u>
<u>112</u>	<u>483</u>	<u>2,400</u>	<u>40,686</u>	<u>377,306</u>	<u>790,836</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Capital Projects</b>			
	<b>Capital Improvement</b>	<b>Rehab Taxiway ABC &amp; Apron</b>	<b>Recreation Center Phase II Construction</b>	<b>LA Plaza League</b>
	<b>220</b>	<b>433</b>	<b>468</b>	<b>470</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 205,541	210,981	13,156	1
Receivables, net	127,081	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 332,622</u>	<u>210,981</u>	<u>13,156</u>	<u>1</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,252	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>2,252</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Future debt service payments	-	-	-	-
Capital projects	330,370	210,981	13,156	1
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>330,370</u>	<u>210,981</u>	<u>13,156</u>	<u>1</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 332,622</u>	<u>210,981</u>	<u>13,156</u>	<u>1</u>

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

<b>Debt Service</b>					
<b>Recreation Canter Phase II 330</b>	<b>Gasoline Tax Revenue Bonds 331</b>	<b>Municipal Pooled GRT Bonds 334</b>	<b>NMFA Equipment Loan 337</b>	<b>NMFA Fire Equipment Loan 338</b>	<b>Total Nonmajor Governmental Funds</b>
587,752	-	180,801	37,058	1,794	2,868,739
73,177	-	-	-	-	578,872
-	-	-	-	-	-
<u>660,929</u>	<u>-</u>	<u>180,801</u>	<u>37,058</u>	<u>1,794</u>	<u>3,447,611</u>
2,378	-	-	-	-	46,695
-	-	-	-	-	16,397
-	19,533	-	-	-	103,439
<u>2,378</u>	<u>19,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,531</u>
-	-	-	-	-	-
658,551	-	180,801	37,058	1,794	878,204
-	-	-	-	-	1,718,081
-	-	-	-	-	272,905
-	-	-	-	-	142,295
-	-	-	-	-	253,351
-	-	-	-	-	38,483
-	(19,533)	-	-	-	(22,239)
<u>658,551</u>	<u>(19,533)</u>	<u>180,801</u>	<u>37,058</u>	<u>1,794</u>	<u>3,281,080</u>
<u>660,929</u>	<u>-</u>	<u>180,801</u>	<u>37,058</u>	<u>1,794</u>	<u>3,447,611</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Special Revenue</b>			
	<b>Sick Leave Contingency</b>	<b>Corrections</b>	<b>Lodgers' Tax Promotion</b>	<b>State Fire Grant</b>
	<b>102</b>	<b>201</b>	<b>202</b>	<b>203</b>
<i>Revenues</i>				
Taxes:	\$			
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	336,194	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	197,459
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	44,270	-	-
Interest income	-	-	-	-
Other	-	-	-	-
<i>Total revenues</i>	\$ -	44,270	336,194	197,459
<i>Expenditures</i>				
Current:	\$			
General government	83,108	-	-	-
Public safety	-	25,651	-	83,044
Public works	-	-	-	-
Culture and recreation	-	-	292,573	-
Health and welfare	-	-	-	-
Capital outlay	-	-	4,892	210,587
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	83,108	25,651	297,465	293,631
<i>Excess (deficiency) of revenues over expenditures</i>	(83,108)	18,619	38,729	(96,172)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(51,428)	(34,065)
<i>Total other financing sources (uses)</i>	-	-	(51,428)	(34,065)
<i>Net change in fund balances</i>	(83,108)	18,619	(12,699)	(130,237)
<i>Fund balances - beginning of year</i>	210,972	17,039	234,640	186,161
<i>Fund balances - end of year</i>	\$ 127,864	35,658	221,941	55,924

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

**Special Revenue**

<b>Emergency Medical Services 206</b>	<b>State Library Grant 213</b>	<b>State Law Enforcement 215</b>	<b>Special Legislative Appropriations 217</b>	<b>Historical Preservation 218</b>	<b>2017 Region IV JAG 219</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	687
27,554	18,063	40,400	-	74,750	-
-	-	-	254,400	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>27,554</u>	<u>18,063</u>	<u>40,400</u>	<u>254,400</u>	<u>74,750</u>	<u>687</u>
-	-	-	-	-	-
2,759	-	13,761	-	-	687
-	-	-	-	24,750	-
-	18,421	-	-	50,000	-
25,614	-	-	-	-	-
6,960	2,354	-	254,400	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>35,333</u>	<u>20,775</u>	<u>13,761</u>	<u>254,400</u>	<u>74,750</u>	<u>687</u>
<u>(7,779)</u>	<u>(2,712)</u>	<u>26,639</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	25,000	-
-	-	(26,639)	-	-	-
-	-	(26,639)	-	25,000	-
(7,779)	(2,712)	-	-	25,000	-
<u>13,965</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>12,782</u>	<u>-</u>
<u>6,186</u>	<u>(2,706)</u>	<u>-</u>	<u>-</u>	<u>37,782</u>	<u>-</u>

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Special Revenue</b>			
	<b>Transportation Grant #5311 231</b>	<b>NM Tourism Coop Grant 232</b>	<b>Transportation Center 235</b>	<b>Seizure 241</b>
	<u>231</u>	<u>232</u>	<u>235</u>	<u>241</u>
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ -	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	157,925	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	4,750	-
Licenses and fees	-	-	-	-
Interest income	9,874	-	-	-
Other	-	-	-	-
<i>Total revenues</i>	<u>\$ 167,799</u>	<u>-</u>	<u>4,750</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	\$ 308,482	-	54,884	-
Public safety	-	-	-	285
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>308,482</u>	<u>-</u>	<u>54,884</u>	<u>285</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(140,683)</u>	<u>-</u>	<u>(50,134)</u>	<u>(285)</u>
<i>Other financing sources (uses)</i>				
Transfers in	60,000	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(80,683)	-	(50,134)	(285)
<i>Fund balances - beginning of year</i>	<u>170,801</u>	<u>1,406</u>	<u>55,845</u>	<u>689</u>
<i>Fund balances - end of year</i>	<u>\$ 90,118</u>	<u>1,406</u>	<u>5,711</u>	<u>404</u>

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



**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Special Revenue</b>			
	<b>Senior Citizens Center 282</b>	<b>Las Vegas PD Awards 283</b>	<b>Veterans' Memorial 284</b>	<b>4th of July Fiestas 288</b>
	<u>282</u>	<u>283</u>	<u>284</u>	<u>288</u>
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ -	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	706,774	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	5,250	-
Licenses and fees	-	-	-	41,958
Interest income	-	-	-	-
Other	11,373	6,273	-	1,528
<i>Total revenues</i>	<u>\$ 718,147</u>	<u>6,273</u>	<u>5,250</u>	<u>43,486</u>
<i>Expenditures</i>				
Current:				
General government	\$ -	-	-	-
Public safety	-	1,783	-	-
Public works	-	-	5,310	-
Culture and recreation	777,591	-	-	85,384
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>777,591</u>	<u>1,783</u>	<u>5,310</u>	<u>85,384</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(59,444)</u>	<u>4,490</u>	<u>(60)</u>	<u>(41,898)</u>
<i>Other financing sources (uses)</i>				
Transfers in	70,000	-	-	25,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
<i>Net change in fund balances</i>	10,556	4,490	(60)	(16,898)
<i>Fund balances - beginning of year</i>	<u>21,741</u>	<u>2,219</u>	<u>13,971</u>	<u>34,397</u>
<i>Fund balances - end of year</i>	<u>\$ 32,297</u>	<u>6,709</u>	<u>13,911</u>	<u>17,499</u>

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



JAG DCE/SP 297	Special Revenue			Capital Projects	
	Seizures and Donations 2010 293	Enhanced-911 Grant 294	Fire Prevention 764	Street Co-Op Projects 214	Street Improvement 216
	-	-	-	-	-
-	-	-	-	-	369,800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,440	-	-	-
-	-	-	15,870	345,142	-
-	-	-	-	-	-
-	-	-	-	-	-
-	300	-	204	-	1,022
-	300	7,440	16,074	345,142	1,024,740
-	-	-	-	-	-
-	-	-	5,341	-	-
-	-	-	-	46,829	719,980
-	-	-	-	-	-
-	-	7,440	-	-	-
-	-	-	9,400	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,440	14,741	46,829	719,980
-	300	-	1,333	298,313	304,760
-	-	-	-	-	-
-	-	-	-	-	(28,025)
-	-	-	-	-	(28,025)
-	300	-	1,333	298,313	276,735
112	183	2	39,353	78,993	509,532
112	483	2	40,686	377,306	786,267

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

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Capital Projects</b>			
	<b>Capital</b>	<b>Rehab Taxiway</b>	<b>Recreation</b>	<b>LA Plaza</b>
	<b>Improvement</b>	<b>ABC &amp; Apron</b>	<b>Center Phase II</b>	<b>League</b>
	<b>220</b>	<b>433</b>	<b>468</b>	<b>470</b>
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ 708,272	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	6,251	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	46	-
Other	-	-	-	-
<i>Total revenues</i>	<u>\$ 708,272</u>	<u>6,251</u>	<u>46</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	\$ -	-	-	-
Public safety	-	-	-	-
Public works	12,413	7,186	44,978	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	81,082	-	3,276	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>93,495</u>	<u>7,186</u>	<u>48,254</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>614,777</u>	<u>(935)</u>	<u>(48,208)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	28,025	50,000	-
Transfers out	(391,750)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(391,750)</u>	<u>28,025</u>	<u>50,000</u>	<u>-</u>
<i>Net change in fund balances</i>	223,027	27,090	1,792	-
<i>Fund balances - beginning of year</i>	<u>107,343</u>	<u>183,891</u>	<u>11,364</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ 330,370</u>	<u>210,981</u>	<u>13,156</u>	<u>1</u>

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

<b>Debt Service</b>					
<b>Recreation Center Phase II 330</b>	<b>Gasoline Tax Revenue Bonds 331</b>	<b>Municipal Pooled GRT Bonds 334</b>	<b>NMFA Equipment Loan 337</b>	<b>NMFA Fire Equipment Loan 338</b>	<b>Total Nonmajor Governmental Funds</b>
388,567	-	-	-	-	1,750,757
-	-	-	-	-	369,800
-	-	-	-	-	336,194
-	-	-	-	-	-
-	-	-	-	-	866,502
-	-	-	-	-	687
-	-	-	-	-	407,609
-	-	-	-	-	261,840
-	-	-	-	-	371,012
-	-	-	-	-	86,228
6,086	-	80	695	142	16,923
-	-	-	-	-	20,700
<u>394,653</u>	<u>-</u>	<u>80</u>	<u>695</u>	<u>142</u>	<u>4,488,252</u>
10,638	-	-	-	-	457,112
-	-	-	-	-	170,835
-	-	-	-	-	861,446
-	-	-	-	-	1,223,969
-	-	-	-	-	33,054
-	-	-	-	-	578,951
412,126	-	205,000	37,512	31,835	686,473
84,140	-	96,750	505	2,230	183,625
<u>506,904</u>	<u>-</u>	<u>301,750</u>	<u>38,017</u>	<u>34,065</u>	<u>4,195,465</u>
<u>(112,251)</u>	<u>-</u>	<u>(301,670)</u>	<u>(37,322)</u>	<u>(33,923)</u>	<u>292,787</u>
324,667	-	301,750	38,067	34,065	956,574
(50,000)	-	-	-	-	(581,907)
<u>274,667</u>	<u>-</u>	<u>301,750</u>	<u>38,067</u>	<u>34,065</u>	<u>374,667</u>
162,416	-	80	745	142	667,454
<u>496,135</u>	<u>(19,533)</u>	<u>180,721</u>	<u>36,313</u>	<u>1,652</u>	<u>2,613,626</u>
<u>658,551</u>	<u>(19,533)</u>	<u>180,801</u>	<u>37,058</u>	<u>1,794</u>	<u>3,281,080</u>

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

STATE OF NEW MEXICO  
City of Las Vegas  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2018

	<b>Automated System Financing</b>	<b>Utilities Administration</b>	<b>Utilities Service</b>	<b>Total</b>
<b>Assets and deferred outflows of resources</b>				
<i>Assets</i>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 216,413	333,856	614,837	1,165,106
Due from other funds	-	20,000	-	20,000
<i>Total current assets</i>	<u>\$ 216,413</u>	<u>353,856</u>	<u>614,837</u>	<u>1,185,106</u>
<i>Noncurrent assets</i>				
Capital assets	\$ 1,023,423	873,388	114,860	2,011,671
Accumulated depreciation	(1,023,196)	(706,408)	(105,355)	(1,834,959)
<i>Total noncurrent assets</i>	<u>227</u>	<u>166,980</u>	<u>9,505</u>	<u>176,712</u>
<i>Deferred outflows of resources</i>				
Pension related	38,069	120,560	102,836	261,465
OPEB related	1,969	6,235	5,319	13,523
<i>Total deferred outflows of resources</i>	<u>40,038</u>	<u>126,795</u>	<u>108,155</u>	<u>274,988</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 256,678</u>	<u>647,631</u>	<u>732,497</u>	<u>1,636,806</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2018**

	<u>Automated System Financing</u>	<u>Utilities Administration</u>	<u>Utilities Service</u>	<u>Total</u>
<b>Liabilities, deferred inflows of resources, and net position</b>				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 99	3,892	451	4,442
Accrued payroll expenses	2,598	10,116	10,346	23,060
Accrued compensated absences	1,670	17,041	7,895	26,606
<i>Total current liabilities</i>	<u>4,367</u>	<u>31,049</u>	<u>18,692</u>	<u>54,108</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences	-	4,720	3,183	7,903
Net pension liability	155,306	491,837	419,529	1,066,672
Net OPEB liability	113,155	358,313	305,616	777,084
<i>Total noncurrent liabilities</i>	<u>268,461</u>	<u>854,870</u>	<u>728,328</u>	<u>1,851,659</u>
<i>Total liabilities</i>	<u>272,828</u>	<u>885,919</u>	<u>747,020</u>	<u>1,905,767</u>
<i>Deferred inflows of resources</i>				
Pension related	25,471	80,663	68,805	174,939
OPEB related	25,754	81,551	69,557	176,862
<i>Total deferred inflows of resources</i>	<u>51,225</u>	<u>162,214</u>	<u>138,362</u>	<u>351,801</u>
<i>Net Position</i>				
Net investment in capital assets	227	166,980	9,505	176,712
Unrestricted	(67,602)	(567,482)	(162,390)	(797,474)
<i>Total net position</i>	<u>(67,375)</u>	<u>(400,502)</u>	<u>(152,885)</u>	<u>(620,762)</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 256,678</u>	<u>647,631</u>	<u>732,497</u>	<u>1,636,806</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2018**

	<b>Automated System Financing</b>	<b>Utilities Administration</b>	<b>Utilities Service</b>	<b>Total</b>
<i>Operating revenues</i>				
Charges for services	\$ -	-	-	-
<i>Total operating revenues</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operating expenses</i>				
Personnel services	\$ 279,756	506,663	375,355	1,161,774
Utilities	-	69,152	1,507	70,659
Contractual services	-	-	-	-
Supplies and purchased power	2,232	6,506	12,222	20,960
Maintenance and materials	180,988	841	3,486	185,315
Depreciation	2,726	22,237	4,577	29,540
Other costs	7,022	8,712	53,727	69,461
<i>Total operating expenses</i>	<u>472,724</u>	<u>614,111</u>	<u>450,874</u>	<u>1,537,709</u>
<i>Operating income (loss)</i>	<u>(472,724)</u>	<u>(614,111)</u>	<u>(450,874)</u>	<u>(1,537,709)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	370	890	1,233	2,493
Miscellaneous income	3,280	-	-	3,280
<i>Total non-operating revenues (expenses)</i>	<u>3,650</u>	<u>890</u>	<u>1,233</u>	<u>5,773</u>
<i>Income (loss) before contributions and transfers</i>	<u>(469,074)</u>	<u>(613,221)</u>	<u>(449,641)</u>	<u>(1,531,936)</u>
Transfers in	390,000	740,872	754,042	1,884,914
Transfers out	-	(195,000)	-	(195,000)
<i>Change in net position</i>	<u>(79,074)</u>	<u>(67,349)</u>	<u>304,401</u>	<u>157,978</u>
<i>Net position - beginning</i>	<u>146,109</u>	<u>92,466</u>	<u>(94,264)</u>	<u>144,311</u>
<i>GASB 75 implementation (note 21)</i>	<u>(134,410)</u>	<u>(425,619)</u>	<u>(363,022)</u>	<u>(923,051)</u>
<i>Net position - beginning</i>	<u>11,699</u>	<u>(333,153)</u>	<u>(457,286)</u>	<u>(778,740)</u>
<i>Net position - end of year</i>	<u>\$ (67,375)</u>	<u>(400,502)</u>	<u>(152,885)</u>	<u>(620,762)</u>

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, 2018**

	<b>Automated System Financing</b>	<b>Utilities Administration</b>	<b>Utilities Service</b>	<b>Total</b>
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ -	-	-	-
Cash payments to employees for services	(130,250)	(422,748)	(406,867)	(959,865)
Cash payments to suppliers for goods and services	(190,313)	(88,692)	(78,070)	(357,075)
<i>Net cash provided (used) by operating activities</i>	<u>(320,563)</u>	<u>(511,440)</u>	<u>(484,937)</u>	<u>(1,316,940)</u>
<i>Cash flows from noncapital financing activities</i>				
Miscellaneous income	3,280	-	-	3,280
Cash transfers	390,000	545,872	754,042	1,689,914
<i>Net cash provided (used) by noncapital financing activities</i>	<u>393,280</u>	<u>545,872</u>	<u>754,042</u>	<u>1,693,194</u>
<i>Cash flows from investing activities</i>				
Interest on investments	370	890	1,233	2,493
<i>Net cash provided (used) by investing activities</i>	<u>370</u>	<u>890</u>	<u>1,233</u>	<u>2,493</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	-	(44,463)	-	(44,463)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>-</u>	<u>(44,463)</u>	<u>-</u>	<u>(44,463)</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	73,087	(9,141)	270,338	334,284
<i>Cash and cash equivalents - beginning of year</i>	<u>143,326</u>	<u>342,997</u>	<u>344,499</u>	<u>830,822</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 216,413</u>	<u>333,856</u>	<u>614,837</u>	<u>1,165,106</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income (loss)	\$ (472,724)	(614,111)	(450,874)	(1,537,709)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	2,726	22,237	4,577	29,540
Changes in assets, deferred outflows, and liabilities:				
Accounts payable	(71)	(3,481)	(7,128)	(10,680)
Accrued payroll expense	2,598	1,381	925	4,904
Accrued compensated absences	1,670	5,710	(6,822)	558
Pension and related accounts	142,708	68,814	(32,447)	179,075
OPEB and related accounts	2,530	8,010	6,832	17,372
<i>Net cash provided (used) by operating activities</i>	<u>\$ (320,563)</u>	<u>(511,440)</u>	<u>(484,937)</u>	<u>(1,316,940)</u>

See independent auditors' report.

## **SUPPORTING SCHEDULES**



**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of Deposit Accounts**  
**June 30, 2018**

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Totals</u>
<b>Community First Bank</b>					
General Fund	Demand Account \$	-	-	-	-
Library Special	Demand Account	15,294	6	12,635	2,665
Economic Development	Demand Account	-	-	-	-
Recreation Center Phase II	Demand Account	267,188	-	25,000	242,188
Waste Water Reserves	Demand Account	-	-	-	-
Gas Meter Deposit	Demand Account	314,846	36,406	77,613	273,639
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	16,138,045	366,694	1,274,705	15,230,034
<i>Total Community Bank</i>		<u>16,735,373</u>	<u>403,106</u>	<u>1,389,953</u>	<u>15,748,526</u>
<b>Southwest Capital Bank</b>					
General Fund	Demand Account	4,596,357	285,851	444,943	4,437,265
Natural Gas UB	Demand Account	147,557	-	-	147,557
Water Construction Project	Demand Account	1,196,153	-	-	1,196,153
Water Meter Deposit	Demand Account	144,882	38,356	121,027	62,211
HA Tenant Deposits	Demand Account	42,719	682	1,653	41,748
Housing Authority	Demand Account	167,612	269,427	62,240	374,799
PD Safe Keeping	Demand Account	47,016	-	5,341	41,675
Bond Trust	Demand Account	28,430	2,851	7,698	23,583
Payroll	Demand Account	323,668	2,738	326,004	402
Capital Improvement	Demand Account	3,157	73,686	63,686	13,157
Water Projects	Demand Account	1,958,559	537,246	1,536,832	958,973
HA Modernization	Demand Account	239,310	26,418	265,728	-
Certificate of Deposit	Time Deposit	5,000,000	-	-	5,000,000
<i>Total Southwest Capital Bank</i>		<u>13,895,420</u>	<u>1,237,255</u>	<u>2,835,152</u>	<u>12,297,523</u>
<b>Wells Fargo</b>					
Gross Receipts Tax Bonds	Demand Account	180,801	-	-	180,801
Water Reserve	Savings Account	1,631,469	-	-	1,631,469
<i>Total Wells Fargo</i>		<u>1,812,270</u>	<u>-</u>	<u>-</u>	<u>1,812,270</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of Deposit Accounts**  
**June 30, 2018**

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Totals</u>
<b>NMFA</b>					
LASVEGAS24-State Treasurer	NMFA Cash	\$ 325	-	-	325
LASVEGAS24- Reserve Funds Payable	NMFA Cash	11,268	-	-	11,268
LASVEGAS16-State Treasurer	NMFA Cash	1,531	-	-	1,531
LASVEGAS16-Reserve Funds Payable	NMFA Cash	23,331	-	-	23,331
LASVEGAS10- State Treasurer	NMFA Cash	200	-	-	200
LASVEGAS12-State Treasurer	NMFA Cash	230	-	-	230
LASVEGAS11- State Treasurer	NMFA Cash	6,923	-	-	6,923
LASVEGAS11-Reserve Funds Payable	NMFA Cash	352,585	-	-	352,585
LASVEGAS18-State Treasurer	NMFA Cash	1,008	-	-	1,008
LASVEGAS21-State Treasurer	NMFA Cash	2,271	-	-	2,271
LASVEGAS23-State Treasurer	NMFA Cash	2,753	-	-	2,753
LASVEGAS22- State Treasurer	NMFA Cash	2,952	-	-	2,952
LASVEGAS27- State Treasurer	NMFA Cash	2,691	-	-	2,691
LASVEGAS28- State Treasurer	NMFA Cash	256	-	-	256
LASVEGAS30-Reserve Funds Payable	NMFA Cash	281,682	-	-	281,682
LASVEGAS30-State Treasurer	NMFA Cash	63,872	-	-	63,872
LASVEGAS31-Program Funds	NMFA Cash	955,997	-	345,111	610,886
LASVEGAS32-Reserve Funds Payable	NMFA Cash	1,077	-	-	1,077
<i>Total NMFA</i>		<u>1,710,952</u>	<u>-</u>	<u>345,111</u>	<u>1,365,841</u>
<i>Total Deposits</i>		<u>\$ 34,154,015</u>	<u>1,640,361</u>	<u>4,570,216</u>	<u>31,224,160</u>
Add: Petty cash					1,266
Less: Restricted cash and cash equivalents per Statement of Net Position					(1,344,878)
Less: Investments per Statement of Net Position					(5,000,000)
Less: Agency cash					(66,913)
<i>Total unrestricted cash and cash equivalents per Statement of Net Position</i>					<u>\$ 24,813,635</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of Collateral Pledged by Depository**  
**For Public Funds**  
**June 30, 2018**

<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, 2018</u>	<u>Location of Safekeeper</u>
<b>Community First Bank</b>					
	Las Vegas NM City Sch Dist #2	8/15/2019	51778FCT4	\$ 456,124	Kansas City, MO
	FHLMC Series 3982 Class MD	5/15/2039	3137AKAS0	489,889	Kansas City, MO
	FHLMC Pool #GL14450	10/1/2026	3128MDEX7	607,064	Kansas City, MO
	FNMA Pool #AL1749	4/1/2027	3138EH5K4	687,838	Kansas City, MO
	FNMA Pool #AL2740	7/1/2027	3138EKBJ3	639,048	Kansas City, MO
	FHLB Fixed Rate Note	6/10/2022	313379Q69	2,925,915	Kansas City, MO
	FHLB Fixed Rate Note	6/12/2020	313383HU8	<u>2,951,214</u>	Kansas City, MO
	<i>Total Community First Bank</i>			<u>8,757,092</u>	
<b>Southwest Capital Bank</b>					
	FHLB FN MA1080	6/1/2022	31418AFW3	82,419	Irving, TX
	FHLMC Agency - 1X	2/15/2019	3134G3B82	1,488,804	Irving, TX
	FHLB-LC4305000004	1/25/2018	LOC	500,000	Irving, TX
	FHLB-LC4305000004	1/25/2018	LOC	50,000	Irving, TX
	FHLB-LC4305000004	1/25/2018	LOC	3,500,000	Irving, TX
	FHLB-LC4305000004	1/25/2018	LOC	<u>680,000</u>	Irving, TX
	<i>Total Southwest Capital Bank</i>			<u>6,301,223</u>	
<b>Wells Fargo</b>					
	FNMA FNMS	7/1/2031	3140EXJ61	<u>835,086</u>	
	<i>Total Wells Fargo Bank</i>			<u>835,086</u>	
	<i>Total Pledged Collateral</i>			<u>\$ 15,893,401</u>	

See independent auditors' report.

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<i>Assets</i>				
Cash	\$ 69,689	22,508	25,284	66,913
<i>Total Assets</i>	<u>\$ 69,689</u>	<u>22,508</u>	<u>25,284</u>	<u>66,913</u>
<i>Liabilities</i>				
Due to other entities	\$ 69,689	22,508	25,284	66,913
<i>Total Liabilities</i>	<u>\$ 69,689</u>	<u>22,508</u>	<u>25,284</u>	<u>66,913</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**Housing Authority of the City of Las Vegas**  
**Financial Data Schedule**  
**June 30, 2018**

<b>Line Item Number</b>	<b>Description</b>	<b>Low Rent Public Housing Program NM004000001 14.850</b>	<b>Revitalization of Severely Distressed Public Housing 14.866</b>	<b>Total</b>
111	Cash - Unrestricted	\$ 374,799	-	374,799
114	Cash - Tenant Security Deposits	41,747	-	41,747
100	Total Cash	<u>416,546</u>	<u>-</u>	<u>416,546</u>
124	Accounts Receivable - Other Government	15,000	-	15,000
125	Accounts Receivable - Miscellaneous	285,901	-	285,901
126	Accounts Receivable - Tenants - Dwelling Rents	16,921	-	16,921
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(225)	-	(225)
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>317,597</u>	<u>-</u>	<u>317,597</u>
131	Investments - Unrestricted	-	-	-
143	Inventories	20,333	-	20,333
143.1	Allowance for Obsolete Inventories	-	-	-
150	Total Current Assets	<u>754,476</u>	<u>-</u>	<u>754,476</u>
161	Land	160,150	-	160,150
162	Buildings	12,305,369	-	12,305,369
163	Furniture, Equipment & Machinery - Dwellings	273,813	-	273,813
164	Furniture, Equipment & Machinery - Administration	304,919	-	304,919
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(8,479,740)	-	(8,479,740)
167	Construction in progress	77,916	-	77,916
160	Total Capital Assets, Net of Accumulated Depreciation	<u>4,642,427</u>	<u>-</u>	<u>4,642,427</u>
174	Other Assets	412,110	-	412,110
180	Total Non-Current Assets	<u>5,054,537</u>	<u>-</u>	<u>5,054,537</u>
200	Deferred Outflows of Resources	<u>169,971</u>	<u>-</u>	<u>169,971</u>
290	Total Assets and Deferred Outflows of Resources	<u>\$ 5,978,984</u>	<u>-</u>	<u>5,978,984</u>

See independent auditor's report.

**STATE OF NEW MEXICO**  
**Housing Authority of the City of Las Vegas**  
**Financial Data Schedule**  
**June 30, 2018**

<b>Line Item Number</b>	<b>Description</b>	<b>Low Rent Public Housing Program NM004000001 14.850</b>	<b>Revitalization of Severely Distressed Public Housing 14.866</b>	<b>Total</b>
312	Accounts Payable <= 90 Days	\$ 27,481	-	27,481
313	Accounts Payable > 90 Days Past Due	-	-	-
321	Accrued Wage/Payroll Taxes Payable	13,026	-	13,026
322	Accrued Compensated Absences - Current Portion	34,117	-	34,117
341	Tenant Security Deposits	41,747	-	41,747
342	Deferred Revenues	-	-	-
310	Total Current Liabilities	<u>116,371</u>	<u>-</u>	<u>116,371</u>
357	Accrued Pension and OPEB Liabilities	<u>1,139,578</u>	<u>-</u>	<u>1,139,578</u>
350	Total Non-Current Liabilities	<u>1,139,578</u>	<u>-</u>	<u>1,139,578</u>
300	Total Liabilities	<u>1,255,949</u>	<u>-</u>	<u>1,255,949</u>
400	Deferred Inflows of Resources	<u>217,437</u>	<u>-</u>	<u>217,437</u>
508.1	Invested in capital assets, net of related debt	4,642,427	-	4,642,427
512.1	Unrestricted Net Position	<u>(136,829)</u>	<u>-</u>	<u>(136,829)</u>
513	Total Equity/Net Position	<u>4,505,598</u>	<u>-</u>	<u>4,505,598</u>
600	<i>Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position</i>	<u>\$ 5,978,984</u>	<u>-</u>	<u>5,978,984</u>

See independent auditor's report.

**STATE OF NEW MEXICO**  
**Housing Authority of the City of Las Vegas**  
**Financial Data Schedule**  
**June 30, 2018**

<b>Line Item</b>	<b>Description</b>	<b>Low Rent Public Housing Program NM004000001 14.850</b>	<b>Revitalization of Severely Distressed Public Housing 14.866</b>	<b>Capital Fund Program 14.872</b>	<b>Total</b>
70300	Net Tenant Rental Revenue	\$ 521,969	-	-	521,969
70400	Tenant Revenue - Other	17,501	-	-	17,501
70500	Total Tenant Revenue	539,470	-	-	539,470
70600	HUD PHA Operating Grants	684,165	-	-	684,165
70610	Capital Grants	226,423	-	-	226,423
71100	Investment Income - Unrestricted	1,599	-	-	1,599
71400	Fraud Recovery	2,607	-	-	2,607
71500	Other Revenue	-	-	-	-
70000	Total Revenue	1,454,264	-	-	1,454,264
91100	Administrative Salaries	238,370	-	-	238,370
91200	Auditing Fees	5,258	-	-	5,258
91400	Advertising and Marketing	19	-	-	19
91500	Employee Benefit Contributions - Administrative	145,370	-	-	145,370
91600	Office Expenses	25,579	-	-	25,579
91800	Travel	7,940	-	-	7,940
91900	Other Operating - Administrative	18,781	-	-	18,781
91000	Total Operating - Administrative	441,317	-	-	441,317
93100	Water	71,682	-	-	71,682
93200	Electricity	14,132	-	-	14,132
93300	Gas	77,693	-	-	77,693
93400	Fuel	5,858	-	-	5,858
93600	Sewer	90,233	-	-	90,233
93000	Total Utilities	259,598	-	-	259,598

See independent auditor's report.

**STATE OF NEW MEXICO**  
**Housing Authority of the City of Las Vegas**  
**Financial Data Schedule**  
**June 30, 2018**

<b>Line Item Number</b>	<b>Description</b>	<b>Low Rent Public Housing Program NM004000001 14.850</b>	<b>Revitalization of Severely Distressed Public Housing 14.866</b>	<b>Capital Fund Program 14.872</b>	<b>Total</b>
94100	Ordinary Maintenance and Operations - Labor	\$ 194,894	-	-	194,894
94200	Ordinary Maintenance and Operations - Materials	15,848	-	-	15,848
94300	Ordinary Maintenance and Operations Contracts	107,893	-	-	107,893
94500	Employee Benefit Contributions - Ordinary Maintenance	84,854	-	-	84,854
		-	-	-	-
94000	Total Maintenance and Operations	403,489	-	-	403,489
95100	Protective Services - Labor	-	-	-	-
95000	Total Protective Services	-	-	-	-
96110	Property Insurance	62,945	-	-	62,945
96140	All Other Insurance	4,479	-	-	4,479
96100	Total Insurance Premiums	67,424	-	-	67,424
96210	Compensated Absences	-	-	-	-
96300	Payment In Lieu of Taxes	2,000	-	-	2,000
96400	Bad Debt - Tenant Rents	8,484	-	-	8,484
96000	Total Other General Expenses	10,484	-	-	10,484
96900	Total Operating Expenses	1,182,312	-	-	1,182,312
97000	Excess Operating Revenue Over Operating Expenses	271,952	-	-	271,952
97400	Depreciation Expense	283,268	-	-	283,268
90000	Total Expenses	1,465,580	-	-	1,465,580
10010	Operating Transfers In	220,663	-	-	220,663
10020	Operating Transfers Out	(220,663)	-	-	(220,663)
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	(11,316)	-	-	(11,316)

See independent auditor's report.



**STATE OF NEW MEXICO**  
**Housing Authority of the City of Las Vegas**  
**Financial Data Schedule**  
**June 30, 2018**

<b>Line Item</b>	<b>Description</b>	<b>Low Rent Public Housing Program NM004000001 14.850</b>	<b>Revitalization of Severely Distressed Public Housing 14.866</b>	<b>Capital Fund Program 14.872</b>	<b>Total</b>
94300	Beginning Equity	\$ 5,087,387	-	-	5,087,387
11040-10	Prior Period Adjustments	(570,473)	-	-	(570,473)
11040-20	Equity Transfers	-	-	-	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	<i>Ending Equity (deficit)</i>	\$ 4,505,598			4,505,598
11190	<i>Unit Months Available</i>	3,396			3,396
11210	<i>Number of Unit Months Leased</i>	2,936			2,936
11270	<i>Excess Cash</i>	\$ 524,278			524,278
11630	<i>Furniture &amp; Equipment - Dwelling Purchases</i>	\$ 13,395			13,395

See independent auditor's report.

## **COMPLIANCE SECTION**

**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**

Wayne A. Johnson  
New Mexico State Auditor  
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, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated December 15, 2018.

**Internal Control Over Financial Reporting**

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

*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*.

## **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.

The logo for Axiom, featuring the word "Axiom" in a stylized, cursive script font.

Albuquerque, NM  
December 15, 2018

**FEDERAL FINANCIAL ASSISTANCE**

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

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

**Report on Compliance for Each Major 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 programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for 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 each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

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

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

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

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



Albuquerque, New Mexico  
December 15, 2018

**STATE OF NEW MEXICO**  
**City of Las Vegas**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

Funding Source/Grant of Contact Name	CFDA Number	Pass-through Grant Number	Expenditures	Funds Provided to Subrecipients	Noncash Assistance
<b>U.S. Department of Justice</b>					
<i>Direct Funding</i>					
Joint Law Enforcement Operations	16.111		8,486	-	-
Bulletproof Vest Partnership Program	16.607		1,803	-	-
<i>Pass-Through Programs from NM Department of Public Safety</i>					
Edward Byrne Memorial Justice Assistant Grant (JAG)	16.804		687	-	-
<b>Total U.S. Department of Education</b>			10,976	-	-
<b>U.S. Department of Transportation</b>					
<i>Pass-Through Programs from NM Department of Transportation</i>					
Formula Grants for Other Than Urbanized Areas	20.509		157,925	-	-
<b>Total U.S. Department of Transportation</b>			157,925	-	-
<b>U.S. Department of Housing and Urban Development</b>					
<i>Direct Funding</i>					
Public and Indian Housing	* 14.850		684,165	-	-
Public Housing Capital Fund	14.872		226,423	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			910,588	-	-
<b>U.S. Department of Health and Human Services</b>					
<i>Passed through the Northern NM Economic Division District</i>					
Aging Cluster - Nutrition Services Incentive Program	93.053		84,801	-	-
Aging Cluster - Title IIIB	93.044		30,960	-	-
Aging Cluster - Title IIIC1 and Title IIIC2	93.045		87,095	-	-
<b>Total U.S. Department of Health and Human Services</b>			202,856	-	-
<b>U. S. Environmental Protection Agency</b>					
<i>Passed through the New Mexico Finance Authority</i>					
Capitalization Grants for Drinking Water State Revolving Funds	66.468		117,458	-	-
<b>Total U. S. Environmental Protection Agency</b>			117,458	-	-
<b>Total Federal Financial Assistance</b>			1,399,803	-	-

(\*) Denotes Major Federal Program

See independent auditor's report.  
See accompanying notes to the schedule of expenditures of federal awards.



**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2018**

**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 Drinking Water State Revolving Fund program totaling \$117,458 during the year ended June 30, 2018.

**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	\$ 1,399,803
Total expenditures funded by other sources	<u>28,334,637</u>
<i>Total expenditures</i>	<u><u>\$ 29,734,440</u></u>

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Schedule of Findings and Questioned Costs  
June 30, 2018**

**Section I – Summary of Auditors’ Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | 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?                              | No  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No  |
| 4. Identification of major programs:  |   |
| <u>CFDA Number</u><br>14.850  | <u>Federal Program</u><br>Public and Indian Housing |
| 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  
June 30, 2018**

**Section II – Findings – Financial Statement Audit**

None noted

**Section III – Findings – Federal Awards**

None noted

**Section IV – Prior Year Audit Findings**

FS 2017-001	Physical Inventory of CFP Property (Significant Deficiency and Other Noncompliance)	Resolved
NM 2015-001	Insufficient Internal Controls related to Credit Cards (Finding that does not rise to the level of a significant deficiency)	Resolved
NM 2017-001	Insufficient Internal Controls related to the Procurement Process (Finding that does not rise to the level of a significant deficiency)	Resolved

**STATE OF NEW MEXICO  
CITY OF LAS VEGAS  
Exit Conference  
June 30, 2018**

An exit conference was held with the City on December 11, 2018. In attendance were the following:

In attendance were:

**City of Las Vegas, New Mexico/City of Las Vegas Housing Authority**

Tonita Gurule-Girón, Mayor

Tana Vega, Interim Finance Director

Ann Marie Gallegos, Interim City Manager

Dominic Chavez, Deputy Finance Director

**Axiom Certified Public Accountants and Business Advisors LLC**

Jaime Rumbaoa, CPA, CITP, CFE, CISA, Partner

Tyler Marshall, Supervisor

**Auditor Prepared Financial Statements**

Axiom Certified Public Accountants and Business Advisors LLC prepared the GAAP-basis financial statements and footnotes for the City of Las Vegas from the original books and records provided to them by the management of the City. The responsibility of the financial statements remains with the City.