

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
FINANCIAL STATEMENTS
JUNE 30, 2019**



**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, 2019

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
Dominic Chavez	Deputy Finance Director
Casandra Fresquez	City Clerk
Barbara Padilla	Interim Housing Authority Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Mr. Brian Colón
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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of City of Las Vegas, as of June 30, 2019, 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.

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 73 through 81 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, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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, 2019

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Management's Discussion and Analysis
June 30, 2019**

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, 2019 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, 2019. 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, 2019**

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, 2019**

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, 2019. 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, 2019 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, 2019 by \$108,766,702 (*net position*). Of this amount, \$7,506,608 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$11,847,993 during the year. The majority of this increase is due to an increase in net investment in capital assets.
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$10,302,884. Of this total, \$1,045,647 is designated for debt service and \$1,972,610 is designated for capital projects.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$5,333,851 or 49 percent of total general fund expenditures.

Financial Statements Overview

This discussion and analysis is intended to serve as an introduction to City of Las Vegas' basic financial statements. City of Las Vegas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
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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.

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Management's Discussion and Analysis
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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 72 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 86 through 105 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 \$108,766,702 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 \$97,447,935 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, 2019**

City of Las Vegas' Net Position

	June 30, 2018			June 30, 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources						
Cash and Cash Equivalents	\$ 5,257,827	20,900,686	26,158,513	6,268,069	24,088,237	30,356,306
Other current assets	3,815,873	8,384,684	12,200,557	4,345,897	8,256,704	12,602,601
Capital assets, net of accumulated depreciation	50,837,796	58,230,747	109,068,543	49,890,969	68,363,477	118,254,446
Deferred outflows of resources	3,289,614	1,052,211	4,341,825	3,885,739	1,443,467	5,329,206
Total assets and deferred outflows of resources	63,201,110	88,568,328	151,769,438	64,390,674	102,151,885	166,542,559
Liabilities and Deferred Inflows of Resources						
Long-term liabilities outstanding	6,603,244	11,892,225	18,495,469	5,879,238	14,335,409	20,214,647
Other liabilities	1,300,157	3,044,572	4,344,729	1,272,826	2,841,182	4,114,008
Net pension liability	12,922,027	4,084,519	17,006,546	14,821,023	4,530,091	19,351,114
Net OPEB liability	7,019,095	2,931,102	9,950,197	6,807,509	2,659,729	9,467,238
Asset retirement obligation	-	-	-	-	252,000	252,000
Deferred inflows of resources	3,716,796	1,336,992	5,053,788	3,233,675	1,143,175	4,376,850
Total liabilities and deferred inflows of resources	31,561,319	23,289,410	54,850,729	32,014,271	25,761,586	57,775,857
Net Position						
Net investment in capital assets	43,668,254	46,651,730	90,319,984	43,460,863	53,987,072	97,447,935
Restricted	3,300,613	-	3,300,613	3,812,159	-	3,812,159
Unrestricted	(15,329,076)	18,627,188	3,298,112	(14,896,619)	22,403,227	7,506,608
Total net position	31,639,791	65,278,918	96,918,709	32,376,403	76,390,299	108,766,702
Total liabilities, deferred inflows of resources and net position	\$ 63,201,110	88,568,328	151,769,438	64,390,674	102,151,885	166,542,559

A portion of City of Las Vegas' net position (3.50%) 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 \$7,506,608 may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

The City's net position overall increased by \$11,847,993 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, 2019**

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 \$10,302,884. Approximately 52 percent of this total amount, \$5,322,359, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance of \$4,980,525 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 \$17,168,393 in the fiscal year ended June 30, 2019, which represents an increase of \$228,235 from the fiscal year ended June 30, 2018 due to higher state operating grant revenues. Expenditures for governmental funds, totaling \$15,610,430, which represents an increase of \$823,781 from the fiscal year ended June 30, 2018.

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 \$5,333,851.

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 \$22,403,227. The total increase in net position for the enterprise funds was \$11,111,381. 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
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Capital Asset and Debt Administration

Capital assets. City of Las Vegas' capital assets for its governmental and business-type activities as of June 30, 2019 amount to \$113,682,974 (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 \$826,916 for governmental activities and an increase of \$11,913,661 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, 2019

	Governmental Activities	Business-Type Activities	Total
Land	\$ 19,268,701	1,191,978	20,460,679
Construction in progress	43,377	12,754,013	12,797,390
Infrastructure	18,508,152	45,637,951	64,146,103
Buildings & improvements	26,206,431	5,469,161	31,675,592
Machinery & equipment	6,634,478	5,156,393	11,790,871
Vehicles	6,653,636	4,878,733	11,532,369
Water rights	-	8,440,682	8,440,682
Water systems	-	3,270,820	3,270,820
Land improvements	-	858,256	858,256
Total capital assets	<u>77,214,775</u>	<u>87,657,987</u>	<u>164,982,762</u>
Accumulated depreciation	<u>(27,323,806)</u>	<u>(23,865,982)</u>	<u>(51,189,788)</u>
Capital assets, net of accumulated depreciation	<u>\$ 49,890,969</u>	<u>63,792,005</u>	<u>113,682,974</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 \$22,766,244.

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City of Las Vegas' Outstanding Debt as of June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Bonds	\$ 4,400,000	-	4,400,000
NMFA Loans	2,030,106	-	2,030,106
Landfill Closure Costs	-	1,388,359	1,388,359
Wastewater Loans	-	8,086,054	8,086,054
Solid Waste Loans	-	734,720	734,720
Water Loans	-	5,555,631	5,555,631
Compensated absences	397,057	174,317	571,374
Total long-term liabilities	<u>\$ 6,827,163</u>	<u>15,939,081</u>	<u>22,766,244</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, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
<i>Current assets</i>			
Cash and cash equivalents	\$ 6,268,069	23,102,469	29,370,538
Investments	1,619,693	3,380,306	4,999,999
Receivables, net	2,640,864	4,045,320	6,686,184
Inventory	148,025	354,944	502,969
Due from other governments	-	413,449	413,449
Internal balances	(62,685)	62,685	-
<i>Total current assets</i>	<u>10,613,966</u>	<u>31,359,173</u>	<u>41,973,139</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	-	985,768	985,768
Capital assets	77,214,775	100,932,961	178,147,736
Less accumulated depreciation	(27,323,806)	(32,569,484)	(59,893,290)
<i>Total noncurrent assets</i>	<u>49,890,969</u>	<u>69,349,245</u>	<u>119,240,214</u>
<i>Total assets</i>	<u>60,504,935</u>	<u>100,708,418</u>	<u>161,213,353</u>
Deferred outflows of resources			
Pension related	3,765,331	1,150,885	4,916,216
OPEB related	120,408	47,044	167,452
Asset retirement obligation related	-	245,538	245,538
<i>Total deferred outflows of resources</i>	<u>3,885,739</u>	<u>1,443,467</u>	<u>5,329,206</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 64,390,674</u>	<u>102,151,885</u>	<u>166,542,559</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, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
<i>Current liabilities</i>			
Accounts payable	79,575	315,559	395,134
Accrued payroll	231,507	92,453	323,960
Accrued compensated absences	278,460	144,235	422,695
Tenant security deposits	-	41,891	41,891
Meter deposits payable	-	476,349	476,349
Deferred revenue	-	113,596	113,596
Accrued interest	13,819	86,165	99,984
Current portion of long-term debt	669,465	1,570,934	2,240,399
<i>Total current liabilities</i>	<u>1,272,826</u>	<u>2,841,182</u>	<u>4,114,008</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	118,597	67,819	186,416
Accrued landfill post closure costs	-	1,462,119	1,462,119
Bonds payable	4,065,000	-	4,065,000
Notes payable	1,695,641	12,805,471	14,501,112
Net pension liability	14,821,023	4,530,091	19,351,114
Net OPEB liability	6,807,509	2,659,729	9,467,238
Asset retirement obligation	-	252,000	252,000
<i>Total noncurrent liabilities</i>	<u>27,507,770</u>	<u>21,777,229</u>	<u>49,284,999</u>
<i>Total liabilities</i>	<u>28,780,596</u>	<u>24,618,411</u>	<u>53,399,007</u>
Deferred inflows of resources			
Pension related	1,413,673	432,092	1,845,765
OPEB related	1,820,002	711,083	2,531,085
<i>Total deferred inflows of resources</i>	<u>3,233,675</u>	<u>1,143,175</u>	<u>4,376,850</u>
Net position			
Net investment in capital assets	43,460,863	53,987,072	97,447,935
Restricted for:			
Debt service	1,045,647	-	1,045,647
Capital projects	1,972,610	-	1,972,610
Special revenue	793,902	-	793,902
Unrestricted	(14,896,619)	22,403,227	7,506,608
<i>Total net position</i>	<u>32,376,403</u>	<u>76,390,299</u>	<u>108,766,702</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 64,390,674</u>	<u>102,151,885</u>	<u>166,542,559</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 4,607,221	1,613,041	1,019,368	374,842
Public safety	6,023,189	68,252	439,978	1,452
Public works	2,201,532	4,200	-	-
Culture and recreation	2,946,074	-	22,297	-
Health and welfare	492,119	-	329,968	-
Interest on long-term debt	172,645	-	-	-
<i>Total governmental activities</i>	<u>16,442,780</u>	<u>1,685,493</u>	<u>1,811,611</u>	<u>376,294</u>
Business-Type Activities:				
Wastewater	2,214,407	3,261,030	-	-
Natural gas	4,721,349	5,659,045	-	-
Solid waste	2,979,521	3,440,724	-	32,295
Water	3,559,750	5,387,509	-	5,403,583
Housing authority	1,416,677	586,842	850,953	226,423
<i>Total business-type activities</i>	<u>14,891,704</u>	<u>18,335,150</u>	<u>850,953</u>	<u>5,662,301</u>
<i>Total primary government</i>	<u>\$ 31,334,484</u>	<u>20,020,643</u>	<u>2,662,564</u>	<u>6,038,595</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

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
(1,599,970)	-	(1,599,970)
(5,513,507)	-	(5,513,507)
(2,197,332)	-	(2,197,332)
(2,923,777)	-	(2,923,777)
(162,151)	-	(162,151)
(172,645)	-	(172,645)
<u>(12,569,382)</u>	<u>-</u>	<u>(12,569,382)</u>
-	1,046,623	1,046,623
-	937,696	937,696
-	493,498	493,498
-	7,231,342	7,231,342
-	247,541	247,541
<u>-</u>	<u>9,956,700</u>	<u>9,956,700</u>
<u>(12,569,382)</u>	<u>9,956,700</u>	<u>(2,612,682)</u>
1,413,300	-	1,413,300
9,229,011	1,027,210	10,256,221
492,414	-	492,414
279,843	-	279,843
1,198,091	-	1,198,091
45,820	98,295	144,115
582,515	94,176	676,691
65,000	(65,000)	-
<u>13,305,994</u>	<u>1,154,681</u>	<u>14,460,675</u>
736,612	11,111,381	11,847,993
<u>31,639,791</u>	<u>65,278,918</u>	<u>96,918,709</u>
<u>\$ 32,376,403</u>	<u>76,390,299</u>	<u>108,766,702</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, 2019

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,962,409	3,305,660	6,268,069
Investments	1,619,693	-	1,619,693
Receivables, net	1,648,609	992,255	2,640,864
Inventory	145,083	-	145,083
Prepaid expenditures	397	2,545	2,942
Due from other funds	971,940	-	971,940
<i>Total assets</i>	<u>\$ 7,348,131</u>	<u>4,300,460</u>	<u>11,648,591</u>
Liabilities, deferred inflows of resources, and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 62,029	17,546	79,575
Accrued payroll	213,904	17,603	231,507
Due to other funds	569,981	464,644	1,034,625
<i>Total liabilities</i>	<u>845,914</u>	<u>499,793</u>	<u>1,345,707</u>
<i>Deferred Inflows of resources</i>			
Unavailable revenue - property taxes	-	-	-
<i>Total deferred Inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Nonspendable:			
Inventory	145,083	-	145,083
Spendable			
Restricted for:			
Future debt service payments	-	1,045,647	1,045,647
Capital projects	-	1,972,610	1,972,610
General government	-	158,356	158,356
Public safety	-	208,119	208,119
Culture and recreation	-	273,088	273,088
Health and welfare	-	154,339	154,339
Committed to:			
Minimum fund balance	1,023,283	-	1,023,283
Unassigned (deficit)	5,333,851	(11,492)	5,322,359
<i>Total fund balances</i>	<u>6,502,217</u>	<u>3,800,667</u>	<u>10,302,884</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 7,348,131</u>	<u>4,300,460</u>	<u>11,648,591</u>

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

STATE OF NEW MEXICO
City of Las Vegas
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2019

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

Fund balances - total governmental funds	\$ 10,302,884
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	49,890,969
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities	-
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:	
Accrued interest	(13,819)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:	
Deferred outflows of resources related to employer pension contributions subsequent to the measurement date	3,765,331
Deferred outflows of resources related to employer OPEB contributions subsequent to the measurement date	120,408
Deferred inflows of resources related to pension	(1,413,673)
Deferred inflows of resources related OPEB	(1,820,002)
Some liabilities, including bonds payable, notes, accrued compensated absences, and net pension payable are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(397,057)
Bonds and notes payable	(6,430,106)
Net OPEB liability	(6,807,509)
Net pension liability	(14,821,023)
<i>Total net position of governmental funds</i>	<u>\$ 32,376,403</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, 2019

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Revenues</i>			
Taxes:	\$		
Property	1,467,301	-	1,467,301
Gross receipts	7,577,929	1,651,082	9,229,011
Gasoline and motor vehicle	79,538	412,876	492,414
Other	809,136	388,955	1,198,091
<i>Intergovernmental</i>			
Federal operating grants	11,677	462,868	474,545
Federal capital grants	-	374,842	374,842
State operating grants	-	1,337,066	1,337,066
State capital grants	-	1,452	1,452
Charges for services	1,607,341	78,152	1,685,493
Licenses and fees	185,609	94,234	279,843
Investment income	26,846	18,974	45,820
Other	559,918	22,597	582,515
<i>Total revenues</i>	<u>12,325,295</u>	<u>4,843,098</u>	<u>17,168,393</u>
<i>Expenditures</i>			
<i>Current:</i>			
General government	3,744,515	337,042	4,081,557
Public safety	5,253,573	255,168	5,508,741
Public works	420,811	903,462	1,324,273
Culture and recreation	1,127,137	1,297,875	2,425,012
Health and welfare	346,217	7,104	353,321
Capital outlay	-	1,005,445	1,005,445
<i>Debt service:</i>			
Principal	-	739,436	739,436
Interest	-	172,645	172,645
<i>Total expenditures</i>	<u>10,892,253</u>	<u>4,718,177</u>	<u>15,610,430</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,433,042</u>	<u>124,921</u>	<u>1,557,963</u>
<i>Other financing sources (uses)</i>			
Transfers in	570,000	991,482	1,561,482
Transfers out	(899,666)	(596,816)	(1,496,482)
<i>Total other financing sources (uses)</i>	<u>(329,666)</u>	<u>394,666</u>	<u>65,000</u>
<i>Net change in fund balance</i>	1,103,376	519,587	1,622,963
<i>Fund balances - beginning of year</i>	<u>5,398,841</u>	<u>3,281,080</u>	<u>8,679,921</u>
<i>Fund balances - end of year</i>	<u>\$ 6,502,217</u>	<u>3,800,667</u>	<u>10,302,884</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, 2019**

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

Net Change in fund balances - total governmental funds	\$ 1,622,963
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	826,916
Depreciation expense	(1,773,743)
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	(54,001)
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	(595,541)
OPEB expense	(12,623)
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	3,691
Increase in accrued compensated absences	(20,486)
Principal payments on bonds and notes payable	739,436
<i>Change in net position of governmental activities</i>	<u>\$ 736,612</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 Balance
General Fund Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 1,485,000	1,485,000	1,432,621	(52,379)
Gross receipts	7,314,500	7,314,500	7,711,183	396,683
Gasoline and motor vehicle	71,500	71,500	79,416	7,916
Franchise	750,000	750,000	816,327	66,327
Intergovernmental income:				
Federal Operating grant	5,644	13,644	4,167	(9,477)
State operating grant	-	-	-	-
Charges for services	1,392,000	1,392,000	1,391,578	(422)
Licenses and fees	147,500	147,500	115,267	(32,233)
Investment income	15,000	15,000	20,899	5,899
Miscellaneous	244,300	262,182	286,485	24,303
Total revenues	<u>11,425,444</u>	<u>11,451,326</u>	<u>11,857,943</u>	<u>406,617</u>
<i>Expenditures</i>				
Current:				
General government	1,854,519	1,858,183	1,600,393	257,790
Public safety	5,649,971	5,710,800	5,253,419	457,381
Public works	638,944	638,944	417,071	221,873
Culture and recreation	638,871	639,371	542,564	96,807
Health and welfare	528,706	528,706	336,375	192,331
Miscellaneous	2,973,298	2,936,551	2,087,658	848,893
Capital Outlay	-	-	-	-
Total expenditures	<u>12,284,309</u>	<u>12,312,555</u>	<u>10,237,480</u>	<u>2,075,075</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(858,865)</u>	<u>(861,229)</u>	<u>1,620,463</u>	<u>2,481,692</u>
<i>Other financing sources (uses)</i>				
Transfers in	170,000	170,000	170,000	-
Transfers out	(909,667)	(921,352)	(921,352)	-
Total other financing sources (uses)	<u>(739,667)</u>	<u>(751,352)</u>	<u>(751,352)</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>869,111</u>	<u>869,111</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,761,301</u>	<u>4,761,301</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>5,630,412</u>	<u>5,630,412</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>			\$ 869,111	
Adjustments to revenues			277,444	
Adjustments to expenditures			(43,179)	
<i>Net change in fund balances (GAAP)</i>			<u>\$ 1,103,376</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, 2019

	Business-Type Activities - Enterprise Funds			
	Wastewater	Natural Gas	Solid Waste	Water
Assets				
<i>Current assets</i>				
Cash and cash equivalents	\$ 2,279,427	5,367,525	4,015,691	9,920,358
Investments	888,737	1,935,412	-	556,157
Receivables, net	529,191	746,684	649,312	1,931,422
Inventory	-	111,246	-	216,242
Due from other governments	-	-	-	-
Due from other funds	-	-	32,302	96,540
<i>Total current assets</i>	<u>3,697,355</u>	<u>8,160,867</u>	<u>4,697,305</u>	<u>12,720,719</u>
<i>Noncurrent assets</i>				
Restricted cash and cash equivalents	92,439	276,492	365,347	210,183
Due from other funds	-	-	-	-
Capital assets	26,050,686	2,008,197	3,680,725	53,348,068
Less: accumulated depreciation	<u>(6,776,346)</u>	<u>(1,409,050)</u>	<u>(2,442,750)</u>	<u>(11,363,597)</u>
<i>Total noncurrent assets</i>	<u>19,366,779</u>	<u>875,639</u>	<u>1,603,322</u>	<u>42,194,654</u>
Deferred outflows of resources				
Pension related	88,928	129,233	204,584	202,057
OPEB related	3,912	5,686	8,210	6,077
Asset Retirement Obligation related	<u>245,538</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred outflows of resources</i>	<u>338,378</u>	<u>134,919</u>	<u>212,794</u>	<u>208,134</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 23,402,512</u>	<u>9,171,425</u>	<u>6,513,421</u>	<u>55,123,507</u>

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

Business-Type Activities - Enterprise Funds		Proprietary Activities
Public and Indian Housing	Total	Internal Service Funds
600,344	22,183,345	919,124
-	3,380,306	-
188,711	4,045,320	-
27,456	354,944	-
413,449	413,449	-
438,475	567,317	20,000
<u>1,668,435</u>	<u>30,944,681</u>	<u>939,124</u>
41,307	985,768	-
-	-	-
13,274,974	98,362,650	2,570,311
(8,703,502)	(30,695,245)	(1,874,239)
<u>4,612,779</u>	<u>68,653,173</u>	<u>696,072</u>
182,887	807,689	343,196
8,061	31,946	15,098
-	245,538	-
<u>190,948</u>	<u>1,085,173</u>	<u>358,294</u>
<u>6,472,162</u>	<u>100,683,027</u>	<u>1,993,490</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, 2019

	Business-Type Activities - Enterprise Funds			
	Wastewater	Natural Gas	Solid Waste	Water
Liabilities				
<i>Current liabilities</i>				
Accounts payable	\$ 14,564	29,593	74,813	147,768
Accrued payroll	8,691	11,021	16,853	16,853
Accrued compensated absences	7,318	16,537	23,758	16,426
Tenant security deposits	-	-	-	-
Meter deposits payable	-	425,086	-	51,263
Due to other funds	60,000	-	135,465	163,599
Unearned revenue - grants	-	-	-	113,596
Accrued interest	67,444	-	3,550	15,171
Current portion of notes payable	860,466	-	206,300	504,168
<i>Total current liabilities</i>	<u>1,018,483</u>	<u>482,237</u>	<u>460,739</u>	<u>1,028,844</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences	4,286	8,986	14,602	10,560
Accrued landfill closure costs	-	-	1,462,119	-
Notes payable	7,225,588	-	528,420	5,051,463
Net pension liability	350,035	508,686	805,282	795,332
Net OPEB liability	221,173	321,470	464,169	343,576
Asset Retirement Obligation	252,000	-	-	-
<i>Total noncurrent liabilities</i>	<u>8,053,082</u>	<u>839,142</u>	<u>3,274,592</u>	<u>6,200,931</u>
<i>Total liabilities</i>	<u>9,071,565</u>	<u>1,321,379</u>	<u>3,735,331</u>	<u>7,229,775</u>
Deferred inflows of resources				
Pension related	33,387	48,520	76,810	75,861
OPEB related	59,131	85,946	124,096	91,856
<i>Total deferred inflows of resources</i>	<u>92,518</u>	<u>134,466</u>	<u>200,906</u>	<u>167,717</u>
Net Position				
Net investments in capital assets	11,188,286	599,147	503,255	36,428,840
Unrestricted	3,050,143	7,116,433	2,073,929	11,297,175
<i>Total net position</i>	<u>14,238,429</u>	<u>7,715,580</u>	<u>2,577,184</u>	<u>47,726,015</u>
<i>Total Liabilities, deferred inflows of resources, and net position</i>	<u>\$ 23,402,512</u>	<u>9,171,425</u>	<u>6,513,421</u>	<u>55,123,507</u>

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

<u>Business-Type Activities - Enterprise Funds</u>		<u>Proprietary Activities</u>
<u>Public and Indian Housing</u>	<u>Total</u>	<u>Internal Service Funds</u>
40,732	307,470	8,089
14,758	68,176	24,277
50,043	114,082	30,153
41,891	41,891	-
-	476,349	-
165,568	524,632	-
-	113,596	-
-	86,165	-
-	1,570,934	-
<u>312,992</u>	<u>3,303,295</u>	<u>62,519</u>
21,801	60,235	7,584
-	1,462,119	-
-	12,805,471	-
719,876	3,179,211	1,350,880
455,745	1,806,133	853,596
-	252,000	-
<u>1,197,422</u>	<u>19,565,169</u>	<u>2,212,060</u>
<u>1,510,414</u>	<u>22,868,464</u>	<u>2,274,579</u>
68,664	303,242	128,850
<u>121,844</u>	<u>482,873</u>	<u>228,210</u>
<u>190,508</u>	<u>786,115</u>	<u>357,060</u>
4,571,472	53,291,000	696,072
<u>199,768</u>	<u>23,737,448</u>	<u>(1,334,221)</u>
<u>4,771,240</u>	<u>77,028,448</u>	<u>(638,149)</u>
<u>6,472,162</u>	<u>100,683,027</u>	<u>1,993,490</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, 2019

	Business-Type Activities - Enterprise Funds			
	<u>Wastewater</u>	<u>Natural Gas</u>	<u>Solid Waste</u>	<u>Water</u>
<i>Operating revenues</i>				
Charges for services	\$ 3,261,030	5,659,045	3,440,724	5,387,509
Total operating revenues	<u>3,261,030</u>	<u>5,659,045</u>	<u>3,440,724</u>	<u>5,387,509</u>
<i>Operating expenses</i>				
Personnel services	286,387	552,917	763,343	160,255
Utilities	196,683	7,741	55,955	294,988
Contractual services	169,149	2,550,614	40,375	253,810
Supplies and purchased power	14,500	10,927	10,651	55,458
Maintenance and materials	90,740	179,500	303,562	340,926
Depreciation	532,878	77,719	303,714	756,385
Other costs	508,874	768,445	1,125,820	1,083,513
Total operating expenses	<u>1,799,211</u>	<u>4,147,863</u>	<u>2,603,420</u>	<u>2,945,335</u>
<i>Operating income (loss)</i>	1,461,819	1,511,182	837,304	2,442,174
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	-	-	238,019	789,191
Interest expense	(84,724)	-	(27,419)	(68,446)
Investment income	16,937	36,748	16,154	25,434
Grant revenue	-	-	-	-
Miscellaneous	2,088	3,770	30,021	19,737
Total non-operating revenues (expenses)	<u>(65,699)</u>	<u>40,518</u>	<u>256,775</u>	<u>765,916</u>
<i>Income (loss) before contributions and transfers</i>	<u>1,396,120</u>	<u>1,551,700</u>	<u>1,094,079</u>	<u>3,208,090</u>
Capital grants	-	-	32,295	5,403,583
Transfers in	283,684	618,272	618,580	(5,123,937)
Transfers out	(601,145)	(1,178,770)	(1,018,360)	4,578,935
Change in net position	1,078,659	991,202	726,594	8,066,671
Net position - beginning	<u>13,159,770</u>	<u>6,724,378</u>	<u>1,850,590</u>	<u>39,659,344</u>
Net position - end of year	<u>\$ 14,238,429</u>	<u>7,715,580</u>	<u>2,577,184</u>	<u>47,726,015</u>

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

Business-Type Activities - Enterprise Funds		Proprietary Activities
Public and Indian Housing	Total	Internal Service Funds
586,842	18,335,150	-
<u>586,842</u>	<u>18,335,150</u>	<u>-</u>
630,575	2,393,477	1,352,179
270,939	826,306	69,640
350	3,014,298	15,957
7,925	99,461	15,345
54,285	969,013	232,548
252,115	1,922,811	39,280
200,488	3,687,140	73,660
<u>1,416,677</u>	<u>12,912,506</u>	<u>1,798,609</u>
(829,835)	5,422,644	(1,798,609)
-	1,027,210	-
-	(180,589)	-
207	95,480	2,815
850,953	850,953	-
17,894	73,510	20,666
<u>869,054</u>	<u>1,866,564</u>	<u>23,481</u>
<u>39,219</u>	<u>7,289,208</u>	<u>(1,775,128)</u>
226,423	5,662,301	-
335,951	(3,267,450)	2,193,706
<u>(335,951)</u>	<u>1,444,709</u>	<u>(435,965)</u>
265,642	11,128,768	(17,387)
<u>4,505,598</u>	<u>65,899,680</u>	<u>(620,762)</u>
<u>4,771,240</u>	<u>77,028,448</u>	<u>(638,149)</u>

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, 2019

	Business-Type Activities - Enterprise Funds			
	Wastewater	Natural Gas	Solid Waste	Water
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ 2,993,852	5,271,165	3,069,786	6,690,127
Cash payments to employees for services	(1,005,631)	(411,821)	(731,801)	(823,668)
Cash payments to suppliers for goods and services	(292,468)	(3,486,229)	(1,420,380)	(2,649,188)
<i>Net cash provided (used) by operating activities</i>	<u>1,695,753</u>	<u>1,373,115</u>	<u>917,605</u>	<u>3,217,271</u>
<i>Cash flows from noncapital financing activities</i>				
Gross receipts taxes	-	-	238,019	789,191
Cash received from noncapital grants	-	-	-	-
Miscellaneous income	-	3,770	30,021	19,737
Landfill closure costs	-	-	(52,082)	-
Transfers and Interfund activity	(317,461)	(560,498)	(399,780)	(545,002)
<i>Net cash provided (used) by noncapital financing activities</i>	<u>(317,461)</u>	<u>(556,728)</u>	<u>(183,822)</u>	<u>263,926</u>
<i>Cash flows from investing activities</i>				
Sale (purchase) of investments	-	-	-	-
Interest on investments	16,937	36,748	16,154	25,434
<i>Net cash provided (used) by investing activities</i>	<u>16,937</u>	<u>36,748</u>	<u>16,154</u>	<u>25,434</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(369,411)	(33,799)	(107,106)	(10,844,704)
Cash received from capital grants	-	-	32,295	5,403,583
Interest paid	(92,434)	-	(28,564)	(53,752)
Proceeds from issuance of long-term debt	-	-	-	4,415,669
Principal payments on bonds, loans, and notes payable	(850,993)	-	(296,381)	(470,907)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(1,312,838)</u>	<u>(33,799)</u>	<u>(399,756)</u>	<u>(1,550,111)</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	82,391	819,336	350,181	1,956,520
<i>Cash and cash equivalents - beginning of year</i>	<u>2,289,475</u>	<u>4,824,681</u>	<u>4,030,857</u>	<u>8,174,021</u>
<i>Cash and cash equivalents - end of year</i>	<u>2,371,866</u>	<u>5,644,017</u>	<u>4,381,038</u>	<u>10,130,541</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income	\$ 1,461,819	1,511,182	837,304	2,442,174
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	532,878	77,719	303,714	756,385
Changes in assets, deferred outflows and liabilities				
Receivables, net	(267,178)	(387,880)	(370,937)	1,302,618
Inventory	-	25,907	-	(22,067)
Due from other governments	-	-	-	-
Due from other funds	-	-	23,408	(23,408)
Accounts payable	(6,081)	4,183	60,273	(99,625)
Accrued payroll	2,924	2,776	152	3,756
Accrued compensated absences	957	3,901	1,329	4,650
Tenant security deposits	-	-	-	-
Meter deposits payable	-	908	-	(55,110)
Unearned revenue	-	-	-	(497,290)
Pension and related accounts	(16,288)	73,125	40,082	(195,019)
OPEB and related accounts	(19,740)	61,294	22,280	(399,793)
Asset Retirement Obligation related accounts	6,462	-	-	-
<i>Net cash provided (used) by operating activities</i>	<u>\$ 1,695,753</u>	<u>1,373,115</u>	<u>917,605</u>	<u>3,217,271</u>

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

Business-Type Activities - Enterprise Funds		Proprietary
Public and		Activities
Indian Housing	Total	Internal Service
		Funds
414,827	18,439,757	-
(602,979)	(3,575,900)	(1,065,061)
(501,060)	(8,349,325)	(403,503)
(689,212)	6,514,532	(1,468,564)
-	1,027,210	-
850,953	850,953	-
17,894	71,422	20,666
-	(52,082)	-
-	(1,822,741)	1,757,741
868,847	74,762	1,778,407
-	-	-
207	95,480	2,815
207	95,480	2,815
(181,160)	(11,536,180)	(558,640)
226,423	5,662,301	-
-	(174,750)	-
-	4,415,669	-
-	(1,618,281)	-
45,263	(3,251,241)	(558,640)
225,105	3,433,533	(245,982)
416,546	19,735,580	1,165,106
641,651	23,169,113	919,124
(829,835)	5,422,644	(1,798,609)
252,115	1,922,811	39,280
(172,015)	104,608	-
(7,123)	(3,283)	-
(127,548)	(127,548)	-
154,203	154,203	-
13,251	(27,999)	3,647
1,732	11,340	1,217
37,727	48,564	3,228
144	144	-
-	(54,202)	-
-	(497,290)	-
(182)	(98,282)	156,388
(11,681)	(347,640)	126,285
-	6,462	-
(689,212)	6,514,532	(1,468,564)

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, 2019

<i>Assets</i>	
Cash	\$ <u>69,107</u>
<i>Total assets</i>	\$ <u><u>69,107</u></u>
<i>Liabilities</i>	
Due to other entities	\$ <u>69,107</u>
<i>Total liabilities</i>	\$ <u><u>69,107</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, 2019**

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, 2019**

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, 2019**

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, 2019

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.

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, 2019**

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, 2019, 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, 2019**

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, 2019**

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 (measureable 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
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 \$145,083 in nonspendable fund balance at June 30, 2019.

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 \$3,812,159 in restricted fund balances at June 30, 2019.

Committed – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the City Council, the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The City holds cash reserves of 1/12th of the General Fund final budgeted expenditures as required by the DFA – LGD. At June 30, 2019, the City reported \$1,023,283 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, 2019.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 \$5,333,851 in unassigned fund balances at June 30, 2019.

Minimum Fund Balance Policy: The City’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 1/12th the General Fund expenditures. The City had minimum fund balance of \$1,023,283 at June 30, 2019.

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, 2019

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Governmental Funds:		
General	\$ (858,865)	(861,229)
Nonmajor Governmental Funds	(4,049,412)	(3,264,093)
	Change in Net Position	
	Original Budget	Final Budget
Budgeted Enterprise Funds:		
Water	\$ (2,119,061)	(2,118,452)

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, 2019 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.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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, 2019.

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, 2019

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, 2019, \$35,134,041 of the City’s bank balance of \$36,064,842 was subject to custodial credit risk. \$19,101,226 was uninsured and collateralized by collateral held by the pledging bank’s trust department, not in the City’s name and \$16,032,815 of the City’s deposits was uninsured and uncollateralized at June 30, 2019.

	<u>Community First Bank</u>	<u>Southwest Capital Bank</u>	<u>Wells Fargo Bank N.A.</u>	<u>Total</u>
Amount of deposits	\$ 18,946,315	\$ 15,301,882	\$ 1,816,645	\$ 36,064,842
FDIC coverage	(250,000)	(250,000)	(430,801)	(930,801)
Total uninsured public funds	<u>\$ 18,696,315</u>	<u>\$ 15,051,882</u>	<u>\$ 1,385,844</u>	<u>\$ 35,134,041</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	<u>\$ 10,062,091</u>	<u>\$ 8,100,000</u>	<u>\$ 939,135</u>	<u>\$ 19,101,226</u>
Uninsured and uncollateralized	<u>\$ 8,634,224</u>	<u>\$ 6,951,882</u>	<u>\$ 446,709</u>	<u>\$ 16,032,815</u>
Collateral requirement (50%)	\$ 9,348,158	\$ 7,525,941	\$ 692,922	\$ 17,567,021
Pledged securities	<u>10,062,091</u>	<u>8,100,000</u>	<u>939,135</u>	<u>19,101,226</u>
Over (under) collateralized	<u>\$ 713,933</u>	<u>\$ 574,059</u>	<u>\$ 246,213</u>	<u>\$ 1,534,205</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	\$ 29,370,538
Investments	4,999,999
Restricted cash and cash equivalents	985,768
Agency funds cash and cash equivalents	69,107
Total cash and cash equivalents	<u>\$ 35,425,412</u>
Plus: outstanding checks	2,704,150
Less: outstanding deposits	(1,098,579)
Less: cash in NMFA	(964,800)
Less: petty cash	<u>(1,341)</u>
Bank balance of deposits	<u>\$ 36,064,842</u>

STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019

NOTE 4. RECEIVABLES

Receivables as of June 30, 2019 are as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 80,853	\$ -	\$ 80,853
Gross receipts taxes	1,399,663	314,855	1,714,518
Gasoline and oil taxes	-	68,919	68,919
Franchise and lodgers' taxes	68,460	42,032	110,492
MVD tax	13,847	-	13,847
Miscellaneous	2,004	-	2,004
Court fees	418,912	-	418,912
Intergovernmental grants:			
State	-	113,798	113,798
Federal	-	452,651	452,651
Totals	<u>1,983,739</u>	<u>992,255</u>	<u>2,975,994</u>
Less: Allowances	<u>(335,130)</u>	<u>-</u>	<u>(335,130)</u>
Net Receivables	<u>\$ 1,648,609</u>	<u>\$ 992,255</u>	<u>\$ 2,640,864</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 \$0 for the City for the year ended June 30, 2019.

Proprietary fund receivables as of June 30, 2019, 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	\$ 798,714	985,787	893,920	2,704,005	-	5,382,426
Less: Allowances	(269,523)	(299,612)	(280,886)	(1,006,208)	(225)	(1,856,454)
Other receivables:						
State grants	-	-	-	62,635	-	62,635
Gross receipts taxes	-	-	36,278	145,010	-	-
Miscellaneous	-	60,509	-	25,980	188,936	275,425
Totals	<u>\$ 529,191</u>	<u>746,684</u>	<u>649,312</u>	<u>1,931,422</u>	<u>188,711</u>	<u>4,045,320</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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
Street Co-Op Projects	Street Improvement	24,000
Transportation Grant #5311	General Fund	75,000
Senior Citizens Center	General Fund	75,000
4th of July Fiestas	General Fund	25,000
Gasoline Tax Revenue Bonds	General Fund	324,666
Municipal Pooled GRT Bonds	Capital Improvement	302,650
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	11,567
NMFA Equipment Loan	State Law Enforcement	26,961
NMFA Fire Equipment Loan	State Fire Grant	33,638
NMFA Fire Equipment Loan	Fire Prevention	43,000
Recreation Phase II	Recreation Center GRT Phase II	50,000
Utilities Administration	Waste Water Fund	182,461
Utilities Administration	Gas Fund	268,143
Utilities Administration	Solid Waste	183,210
Utilities Administration	Water Fund	252,647
Utilities Services	Waste Water Fund	70,000
Utilities Services	Gas Fund	227,355
Utilities Services	Solid Waste	151,570
Utilities Services	Water Fund	227,355
		<u>\$ 3,114,223</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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, 2019 is as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Corrections	\$ 28,710
General Fund	Solid Waste Fund	79,755
General Fund	Water	110,000
General Fund	Wastewater	60,000
General Fund	2017 Region IV JAG	5,780
General Fund	JAG	5,596
General Fund	NM Traffic Safety	527
General Fund	2011 Bulletproof Vest PTR	1,601
General Fund	Senior Citizens Center	1,452
General Fund	Enhanced 911 Grant	675
General Fund	NMFA Fire Equipment Loan	192
General Fund	Rehab Taxiway ABC & Apron	361,046
Utilities Administration	Sick Leave Contingency	20,000
Water GRT	Gasoline Tax Revenue Bonds	19,533
Public Indian Housing	General Fund	255,425
		<u>\$ 950,292</u>

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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 19,268,701	-	-	19,268,701
Construction in progress	-	43,377	-	43,377
Total capital assets not being depreciated	<u>19,268,701</u>	<u>43,377</u>	<u>-</u>	<u>19,312,078</u>
Capital assets being depreciated:				
Infrastructure	18,508,152	-	-	18,508,152
Buildings and improvements	26,136,779	69,652	-	26,206,431
Machinery and equipment	6,036,258	498,220	-	6,534,478
Vehicles	6,437,969	215,667	-	6,653,636
Total capital assets being depreciated	<u>57,119,158</u>	<u>783,539</u>	<u>-</u>	<u>57,902,697</u>
Total capital assets	<u>76,387,859</u>	<u>826,916</u>	<u>-</u>	<u>77,214,775</u>
Accumulated depreciation:				
Infrastructure	(5,241,388)	(692,557)	-	(5,933,945)
Buildings and improvements	(9,434,875)	(559,901)	-	(9,994,776)
Machinery and equipment	(5,496,297)	(189,561)	-	(5,685,858)
Vehicles	(5,377,503)	(331,724)	-	(5,709,227)
Total accumulated depreciation	<u>(25,550,063)</u>	<u>(1,773,743)</u>	<u>-</u>	<u>(27,323,806)</u>
Net capital assets	<u>\$ 50,837,796</u>	<u>(946,827)</u>	<u>-</u>	<u>49,890,969</u>

Depreciation expense for the year ended June 30, 2019 was charged to governmental activities as follows:

General government	\$ 162,963
Public safety	286,808
Public works	794,055
Culture and recreation	409,718
Health and welfare	120,199
Total	<u>\$ 1,773,743</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 6. CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions/ Reclass</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 1,191,978	-	-	1,191,978
Water rights	4,440,682	4,000,000	-	8,440,682
Construction in progress	7,215,862	5,731,741	(193,590)	12,754,013
Total capital assets not being depreciated	<u>12,848,522</u>	<u>9,731,741</u>	<u>(193,590)</u>	<u>22,386,673</u>
Capital assets being depreciated:				
Water systems	3,270,820	-	-	3,270,820
Land improvements	858,256	-	-	858,256
Infrastructure	44,179,279	1,265,082	193,590	45,637,951
Buildings and improvements	5,382,910	86,251	-	5,469,161
Furniture, fixtures and equipment	4,464,643	691,750	-	5,156,393
Vehicles	4,739,896	138,837	-	4,878,733
Total capital assets being depreciated	<u>62,895,804</u>	<u>2,181,920</u>	<u>193,590</u>	<u>65,271,314</u>
Total capital assets	<u>75,744,326</u>	<u>11,913,661</u>	<u>-</u>	<u>87,657,987</u>
Accumulated depreciation:				
Water systems	(3,044,232)	(57,842)	-	(3,102,074)
Land improvements	(671,890)	(16,704)	-	(688,594)
Infrastructure	(7,388,127)	(1,002,150)	-	(8,390,277)
Buildings and improvements	(4,169,540)	(57,947)	-	(4,227,487)
Furniture, fixtures and equipment	(3,102,247)	(255,490)	-	(3,357,737)
Vehicles	(3,779,970)	(319,843)	-	(4,099,813)
Total accumulated depreciation	<u>(22,156,006)</u>	<u>(1,709,976)</u>	<u>-</u>	<u>(23,865,982)</u>
Net capital assets	<u>\$ 53,588,320</u>	<u>10,203,685</u>	<u>-</u>	<u>63,792,005</u>

Depreciation expense for the year ended June 30, 2019 was charged to business-type activities as follows:

Internal service	\$ 39,281
Wastewater	532,878
Natural gas	77,719
Solid Waste	303,714
Water	756,384
Total	<u>\$ 1,709,976</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 6. CAPITAL ASSETS (CONTINUED)

Housing Authority:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions/ Reclass</u>	<u>Balance June 30, 2019</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>238,066</u>	<u>-</u>	<u>(77,916)</u>	<u>160,150</u>
Capital assets being depreciated:				
Land improvements	1,091,793	-	-	1,091,793
Buildings and improvements	11,213,576	165,982	77,916	11,457,474
Furniture, fixtures and equipment	404,392	15,178	(28,352)	391,218
Vehicles	174,340	-	-	174,340
Total capital assets being depreciated	<u>12,884,101</u>	<u>181,160</u>	<u>45,564</u>	<u>13,114,825</u>
Total capital assets	<u>13,122,167</u>	<u>181,160</u>	<u>(28,352)</u>	<u>13,274,975</u>
Accumulated depreciation:				
Land improvements	(748,356)	(46,826)	-	(795,182)
Buildings and improvements	(7,190,314)	(192,487)	-	(7,382,801)
Furniture, fixtures and equipment	(367,673)	(12,566)	28,352	(351,887)
Vehicles	(173,397)	(236)	-	(173,633)
Total accumulated depreciation	<u>(8,479,740)</u>	<u>(252,115)</u>	<u>28,352</u>	<u>(8,703,503)</u>
Net capital assets	<u>\$ 4,642,427</u>	<u>(70,955)</u>	<u>-</u>	<u>4,571,472</u>

Depreciation expense for the year ended June 30, 2019 was charged to housing authority activities as follows:

Public and Indian Housing \$ 252,115

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 7. LONG-TERM DEBT

Governmental Activities

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Revenue Bonds					
2012 Series GRT refunding & Improvement Revenue Bonds	\$ 4,735,000	-	335,000	4,400,000	335,000
Total Revenue Bonds	<u>4,735,000</u>	<u>-</u>	<u>335,000</u>	<u>4,400,000</u>	<u>335,000</u>
Notes Payable					
NMFA #12 Truck Bay	145,372	-	11,183	134,189	11,183
NMFA #10 Fire Pumper	64,980	-	64,980	-	-
NMFA #16 Police Vehicles	82,878	-	26,834	56,044	27,996
NMFA #24 Double-Sided Digital Reader Board	13,510	-	11,556	1,954	1,954
NMFA #30 Abe Montoya Recreation Center	<u>2,127,802</u>	<u>-</u>	<u>289,883</u>	<u>1,837,919</u>	<u>293,332</u>
Total Notes Payable	<u>2,434,542</u>	<u>-</u>	<u>404,436</u>	<u>2,030,106</u>	<u>334,465</u>
Compensated Absences	<u>376,571</u>	<u>278,991</u>	<u>258,505</u>	<u>397,057</u>	<u>278,460</u>
Total Long-term debt	<u>\$ 7,546,113</u>	<u>\$ 278,991</u>	<u>997,941</u>	<u>6,827,163</u>	<u>947,925</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>
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	365,000	98,650	463,650
2025-2029	1,990,000	318,750	2,308,750
2030-2032	<u>655,000</u>	<u>34,050</u>	<u>689,050</u>
Totals	<u>\$ 4,400,000</u>	<u>930,750</u>	<u>5,330,750</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 7. LONG-TERM DEBT (CONTINUED)

NMFA Loans

NMFA Loans outstanding at June 30, 2019 are comprised of the following:

	NMFA #12	NMFA #10	NMFA #16
	Truck Bay	Fire Pumper	Police Vehicles
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
	NMFA #24 Double	NMFA #30 Abe	
	Sided Digital	Montoya	
	Reader Board	Recreation Center	
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:

Fiscal Year		Principal	Interest	Total
Ending June 30,				Debt Service
2020	\$	334,465	31,334	365,799
2021		336,787	27,110	363,897
2022		313,738	22,111	335,849
2023		319,426	16,423	335,849
2024		325,806	10,042	335,848
2025-2029		377,519	3,058	380,577
2030-2031		22,365	-	22,365
Totals	\$	2,030,106	110,078	2,140,184

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, 2019, compensated absences increased by \$20,486 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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, 2019:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Notes Payable					
NMED Revolving Fund Program					
Loan #1438042	\$ 4,617,644	-	473,380	4,144,264	482,847
NMFA #13 Effluent Reuse					
Distribution	32,783	-	2,484	30,299	2,490
NMED Wastewater Construction					
Loan #CWSRF-004	3,930,620	-	357,329	3,573,291	357,329
NMED Wastewater Facility					
Construction Loan #CWSRF-016	356,000	-	17,800	338,200	17,800
NMDA #11 Solid Waste Disposal Syst.	1,031,101	-	296,381	734,720	206,300
NMFA #14 Water Project Fund	10,639	-	804	9,835	806
NMFA #15 Taylor Wells #2					
Replacement	22,310	-	1,691	20,619	1,695
NMFA #19 Peterson Dam and					
Reservoir	42,000	-	3,000	39,000	3,000
NMFA #18 Drinking Water State					
Revolving Loan	230,903	-	14,172	216,731	14,206
NMFA #21 Taylor Well Field Loan	233,043	-	13,436	219,607	19,775
NMFA #22 2010 DW Drinking Water	240,878	-	13,888	226,990	15,066
NMFA #23 2011 DW Drinking Water	247,847	-	14,290	233,557	15,074
NMFA #25 Water Project Fund	58,057	-	3,561	54,496	3,570
NMFA #27 Rehab 3 City Water Tanks	203,737	-	9,515	194,222	10,930
NMFA #28 Water Treatment Plant	39,202	-	2,132	37,070	2,149
NMFA #29 Storage, Conveyance,					
Delivery of Water	75,162	-	4,334	70,828	4,344
NMFA #31 Storage, Conveyance,					
Delivery of Water	126,205	-	6,864	119,341	6,881
NMFA #32 Phase II Water Sys. Imp.	80,886	-	3,220	77,666	3,998
NMFA PPRF-4698 Storie Lake					
Reservoir Water Storage Rights	-	4,090,681	380,000	3,710,681	380,765
NMFA #34 Water Sys Improve-Chico	-	63,260	-	63,260	7,323
NMFA #35 Water Sys Improve-Grand					
Av & 8 th St-Press Zone	-	51,478	-	51,478	4,321
Water System Improvements	-	210,250	-	210,250	10,265
Total Notes Payable	<u>11,579,017</u>	<u>4,415,669</u>	<u>1,618,281</u>	<u>14,376,405</u>	<u>1,570,934</u>
Landfill Closure and post closure	1,514,201	-	52,082	1,462,119	-
Compensated Absences	160,262	141,898	90,106	212,054	144,235
Total Long-term debt	<u>\$ 13,253,480</u>	<u>4,557,567</u>	<u>1,760,469</u>	<u>16,050,578</u>	<u>1,715,169</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 7. LONG-TERM DEBT (CONTINUED)

NMFA Loans

NMFA Loans outstanding at June 30, 2019 are comprised of the following:

	NMED Revolving Fund Program Loan #1438042	NMFA #13 Effluent Reuse Distribution	NMED Wastewater Construction Loan #CWSRF-004	NMFA #11 Solid Waste Disposal System
Original Issue:	\$ 9,250,540	\$ 50,000	\$ 7,146,582	\$ 3,506,698
Principal:	September 7	June 1	April 16	May 1
Interest:	September 7 N/A	N/A 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
	NMFA #14 Water Project Fund	NMFA #15 Taylor Wells #2 Replacement	NMFA #19 Peterson Dam Reservoir	NMFA #18 Drinking Water State Revolving Loan
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
	NMFA #21 Taylor Well Field Loan	NMFA #22 2010 DW Drinking Water	NMFA #23 2011 DW Drinking Water	NMFA #25 Water Project Fund
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
	NMFA #28 Water Treatment Plant	NMFA #29 Storage, Conveyance Delivery of Water	NMFA #27 Rehab 3 City Water Tanks	NMED Wastewater Facility Construction Loan #CSWRF-016
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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 7. LONG-TERM DEBT (CONTINUED)

	<u>NMFA #31 Storage, Conveyance, Delivery of Water</u>	<u>NMFA #32 Phase II Water System, Improvements</u>	<u>NMFA PPRF-4698 Storie Lake Reservoir Water Storage Rights</u>	<u>NMFA #34 Water System Improve – Chico Dr & 8th Water Lines</u>
Original Issue:	\$ 137,096	\$ 81,694	\$ 4,090,681	\$ 63,260
Principal:	June 1	May 1	May 1	May 1
Interest:	June 1	May 1	May 1	May 1
	N/A	November 1	November 1	N/A
Interest Rates:	0.250%	0.250%	2.315%	0.250%
Maturity Date:	June 2036	May 2038	May 2028	May 2039
	<u>NMFA #35 Water System Improve - Grand Ave & 8th St – Press Zone</u>	<u>NMFA #37 Water System Improvements</u>		
Original Issue:	\$ 51,478	\$ 210,250		
Principal:	May 1	May 1		
Interest:	May 1	May 1		
	N/A	N/A		
Interest Rates:	3.000%	0.250%		
Maturity Date:	May 2039	May 2039		

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 1,570,934	97,727	1,668,661
2021	1,909,227	82,128	1,991,355
2022	1,397,008	56,617	1,453,625
2023	1,416,005	46,001	1,462,006
2024	1,434,836	35,083	1,469,919
2025-2029	5,873,953	42,286	5,916,239
2030-2034	650,367	4,135	654,502
2035-2039	124,075	338	124,413
Totals	<u>\$ 14,376,405</u>	<u>364,315</u>	<u>14,740,720</u>

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

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

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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 7. LONG-TERM DEBT (CONTINUED)

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.

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 \$305,525 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 \$39,202 as of June 30, 2019. 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.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 \$222,300 NMFA #27 DW Drinking Water issued in 2013. The loan is payable solely from utility customer net revenues.

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

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

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.

The City of Las Vegas has pledged future revenues from the water system, net of operation and maintenance expenses, to repay \$4,090,681 NMFA PPRF-4698 Storie Lake Reservoir Water Storage Rights Loan issued in 2019. 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 \$63,260 NMFA #34 Water System Improve – Chico Dr. & 8th Water Lines Loan issued in 2018. 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 \$51,478 NMFA #35 Water System Improve - Grand Ave & 8th St. – Press Zone Loan issued in 2018. 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 \$210,250 NMFA #37 Water System Improvements 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, 2019, compensated absences increased \$48,564 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, 2019, compensated absences increased \$3,228 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 34,509	\$ 43,238	40,010	37,737	30,153
Total Long-term debt	\$ 34,509	\$ 43,238	40,010	37,737	30,153

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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, 2019, 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.

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, 2019:

Gasoline Tax Revenue Bonds – Debt Service Fund	\$ (11,500)
Automated System Financing – Internal Service Fund	(41,972)
Utilities Administration – Internal Service Fund	(189,202)
Utilities Service – Internal Service Fund	(406,975)

- 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, 2019.
- C. Designated cash appropriations in excess of available balances: There were no funds that exceeded appropriations for the year ended June 30, 2019.

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.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

Benefits Provided. Benefits are generally available at age 65 with five or 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.

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.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

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

PERA Contribution Rates and Pension Factors in effect during FY18						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
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%
MUNICIPAL POLICE PLANS 1 - 5						
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%
MUNICIPAL FIRE PLANS 1 - 5						
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%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
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%

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

For PERA Fund Division Municipal General, at June 30, 2019, the City reported a liability of \$11,501,786 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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, 2018, the City’s proportion was 0.7214%, which was a decrease of 0.0177% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$1,029,780. At June 30, 2019, 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	\$ 332,424	\$ 301,976
Effect of changes in assumptions	1,042,800	66,131
Differences between actual and expected projected earnings on plan investments	853,031	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	-	381,189
Contributions subsequent to the measurement date	<u>569,118</u>	<u>-</u>
Total	<u>\$ 2,797,373</u>	<u>\$ 749,296</u>

\$569,118 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 1,019,517
2021	359,197
2022	57,990
2023	42,255
2024	-
Total	<u>\$ 1,478,959</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

For PERA Fund Municipal Police Division, at June 30, 2019, the City reported a liability of \$4,842,313 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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 0.7097%, which was a decrease of 0.0264% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$464,333. At June 30, 2019, 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	\$ 237,057	\$ 479,999
Effect of changes in assumptions	552,515	29,603
Differences between actual and expected projected earnings on plan investments	333,220	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	163,824	199,999
Contributions subsequent to the measurement date	328,375	-
Total	<u>\$ 1,614,991</u>	<u>\$ 709,601</u>

\$328,375 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 362,901
2021	121,036
2022	76,027
2023	17,051
2024	-
Total	<u>\$ 557,015</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

For PERA Fund Municipal Fire Division, at June 30, 2019, the City reported a liability of \$3,007,015 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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, 2018, the City’s proportion was 0.4698%, which was a decrease of 0.0128% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$156,354. At June 30, 2019, 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	\$ 48,324	\$ 219,301
Effect of changes in assumptions	173,665	10,980
Differences between actual and expected projected earnings on plan investments	105,448	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	41,160	156,587
Contributions subsequent to the measurement date	135,255	-
Total	<u>\$ 503,852</u>	<u>\$ 386,868</u>

\$135,255 reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (4,178)
2021	(23,368)
2022	4,154
2023	5,121
2024	-
Total	<u>\$ (18,271)</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates

Asset valuation method

Actuarial Assumptions:

Investment rate of return	7.25% annual rate, net of investment expense
Projected benefits	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality Assumption	The Mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 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:

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets	20.00%	6.48%
Total	<u>100.00%</u>	

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, 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 (6.25%) or one percentage point higher (8.25%) than the single discount rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Municipal General Division			
City’s proportionate share of the net pension liability	\$ 11,723,481	11,501,786	6,358,559
	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
PERA Fund Municipal Police Division			
City’s proportionate share of the net pension liability	\$ 7,445,491	4,842,313	2,720,107
	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
PERA Fund Municipal Fire Division			
City’s proportionate share of the net pension liability	\$ 4,014,136	3,007,015	2,181,973

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

STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019

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, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 \$167,452 for the year ended June 30, 2019.

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

At June 30, 2019, the City reported a liability of \$9,467,238 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the City’s proportion was 0.21772 percent. For the year ended June 30, 2019, the City recognized OPEB expense of \$(30,576). At June 30, 2019 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	\$ -	560,521
Changes of assumptions	-	1,767,491
Net difference between projected and actual earnings on OPEB plan investments	-	118,148
Changes in proportion	-	84,925
Contributions made after the measurement date	<u>167,452</u>	<u>-</u>
Total	<u>\$ 167,452</u>	<u>2,531,085</u>

Deferred outflows of resources totaling \$167,452 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, 2020. 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>	
2020	\$ (639,509)
2021	(639,509)
2022	(639,509)
2023	(497,961)
2024	<u>(114,597)</u>
Total	<u>\$ (2,531,085)</u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 members
Projected payroll increases	3.25% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

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

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

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1
Non U.S. - emerging markets	10.2
Non U.S. - developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity - small/mid cap	7.1

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

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 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(3.08%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(4.08%)</u>	<u>1% Increase</u> <u>(5.08%)</u>
City’s proportionate share of the OPEB liability	\$ 11,457,587	9,467,238	7,898,399

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>
	\$ 8,003,135	9,467,238	10,615,128

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018.

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, 2019 in the remaining cases.

NOTE 13. FEDERAL AND STATE GRANTS

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

STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019

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, 2019. The City's waste is currently hauled to Wagon Mound and the City pays tipping fees. In 2019, 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 \$1,462,119 at June 30, 2019. 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. ASSET RETIREMENT OBLIGATIONS

The City accounts for certain costs associated with the future dismantling and removal of the Waste Water Treatment Plant in accordance with GASB Statement No. 83, Certain Asset Retirement Obligations. Under Statement No. 83, the act of placing the plant into operation required the City to recognize a liability and corresponding deferred outflow of resources equal to the estimated current cost of activities that state law requires the City to perform upon future retirement of the plant. The plant currently has an estimated 39-year remaining life.

The \$245,538 reported as a liability and deferred outflow of resources at June 30, 2019 was determined based on probability-weighted engineering estimates of what it would cost to perform all dismantling and removal tasks. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 16. SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2019, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 15, 2019 which is the date on which the financial statements were issued.

NOTE 17. RESTRICTED NET POSITION

The government-wide statement of net position reports \$3,812,159 of restricted net position, all of which is restricted by enabling legislation.

NOTE 18. CONCENTRATIONS

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

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 19. COMMITMENTS

The City has various construction and purchase commitments as of June 30, 2019. The funding to cover the various commitments was grant funding, bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 20. HUD HOMEOWNERSHIP PROGRAM

The City received a letter from US Department of Housing and Urban Development (HUD) as a result of the audit of the Homeownership Program. The letter includes \$634,564 of ineligible costs and 17 units sold to ineligible families and to Region III Housing Authority. The City has accrued the ineligible costs and has been paying it down in the past few years. The City is still negotiating with HUD on the 17 units sold to ineligible parties and could not estimate its potential liability. As such, no accruals or reserve was recorded in the financial statements.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Notes to the Financial Statements
June 30, 2019**

NOTE 21. 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 th , 8 th and 10 th 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 th 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, 2019**

NOTE 21. 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

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	<u>2019 2018</u>	<u>2018 2017</u>	<u>2017 2016</u>	<u>2016 2015</u>	<u>2015 2014</u>
City of Las Vegas' proportion of the net pension liability	0.7214%	0.7391%	0.7649%	0.7782%	82.2600%
City of Las Vegas' proportionate share of the net pension liability	\$ 11,501,786	10,155,859	12,220,530	7,934,423	6,573,184
City of Las Vegas covered payroll	4,819,057	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	238.67%	166.91%	191.87%	121.66%	100.29%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	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.

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*

	Fiscal Measurement	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
City of Las Vegas' proportion of the net pension liability		0.7097%	0.7361%	0.6723%	0.7347%	0.7773%
City of Las Vegas' proportionate share of the net pension liability	\$	4,842,313	4,089,518	4,960,430	3,532,849	2,533,913
City of Las Vegas covered payroll		2,028,848	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		238.67%	272.73%	316.95%	243.20%	172.93%
Plan fiduciary net position as a percentage of the total pension liability		71.13%	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.

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 Fire Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Fiscal Measurement	<u>2019 2018</u>	<u>2018 2017</u>	<u>2017 2016</u>	<u>2016 2015</u>	<u>2015 2014</u>
City of Las Vegas' proportion of the net pension liability	0.4698%	0.4826%	0.4670%	0.5339%	0.5892%
City of Las Vegas' proportionate share of the net pension liability	\$ 3,007,015	2,761,169	3,115,365	2,755,555	2,459,317
City of Las Vegas covered payroll	1,259,889	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	238.67%	462.51%	496.69%	453.25%	381.79%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	74.73%	69.18%	76.99%	81.29%

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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*

	Fiscal Measurement	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Contractually required contribution	\$	569,118	584,385	624,696	608,250	622,849
Contributions in relation to the contractually required contribution		<u>(569,118)</u>	<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>

* 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	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Contractually required contribution	\$	328,375	315,698	352,690	310,170	274,550
Contributions in relation to the contractually required contribution		<u>(328,375)</u>	<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>	<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.

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 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	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Contractually required contribution	\$	135,255	129,249	132,198	135,795	131,621
Contributions in relation to the contractually required contribution		<u>(135,255)</u>	<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>	<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*

	Fiscal Measurement	2019 2018	2018 2017
City of Las Vegas' proportion of the net OPEB liability		0.21772%	0.21957%
City of Las Vegas' proportionate share of the net OPEB liability	\$	9,467,238	9,950,194
City of Las Vegas covered payroll		9,341,531	9,146,512
City of Las Vegas proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		101.35%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		13.14%	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*

	Fiscal Measurement	<u>2019 2018</u>	<u>2018 2017</u>
Contractually required contribution	\$	340,224	697,238
Contributions in relation to the contractually required contribution		<u>336,070</u>	<u>349,936</u>
Contribution deficiency (excess)	\$	<u>4,154</u>	<u>347,302</u>
City of Las Vegas' covered payroll		9,341,531	9,146,512
Contribution as a percentage of covered-employee payroll		3.60%	3.83%

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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, 2019**

Changes of benefit terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2018 report is available at <http://www.nmpera.org/>

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Nonmajor Governmental Fund Descriptions
June 30, 2019**

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, 2019**

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.

JAG (240) – To account for a federal grant received from the Justice Assistance Grant (JAG) to investigate narcotics related crimes and execute impact operations in increasing officer presence in neighborhoods.

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, 2019**

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, 2019**

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, 2019

	Special Revenue			
	Sick Leave Contingency 102	Corrections 201	Lodgers' Tax Promotion 202	State Fire Grant 203
<i>Assets</i>				
Cash and cash equivalents	\$ 97,913	62,725	205,626	113,662
Receivables, net	-	-	42,032	-
Prepaid expenditures	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 97,913</u>	<u>62,725</u>	<u>247,658</u>	<u>113,662</u>
<i>Liabilities</i>				
Accounts payable	\$ -	10,350	-	1,595
Accrued payroll	-	-	-	-
Due to other funds	20,000	28,710	-	-
<i>Total liabilities</i>	<u>20,000</u>	<u>39,060</u>	<u>-</u>	<u>1,595</u>
<i>Fund balances</i>				
<i>Nonspendable</i>				
Inventory	-	-	-	-
<i>Spendable</i>				
<i>Restricted for:</i>				
Future debt service payments	-	-	-	-
Capital projects	-	-	-	-
General government	77,913	-	-	-
Public safety	-	23,665	-	112,067
Culture and recreation	-	-	247,658	-
Health and welfare	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>77,913</u>	<u>23,665</u>	<u>247,658</u>	<u>112,067</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 97,913</u>	<u>62,725</u>	<u>247,658</u>	<u>113,662</u>

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

Special Revenue

Emergency Medical Services 206	State Library Grant 213	State Law Enforcement 215	Special Legislative Appropriations 217	Historical Preservation 218	2017 Region IV JAG 219
6,390	8	-	-	18,033	-
-	-	-	-	-	7,830
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,390</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>18,033</u>	<u>7,830</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,780
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,780</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,033	-
-	-	-	-	-	2,050
-	-	-	-	-	-
6,390	-	-	-	-	-
-	8	-	-	-	-
<u>6,390</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>18,033</u>	<u>2,050</u>
<u>6,390</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>18,033</u>	<u>7,830</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, 2019

	Special Revenue				
	Transportation Grant #5311 231	NM Tourism Coop Grant 232	Transportation Center 235	JAG 240	Seizure 241
<i>Assets</i>					
Cash and cash equivalents	\$ 12,296	1,406	10,665	-	404
Receivables, net	34,826	-	-	5,596	-
Prepaid expenditures	-	-	-	-	-
Due from other funds	-	-	-	-	-
<i>Total assets</i>	<u>\$ 47,122</u>	<u>1,406</u>	<u>10,665</u>	<u>5,596</u>	<u>404</u>
<i>Liabilities</i>					
Accounts payable	\$ (38)	-	239	-	-
Accrued payroll	6,606	-	-	-	-
Due to other funds	-	-	-	5,596	-
<i>Total liabilities</i>	<u>6,568</u>	<u>-</u>	<u>239</u>	<u>5,596</u>	<u>-</u>
<i>Fund balances</i>					
<i>Nonspendable</i>					
Inventory	-	-	-	-	-
<i>Spendable</i>					
<i>Restricted for:</i>					
Future debt service payments	-	-	-	-	-
Capital projects	-	-	-	-	-
General government	40,554	1,406	10,426	-	-
Public safety	-	-	-	-	404
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<i>Total fund balances</i>	<u>40,554</u>	<u>1,406</u>	<u>10,426</u>	<u>-</u>	<u>404</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 47,122</u>	<u>1,406</u>	<u>10,665</u>	<u>5,596</u>	<u>404</u>

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

Special Revenue

Juvenile Justice Grant 247	KAB Grant 252	NM Traffic Safety 253	Waste Isolation Pilot Project 260	2011 Bulletproof Vest Partnership 261	San Miguel County DWI 271
-	10,024	-	-	-	702
-	-	527	-	3,404	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,024	527	-	3,404	702
-	-	-	-	-	-
-	-	-	-	-	-
-	-	527	-	1,601	-
-	-	527	-	1,601	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,024	-	-	-	-
-	-	-	-	1,803	702
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,024	-	-	1,803	702
-	10,024	527	-	3,404	702

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, 2019

	Special Revenue			
	Senior Citizens Center 282	Las Vegas PD Awards 283	Veterans' Memorial 284	4th of July Fiestas 288
<i>Assets</i>				
Cash and cash equivalents	\$ 8,032	1,969	16,720	8,710
Receivables, net	151,768	-	-	-
Prepaid expenditures	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 159,800</u>	<u>1,969</u>	<u>16,720</u>	<u>8,710</u>
<i>Liabilities</i>				
Accounts payable	\$ 854	-	-	-
Accrued payroll	10,997	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>11,851</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	-	1,969	-	-
Culture and recreation	-	-	16,720	8,710
Health and welfare	147,949	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>147,949</u>	<u>1,969</u>	<u>16,720</u>	<u>8,710</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 159,800</u>	<u>1,969</u>	<u>16,720</u>	<u>8,710</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	5,650	-	59,697	438,180	770,800
-	-	1,452	-	-	185,227
-	-	-	-	-	-
-	-	-	-	-	-
112	5,650	1,452	59,697	438,180	956,027
-	-	-	-	-	2,270
-	-	-	-	-	-
-	-	1,452	-	-	-
-	-	1,452	-	-	2,270
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	438,180	953,757
-	-	-	-	-	-
112	5,650	-	59,697	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112	5,650	-	59,697	438,180	953,757
112	5,650	1,452	59,697	438,180	956,027

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, 2019

	Capital Projects			
	Capital	Rehab Taxiway	Recreation	LA Plaza
	Improvement	ABC & Apron	Center Phase II	League
	220	433	468	470
<i>Assets</i>				
Cash and cash equivalents	\$ 443,789	-	13,176	1
Receivables, net	125,983	361,046	-	-
Prepaid expenditures	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 569,772</u>	<u>361,046</u>	<u>13,176</u>	<u>1</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,276	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	361,046	-	-
<i>Total liabilities</i>	<u>2,276</u>	<u>361,046</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Future debt service payments	-	-	-	-
Capital projects	567,496	-	13,176	1
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>567,496</u>	<u>-</u>	<u>13,176</u>	<u>1</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 569,772</u>	<u>361,046</u>	<u>13,176</u>	<u>1</u>

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

Debt Service					
Recreation Canter Phase II 330	Gasoline Tax Revenue Bonds 331	Municipal Pooled GRT Bonds 334	NMFA Equipment Loan 337	NMFA Fire Equipment Loan 338	Total Nonmajor Governmental Funds
752,302	27,565	180,883	38,028	192	3,305,660
72,564	-	-	-	-	992,255
-	-	-	-	2,545	2,545
-	-	-	-	-	-
<u>824,866</u>	<u>27,565</u>	<u>180,883</u>	<u>38,028</u>	<u>2,737</u>	<u>4,300,460</u>
-	-	-	-	-	17,546
-	-	-	-	-	17,603
-	39,065	-	-	867	464,644
-	<u>39,065</u>	-	-	<u>867</u>	<u>499,793</u>
-	-	-	-	-	-
824,866	-	180,883	38,028	1,870	1,045,647
-	-	-	-	-	1,972,610
-	-	-	-	-	158,356
-	-	-	-	-	208,119
-	-	-	-	-	273,088
-	-	-	-	-	154,339
-	(11,500)	-	-	-	(11,492)
<u>824,866</u>	<u>(11,500)</u>	<u>180,883</u>	<u>38,028</u>	<u>1,870</u>	<u>3,800,667</u>
<u>824,866</u>	<u>27,565</u>	<u>180,883</u>	<u>38,028</u>	<u>2,737</u>	<u>4,300,460</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, 2019

	Special Revenue			
	Sick Leave Contingency	Corrections	Lodgers' Tax Promotion	State Fire Grant
	102	201	202	203
<i>Revenues</i>				
Taxes:	\$			
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	388,955	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	386,746
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	53,357	-	-
Interest income	-	-	-	-
Other	-	-	146	-
<i>Total revenues</i>	<u>\$ -</u>	<u>53,357</u>	<u>389,101</u>	<u>386,746</u>
<i>Expenditures</i>				
Current:	\$			
General government	49,951	-	-	-
Public safety	-	65,350	-	87,575
Public works	-	-	-	-
Culture and recreation	-	-	311,817	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	209,390
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>49,951</u>	<u>65,350</u>	<u>311,817</u>	<u>296,965</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(49,951)</u>	<u>(11,993)</u>	<u>77,284</u>	<u>89,781</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(51,567)	(33,638)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(51,567)</u>	<u>(33,638)</u>
<i>Net change in fund balances</i>	(49,951)	(11,993)	25,717	56,143
<i>Fund balances - beginning of year</i>	<u>127,864</u>	<u>35,658</u>	<u>221,941</u>	<u>55,924</u>
<i>Fund balances - end of year</i>	<u>\$ 77,913</u>	<u>23,665</u>	<u>247,658</u>	<u>112,067</u>

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

Special Revenue

Emergency Medical Services 206	State Library Grant 213	State Law Enforcement 215	Special Legislative Appropriations 217	Historical Preservation 218	2017 Region IV JAG 219
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	13,796
28,379	22,297	37,400	7,417	24,998	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,379</u>	<u>22,297</u>	<u>37,400</u>	<u>7,417</u>	<u>24,998</u>	<u>13,796</u>
-	-	-	-	-	-
21,560	-	10,439	-	-	11,746
-	-	-	-	-	-
-	19,583	-	-	44,747	-
5,650	-	-	-	-	-
965	-	-	7,417	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,175</u>	<u>19,583</u>	<u>10,439</u>	<u>7,417</u>	<u>44,747</u>	<u>11,746</u>
<u>204</u>	<u>2,714</u>	<u>26,961</u>	<u>-</u>	<u>(19,749)</u>	<u>2,050</u>
-	-	-	-	-	-
-	-	(26,961)	-	-	-
-	-	(26,961)	-	-	-
204	2,714	-	-	(19,749)	2,050
6,186	(2,706)	-	-	37,782	-
<u>6,390</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>18,033</u>	<u>2,050</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, 2019

	Special Revenue				
	Transportation Grant #5311 231	NM Tourism Coop Grant 232	Transportation Center 235	JAG 240	Seizure 241
<i>Revenues</i>					
Taxes:					
Gross receipts	\$ -	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-
Other	-	-	-	-	-
Intergovernmental:					
Federal operating grants	152,279	-	-	5,596	-
Federal capital grants	-	-	-	-	-
State operating grants	-	-	-	-	28,029
State capital grants	-	-	-	-	-
Charges for services	-	-	5,700	-	-
Licenses and fees	-	-	-	-	-
Interest income	8,315	-	-	-	-
Other	934	-	-	-	-
<i>Total revenues</i>	<u>\$ 161,528</u>	<u>-</u>	<u>5,700</u>	<u>5,596</u>	<u>28,029</u>
<i>Expenditures</i>					
Current:					
General government	\$ 286,092	-	985	-	-
Public safety	-	-	-	5,596	28,029
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>286,092</u>	<u>-</u>	<u>985</u>	<u>5,596</u>	<u>28,029</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(124,564)</u>	<u>-</u>	<u>4,715</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>					
Transfers in	75,000	-	-	-	-
Transfers out	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(49,564)</u>	<u>-</u>	<u>4,715</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>90,118</u>	<u>1,406</u>	<u>5,711</u>	<u>-</u>	<u>404</u>
<i>Fund balances - end of year</i>	<u>\$ 40,554</u>	<u>1,406</u>	<u>10,426</u>	<u>-</u>	<u>404</u>

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

Special Revenue

Juvenile Justice Grant 247	KAB Grant 252	NM Traffic Safety 253	Waste Isolation Pilot Project 260	2011 Bulletproof Vest Partnership 261	San Miguel County DWI 271
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,404	-
-	-	-	-	-	-
-	-	12,428	6,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,428	6,000	3,404	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,839	-	1,805	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,839	6,000	1,805	-
-	-	-	-	-	-
-	-	(1,411)	-	1,599	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(1,411)	-	1,599	-
-	10,024	1,411	-	204	702
-	10,024	-	-	1,803	702

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, 2019

	Special Revenue			
	Senior Citizens Center 282	Las Vegas PD Awards 283	Veterans' Memorial 284	4th of July Fiestas 288
	<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	301,589	-	-	-
Federal capital grants	-	-	-	-
State operating grants	572,005	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	4,200	-
Licenses and fees	-	-	-	40,877
Interest income	-	-	-	-
Other	11,870	1,565	-	2,250
<i>Total revenues</i>	<u>\$ 885,464</u>	<u>1,565</u>	<u>4,200</u>	<u>43,127</u>
<i>Expenditures</i>				
Current:				
General government	\$ -	-	-	-
Public safety	-	6,305	-	-
Public works	-	-	1,391	-
Culture and recreation	844,812	-	-	76,916
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>844,812</u>	<u>6,305</u>	<u>1,391</u>	<u>76,916</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>40,652</u>	<u>(4,740)</u>	<u>2,809</u>	<u>(33,789)</u>
<i>Other financing sources (uses)</i>				
Transfers in	75,000	-	-	25,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
<i>Net change in fund balances</i>	115,652	(4,740)	2,809	(8,789)
<i>Fund balances - beginning of year</i>	<u>32,297</u>	<u>6,709</u>	<u>13,911</u>	<u>17,499</u>
<i>Fund balances - end of year</i>	<u>\$ 147,949</u>	<u>1,969</u>	<u>16,720</u>	<u>8,710</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
-	-	-	-	-	608,030
-	-	-	-	-	412,876
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	190,485	-
-	-	1,452	-	-	-
-	-	-	68,252	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,517	-	-	-	216
-	5,517	1,452	68,252	190,485	1,021,122
-	-	-	-	-	-
-	350	-	2,574	-	-
-	-	-	-	-	829,632
-	-	-	-	-	-
-	-	1,454	-	-	-
-	-	-	3,667	153,611	-
-	-	-	-	-	-
-	-	-	-	-	-
-	350	1,454	6,241	153,611	829,632
-	5,167	(2)	62,011	36,874	191,490
-	-	-	-	24,000	-
-	-	-	(43,000)	-	(24,000)
-	-	-	(43,000)	24,000	(24,000)
-	5,167	(2)	19,011	60,874	167,490
112	483	2	40,686	377,306	786,267
112	5,650	-	59,697	438,180	953,757

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, 2019

	Capital Projects			
	Capital	Rehab Taxiway	Recreation	LA Plaza
	Improvement	ABC & Apron	Center Phase II	League
	220	433	468	470
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ 658,602	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	361,046	-	-
State operating grants	-	20,882	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	20	-
Other	-	99	-	-
<i>Total revenues</i>	<u>\$ 658,602</u>	<u>382,027</u>	<u>20</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	\$ -	-	-	-
Public safety	-	-	-	-
Public works	19,800	2,639	50,000	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	34,026	590,369	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>53,826</u>	<u>593,008</u>	<u>50,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>604,776</u>	<u>(210,981)</u>	<u>(49,980)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	50,000	-
Transfers out	(367,650)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(367,650)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<i>Net change in fund balances</i>	237,126	(210,981)	20	-
<i>Fund balances - beginning of year</i>	<u>330,370</u>	<u>210,981</u>	<u>13,156</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ 567,496</u>	<u>-</u>	<u>13,176</u>	<u>1</u>

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

Debt Service					
Recreation Center Phase II 330	Gasoline Tax Revenue Bonds 331	Municipal Pooled GRT Bonds 334	NMFA Equipment Loan 337	NMFA Fire Equipment Loan 338	Total Nonmajor Governmental Funds
384,450	-	-	-	-	1,651,082
-	-	-	-	-	412,876
-	-	-	-	-	388,955
-	-	-	-	-	462,868
-	-	-	-	-	374,842
-	-	-	-	-	1,337,066
-	-	-	-	-	1,452
-	-	-	-	-	78,152
-	-	-	-	-	94,234
965	8,034	82	974	584	18,974
-	-	-	-	-	22,597
385,415	8,034	82	974	584	4,843,098
-	-	-	14	-	337,042
-	-	-	-	-	255,168
-	-	-	-	-	903,462
-	-	-	-	-	1,297,875
-	-	-	-	-	7,104
-	-	-	-	-	1,005,445
125,000	289,883	210,000	38,390	76,163	739,436
44,100	34,784	92,650	128	983	172,645
169,100	324,667	302,650	38,532	77,146	4,718,177
216,315	(316,633)	(302,568)	(37,558)	(76,562)	124,921
-	324,666	302,650	38,528	76,638	991,482
(50,000)	-	-	-	-	(596,816)
(50,000)	324,666	302,650	38,528	76,638	394,666
166,315	8,033	82	970	76	519,587
658,551	(19,533)	180,801	37,058	1,794	3,281,080
824,866	(11,500)	180,883	38,028	1,870	3,800,667

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, 2019

	<u>Automated System Financing</u>	<u>Utilities Administration</u>	<u>Utilities Service</u>	<u>Total</u>
Assets and deferred outflows of resources				
<i>Assets</i>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 124,475	291,290	503,359	919,124
Due from other funds	-	20,000	-	20,000
<i>Total current assets</i>	<u>\$ 124,475</u>	<u>311,290</u>	<u>503,359</u>	<u>939,124</u>
<i>Noncurrent assets</i>				
Capital assets	\$ 1,159,788	1,295,663	114,860	2,570,311
Accumulated depreciation	(1,037,581)	(727,819)	(108,839)	(1,874,239)
<i>Total noncurrent assets</i>	<u>122,207</u>	<u>567,844</u>	<u>6,021</u>	<u>696,072</u>
<i>Deferred outflows of resources</i>				
Pension related	43,600	160,994	138,602	343,196
OPEB related	1,918	7,082	6,098	15,098
<i>Total deferred outflows of resources</i>	<u>45,518</u>	<u>168,076</u>	<u>144,700</u>	<u>358,294</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 292,200</u>	<u>1,047,210</u>	<u>654,080</u>	<u>1,993,490</u>

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Automated System Financing	Utilities Administration	Utilities Service	Total
Liabilities, deferred inflows of resources, and net position				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 5,532	3,007	(450)	8,089
Accrued payroll expenses	2,573	10,900	10,804	24,277
Accrued compensated absences	652	16,069	13,432	30,153
<i>Total current liabilities</i>	<u>8,757</u>	<u>29,976</u>	<u>23,786</u>	<u>62,519</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences	-	4,849	2,735	7,584
Net pension liability	171,617	633,702	545,561	1,350,880
Net OPEB liability	108,438	400,395	344,763	853,596
<i>Total noncurrent liabilities</i>	<u>280,055</u>	<u>1,038,946</u>	<u>893,059</u>	<u>2,212,060</u>
<i>Total liabilities</i>	<u>288,812</u>	<u>1,068,922</u>	<u>916,845</u>	<u>2,274,579</u>
<i>Deferred inflows of resources</i>				
Pension related	16,369	60,444	52,037	128,850
OPEB related	28,991	107,046	92,173	228,210
<i>Total deferred inflows of resources</i>	<u>45,360</u>	<u>167,490</u>	<u>144,210</u>	<u>357,060</u>
<i>Net Position</i>				
Net investment in capital assets	122,207	567,844	6,021	696,072
Unrestricted	<u>(164,179)</u>	<u>(757,046)</u>	<u>(412,996)</u>	<u>(1,334,221)</u>
<i>Total net position</i>	<u>(41,972)</u>	<u>(189,202)</u>	<u>(406,975)</u>	<u>(638,149)</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 292,200</u>	<u>1,047,210</u>	<u>654,080</u>	<u>1,993,490</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, 2019

	Automated System Financing	Utilities Administration	Utilities Service	Total
<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	\$ 125,315	615,937	610,927	1,352,179
Utilities	-	68,361	1,279	69,640
Contractual services	-	15,957	-	15,957
Supplies and purchased power	70	7,218	8,057	15,345
Maintenance and materials	222,117	4,505	5,926	232,548
Depreciation	14,385	21,411	3,484	39,280
Other costs	2,999	9,114	61,547	73,660
<i>Total operating expenses</i>	<u>364,886</u>	<u>742,503</u>	<u>691,220</u>	<u>1,798,609</u>
<i>Operating income (loss)</i>	<u>(364,886)</u>	<u>(742,503)</u>	<u>(691,220)</u>	<u>(1,798,609)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	289	860	1,666	2,815
Miscellaneous income	-	20,517	149	20,666
<i>Total non-operating revenues (expenses)</i>	<u>289</u>	<u>21,377</u>	<u>1,815</u>	<u>23,481</u>
<i>Income (loss) before contributions and transfers</i>	<u>(364,597)</u>	<u>(721,126)</u>	<u>(689,405)</u>	<u>(1,775,128)</u>
Transfers in	390,000	1,127,426	676,280	2,193,706
Transfers out	-	(195,000)	(240,965)	(435,965)
<i>Change in net position</i>	<u>25,403</u>	<u>211,300</u>	<u>(254,090)</u>	<u>(17,387)</u>
<i>Net position - beginning</i>	<u>(67,375)</u>	<u>(400,502)</u>	<u>(152,885)</u>	<u>(620,762)</u>
<i>Net position - end of year</i>	<u>\$ (41,972)</u>	<u>(189,202)</u>	<u>(406,975)</u>	<u>(638,149)</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, 2019

	Automated System Financing	Utilities Administration	Utilities Service	Total
<i>Cash flows from operating activities</i>				
<i>Cash received from user charges</i>	\$ -	-	-	-
Cash payments to employees for services	(126,109)	(468,054)	(470,898)	(1,065,061)
Cash payments to suppliers for goods and services	(219,753)	(106,040)	(77,710)	(403,503)
<i>Net cash provided (used) by operating activities</i>	<u>(345,862)</u>	<u>(574,094)</u>	<u>(548,608)</u>	<u>(1,468,564)</u>
<i>Cash flows from noncapital financing activities</i>				
Miscellaneous income	-	20,517	149	20,666
Cash transfers	390,000	932,426	435,315	1,757,741
<i>Net cash provided (used) by noncapital financing activities</i>	<u>390,000</u>	<u>952,943</u>	<u>435,464</u>	<u>1,778,407</u>
<i>Cash flows from investing activities</i>				
Interest on investments	289	860	1,666	2,815
<i>Net cash provided (used) by investing activities</i>	<u>289</u>	<u>860</u>	<u>1,666</u>	<u>2,815</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(136,365)	(422,275)	-	(558,640)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(136,365)</u>	<u>(422,275)</u>	<u>-</u>	<u>(558,640)</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	(91,938)	(42,566)	(111,478)	(245,982)
<i>Cash and cash equivalents - beginning of year</i>	216,413	333,856	614,837	1,165,106
<i>Cash and cash equivalents - end of year</i>	<u>\$ 124,475</u>	<u>291,290</u>	<u>503,359</u>	<u>919,124</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income (loss)	\$ (364,886)	(742,503)	(691,220)	(1,798,609)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	14,385	21,411	3,484	39,280
Changes in assets, deferred outflows, and liabilities:				
Accounts payable	5,433	(885)	(901)	3,647
Accrued payroll expense	(25)	784	458	1,217
Accrued compensated absences	(1,018)	(843)	5,089	3,228
Pension and related accounts	1,678	81,212	73,498	156,388
OPEB and related accounts	(1,429)	66,730	60,984	126,285
<i>Net cash provided (used) by operating activities</i>	<u>\$ (345,862)</u>	<u>(574,094)</u>	<u>(548,608)</u>	<u>(1,468,564)</u>

See independent auditors' report.

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Deposit Accounts
June 30, 2019

<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>
Community First Bank					
General Fund	Demand Account	\$ -	-	-	-
Library Special	Demand Account	3,801	-	123	3,678
Economic Development	Demand Account	-	-	-	-
Recreation Center Phase II	Demand Account	406,738	-	-	406,738
Waste Water Reserves	Demand Account	-	-	-	-
Gas Meter Deposit	Demand Account	331,748	36,963	92,220	276,491
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	18,204,027	307,298	1,359,907	17,151,418
<i>Total Community Bank</i>		<u>18,946,314</u>	<u>344,261</u>	<u>1,452,250</u>	<u>17,838,325</u>
Southwest Capital Bank					
General Fund	Demand Account	5,446,808	85,400	253,229	5,278,979
Natural Gas UB	Demand Account	169,939	-	-	169,939
Water Construction Project	Demand Account	1,429,568	-	7,544	1,422,024
Water Meter Deposit	Demand Account	131,355	38,985	160,540	9,800
HA Tenant Deposits	Demand Account	44,975	627	4,296	41,306
Housing Authority	Demand Account	548,060	96,061	45,194	598,927
PD Safe Keeping	Demand Account	38,935	-	-	38,935
Bond Trust	Demand Account	30,488	344	7,803	23,029
Payroll	Demand Account	326,266	73,653	399,517	402
Capital Improvement	Demand Account	7,130	6,047	-	13,177
Water Projects	Demand Account	2,052,308	452,305	299,772	2,204,841
HA Modernization	Demand Account	76,050	8	74,644	1,414
Certificate of Deposit	Time Deposit	5,000,000	-	-	5,000,000
<i>Total Southwest Capital Bank</i>		<u>15,301,882</u>	<u>753,430</u>	<u>1,252,539</u>	<u>14,802,773</u>
Wells Fargo					
Gross Receipts Tax Bonds	Demand Account	180,883	-	-	180,883
Water Reserve	Savings Account	1,635,762	-	-	1,635,762
<i>Total Wells Fargo</i>		<u>1,816,645</u>	<u>-</u>	<u>-</u>	<u>1,816,645</u>

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Deposit Accounts
June 30, 2019

<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>
NMFA					
LASVEGAS24-State Treasurer	NMFA Cash	\$ 326	-	-	326
LASVEGAS24- Reserve Funds Payable	NMFA Cash	11,450	-	-	11,450
LASVEGAS16-State Treasurer	NMFA Cash	411	-	-	411
LASVEGAS16-Reserve Funds Payable	NMFA Cash	23,705	1,529	-	25,234
LASVEGAS10- State Treasurer	NMFA Cash	-	-	-	-
LASVEGAS12-State Treasurer	NMFA Cash	192	-	-	192
LASVEGAS11- State Treasurer	NMFA Cash	7,069	-	-	7,069
LASVEGAS11-Reserve Funds Payable	NMFA Cash	358,278	-	-	358,278
LASVEGAS18-State Treasurer	NMFA Cash	1,284	-	-	1,284
LASVEGAS21-State Treasurer	NMFA Cash	2,532	-	-	2,532
LASVEGAS23-State Treasurer	NMFA Cash	3,037	-	-	3,037
LASVEGAS22- State Treasurer	NMFA Cash	3,233	-	-	3,233
LASVEGAS27- State Treasurer	NMFA Cash	2,936	-	-	2,936
LASVEGAS28- State Treasurer	NMFA Cash	295	-	-	295
LASVEGAS30-Reserve Funds Payable	NMFA Cash	286,240	-	-	286,240
LASVEGAS30-State Treasurer	NMFA Cash	67,357	-	-	67,357
LASVEGAS31-Program Funds	NMFA Cash	113,596	-	-	113,596
LASVEGAS32-Reserve Funds Payable	NMFA Cash	2,818	-	-	2,818
C. MAN PPRF-4698	NMFA Cash	80,041	-	-	80,041
<i>Total NMFA</i>		<u>964,800</u>	<u>1,529</u>	<u>-</u>	<u>966,329</u>
<i>Total Deposits</i>		<u>\$ 37,029,641</u>	<u>1,099,220</u>	<u>2,704,789</u>	<u>35,424,072</u>
Add: Petty cash					1,341
Less: Restricted cash and cash equivalents per Statement of Net Position					(985,768)
Less: Investments per Statement of Net Position					(5,000,000)
Less: Agency cash					(69,107)
<i>Total unrestricted cash and cash equivalents per Statement of Net Position</i>					<u>\$ 29,370,538</u>

See independent auditors' report.

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2019

<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, 2019</u>	<u>Location of Safekeeper</u>
Community First Bank					
	Las Vegas NM City Sch Dist #2	8/15/2019	51778FCT4	\$ 455,359	Kansas City, MO
	FHLMC Series 3982 Class MD	5/15/2039	3137AKAS0	414,655	Kansas City, MO
	FHLMC Pool #GL14450	10/1/2026	3128MDEX7	469,852	Kansas City, MO
	FNMA Pool #AL1749	4/1/2027	3138EH5K4	547,810	Kansas City, MO
	FNMA Pool #AL2740	7/1/2027	3138EKBJ3	522,434	Kansas City, MO
	FHLB Fixed Rate Note	6/10/2022	313379Q69	3,031,548	Kansas City, MO
	FHLB Fixed Rate Note	6/12/2020	313383HU8	2,994,183	Kansas City, MO
	FHLB Fixed Rate Note	11/30/2023	912828U57	203,281	Kansas City, MO
	FHLB Fixed Rate Note	11/30/2023	912828U57	304,922	Kansas City, MO
	FHLB Fixed Rate Note	11/30/2023	912828U57	101,641	Kansas City, MO
	FHLB Fixed Rate Note	11/30/2023	912828U57	1,016,406	Kansas City, MO
	<i>Total Community First Bank</i>			<u>10,062,091</u>	
Southwest Capital Bank					
	FHLB-LOC 3544000001	1/27/2020	LOC	500,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	3,500,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	50,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	360,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	600,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	650,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	100,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	680,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	1,500,000	Irving, TX
	FHLB-LOC 3544000001	1/27/2020	LOC	160,000	Irving, TX
	<i>Total Southwest Capital Bank</i>			<u>8,100,000</u>	
Wells Fargo					
	FNMA FNMS	2/25/2043	3136ABWC3	42,120	New York, NY
	FNMA FNMS	6/1/2030	3138ETFL5	700,663	New York, NY
	FNMA FNMS	5/1/2031	3138WG5F7	196,352	New York, NY
	<i>Total Wells Fargo Bank</i>			<u>939,135</u>	
	<i>Total Pledged Collateral</i>			<u>\$ 19,101,226</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, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<i>Assets</i>				
Cash	\$ 66,913	2,194		69,107
<i>Total Assets</i>	<u>\$ 66,913</u>	<u>2,194</u>	<u>-</u>	<u>69,107</u>
<i>Liabilities</i>				
Due to other entities	\$ 66,913	2,194	-	69,107
<i>Total Liabilities</i>	<u>\$ 66,913</u>	<u>2,194</u>	<u>-</u>	<u>69,107</u>

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2019

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	Revitalization of Severely Distressed Public Housing 14.866	Total
111	Cash - Unrestricted	\$ 600,344	-	600,344
114	Cash - Tenant Security Deposits	41,307	-	41,307
100	Total Cash	641,651	-	641,651
124	Accounts Receivable - Other Government	438,475	-	438,475
125	Accounts Receivable - Miscellaneous	413,449	-	413,449
126	Accounts Receivable - Tenants - Dwelling Rents	188,936	-	188,936
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(225)	-	(225)
120	Total Receivables, Net of Allowance for Doubtful Accounts	1,040,635	-	1,040,635
131	Investments - Unrestricted	-	-	-
143	Inventories	27,456	-	27,456
143.1	Allowance for Obsolete Inventories	-	-	-
150	Total Current Assets	1,709,742	-	1,709,742
161	Land	160,150	-	160,150
162	Buildings	12,549,266	-	12,549,266
163	Furniture, Equipment & Machinery - Dwellings	288,991	-	288,991
164	Furniture, Equipment & Machinery - Administration	276,567	-	276,567
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(8,703,502)	-	(8,703,502)
167	Construction in progress	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	4,571,472	-	4,571,472
174	Other Assets	-	-	-
180	Total Non-Current Assets	4,571,472	-	4,571,472
200	Deferred Outflows of Resources	190,948	-	190,948
290	Total Assets and Deferred Outflows of Resources	\$ 6,472,162	-	6,472,162

See independent auditor's report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2019

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	Revitalization of Severely Distressed Public Housing 14.866	Total
312	Accounts Payable <= 90 Days	\$ 40,732	-	40,732
313	Accounts Payable > 90 Days Past Due	-	-	-
321	Accrued Wage/Payroll Taxes Payable	14,758	-	14,758
322	Accrued Compensated Absences - Current Portion	71,844	-	71,844
341	Tenant Security Deposits	41,891	-	41,891
342	Deferred Revenues	-	-	-
310	Total Current Liabilities	169,225	-	169,225
357	Accrued Pension and OPEB Liabilities	1,175,621	-	1,175,621
	Other Liabilities	165,568	-	165,568
350	Total Non-Current Liabilities	1,341,189	-	1,341,189
300	Total Liabilities	1,510,414	-	1,510,414
400	Deferred Inflows of Resources	190,508	-	190,508
508.1	Invested in capital assets, net of related debt	4,571,472	-	4,571,472
512.1	Unrestricted Net Position	199,768	-	199,768
513	Total Equity/Net Position	4,771,240	-	4,771,240
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 6,472,162	-	6,472,162

See independent auditor's report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2019

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	Revitalization of Severely Distressed Public Housing 14.866	Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 586,842	-	-	586,842
70400	Tenant Revenue - Other	16,983	-	-	16,983
70500	Total Tenant Revenue	603,825	-	-	603,825
70600	HUD PHA Operating Grants	850,953	-	-	850,953
70610	Capital Grants	226,423	-	-	226,423
71100	Investment Income - Unrestricted	207	-	-	207
71400	Fraud Recovery	911	-	-	911
71500	Other Revenue	-	-	-	-
70000	Total Revenue	1,682,319	-	-	1,682,319
91100	Administrative Salaries	225,217	-	-	225,217
91200	Auditing Fees	5,257	-	-	5,257
91400	Advertising and Marketing	71	-	-	71
91500	Employee Benefit Contributions - Administrative	116,868	-	-	116,868
91600	Office Expenses	18,571	-	-	18,571
91800	Travel	9,515	-	-	9,515
91900	Other Operating - Administrative	11,868	11,333	-	23,201
91000	Total Operating - Administrative	387,367	11,333	-	398,700
93100	Water	79,949	-	-	79,949
93200	Electricity	14,369	-	-	14,369
93300	Gas	74,497	-	-	74,497
93400	Fuel	5,766	-	-	5,766
93600	Sewer	90,791	-	-	90,791
93000	Total Utilities	265,372	-	-	265,372

See independent auditor's report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2019

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	Revitalization of Severely Distressed Public Housing 14.866	Capital Fund Program 14.872	Total
94100	Ordinary Maintenance and Operations - Labor	\$ 201,863	-	-	201,863
94200	Ordinary Maintenance and Operations - Materials	18,261	-	-	18,261
94300	Ordinary Maintenance and Operations Contracts	119,276	-	-	119,276
94500	Employee Benefit Contributions - Ordinary Maintenance	86,627	-	-	86,627
		-	-	-	-
94000	Total Maintenance and Operations	426,027	-	-	426,027
95100	Protective Services - Labor	-	-	-	-
95000	Total Protective Services	-	-	-	-
96110	Property Insurance	67,675	-	-	67,675
96140	All Other Insurance	-	-	-	-
96100	Total Insurance Premiums	67,675	-	-	67,675
96210	Compensated Absences	-	-	-	-
96300	Payment In Lieu of Taxes	2,000	-	-	2,000
96400	Bad Debt - Tenant Rents	16,121	-	-	16,121
96000	Total Other General Expenses	18,121	-	-	18,121
96900	Total Operating Expenses	1,164,562	-	-	1,175,895
97000	Excess Operating Revenue Over Operating Expenses	517,757	-	-	517,757
97400	Depreciation Expense	252,115	-	-	252,115
90000	Total Expenses	1,416,677	-	-	1,428,010
10010	Operating Transfers In	335,951	-	-	335,951
10020	Operating Transfers Out	(335,951)	-	-	(335,951)
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	265,642	-	-	265,642

See independent auditor's report.

STATE OF NEW MEXICO
Housing Authority of the City of Las Vegas
Financial Data Schedule
June 30, 2019

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	Revitalization of Severely Distressed Public Housing 14.866	Capital Fund Program 14.872	Total
11030	Beginning Equity	\$ 4,505,598	-	-	4,505,598
11040-10	Prior Period Adjustments	-	-	-	-
11040-20	Equity Transfers	-	-	-	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	<i>Ending Equity (deficit)</i>	\$ 4,771,240			4,771,240
11190	<i>Unit Months Available</i>	3,180			3,180
11210	<i>Number of Unit Months Leased</i>	2,953			2,953
11270	<i>Excess Cash</i>	\$ 1,328,584			1,328,584
11630	<i>Furniture & Equipment - Dwelling Purchases</i>	\$ 29,128			29,128

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

Mr. Brian Colón,
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, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated December 15, 2019.

Internal Control Over Financial Reporting

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

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 an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 2019-001.

The City's Response to Findings

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

Purpose of this Report

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



Albuquerque, NM
December 15, 2019

FEDERAL FINANCIAL ASSISTANCE

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

Mr. Brian Colón
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, 2019. 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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



Albuquerque, New Mexico
December 15, 2019

STATE OF NEW MEXICO
City of Las Vegas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Funding Source/Grant of Contact Name	CFDA Number	Pass-through Grant Number	Expenditures	Funds Provided to Subrecipients	Noncash Assistance
U.S. Department of Justice					
<i>Direct Funding</i>					
Joint Law Enforcement Operations	16.111		4,167	-	-
Bulletproof Vest Partnership Program	16.607		3,404	-	-
<i>Pass-Through Programs from NM Department of Public Safety</i>					
Edward Byrne Memorial Justice Assistant Grant (JAG)	16.804		11,746	-	-
Total U.S. Department of Education			<u>19,317</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation					
<i>Pass-Through Programs from NM Department of Transportation</i>					
Airport Improvement Program	20.106		361,046		
Formula Grants for Other Than Urbanized Areas	20.509		152,279	-	-
Total U.S. Department of Transportation			<u>513,325</u>	<u>-</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
<i>Direct Funding</i>					
Public and Indian Housing	14.850		738,304	-	-
Public Housing Capital Fund	14.872		339,072	-	-
Total U.S. Department of Housing and Urban Development			<u>1,077,376</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services					
<i>Passed through from the Northern NM Economic Division District</i>					
Aging Cluster - Nutrition Services Incentive Program	93.053		75,167	-	-
Aging Cluster - Title IIIB	93.044		29,653	-	-
Aging Cluster - Title IIIC1 and Title IIIC2	93.045		175,365	-	-
Special Programs for the Aging - Title IIID	93.764		21,404		
Total U.S. Department of Health and Human Services			<u>301,589</u>	<u>-</u>	<u>-</u>
U. S. Environmental Protection Agency					
<i>Passed through the New Mexico Finance Authority</i>					
Capitalization Grants for Drinking Water State Revolving Funds	* 66.468	3622	253,041		
Capitalization Grants for Drinking Water State Revolving Funds	* 66.468	3623	205,911		
Capitalization Grants for Drinking Water State Revolving Funds	* 66.468	3624	841,000	-	-
Total U. S. Environmental Protection Agency			<u>1,299,952</u>	<u>-</u>	<u>-</u>
Total Federal Financial Assistance			<u>3,211,559</u>	<u>-</u>	<u>-</u>

(*) 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, 2019**

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 \$1,299,952 during the year ended June 30, 2019.

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	\$	3,211,559
Total expenditures funded by other sources		<u>28,122,925</u>
<i>Total expenditures</i>	\$	<u><u>31,334,484</u></u>

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Schedule of Findings and Questioned Costs
June 30, 2019**

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? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
66.468	Capitalization Grants for Drinking Water State Revolving Funds

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

Section II – Findings – Financial Statement Audit

2019-001 – IT General Controls (Other Matters)

Condition: During our walkthroughs of the City’s IT general controls as it relates to financial systems, we noted the following:

- (a) Lack of vulnerability assessment or penetration test on network and application.
- (b) IT policies and procedures are still in development. For instance, information classification policy and incident response plan are not in place.
- (c) IT disaster recovery plan is still in draft form and not finalized.
- (d) No fire suppression system in place for both server rooms.

Criteria: IT, including systems and infrastructure are essential and integral part to the efficiency of the City’s operations. IT general controls are essential in maintaining confidentiality, integrity, and availability of data. IT internal controls are as important as the internal controls that surround the input of financial transactions into the City’s general ledger.

In accordance with ISACA’s Control Objectives for Information and related Technology (COBIT) framework (DS4, Continuous Service), a Disaster Recovery Plan needs to be developed and tested to reduce impact of a major disruption on key business functions and processes. Framework DS5 (Ensure System Security) provides the need to maintain integrity of information and protect IT assets requires a security management process. This process includes establishing and maintain IT security and roles and responsibilities, policies, standards, and procedures. Security management also includes performing security monitoring and periodic testing and implementing corrective actions for identified security weakness or incidents.

Effect: The absence of a formal Disaster Recovery Plan may pose question as to the City’s ability to respond and recover its critical data and applications on a reasonable time period in the event of unforeseen disaster.

Without strong internal controls over the City’s IT infrastructure and applications, there a potential for the confidentiality, integrity, and or availability of data to be compromised.

Cause: The City’s IT Department does not have enough personnel to handle day to day functions including IT security.

Recommendation: We recommend the following:

- (a) Consider having a third party perform a penetration or vulnerability assessment. In addition, the City should be more proactive in dealing with its security incidents.
- (b) Update policies and procedures in line with current network and application structure. In addition, the City needs to cover the areas such as IT Security, change management, remote access, incident response plan and information classification policy.
- (c) Develop a formal IT Disaster Recovery Plan to address recovery issues in event of disaster.
- (d) Consider installing a fire suppression system in both computer rooms to avoid equipment and data loss in case of fire.

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Schedule of Findings and Questioned Costs
June 30, 2019**

2019-001 – IT General Controls (Other Matters) (Continued)

Management Response: The City of Las Vegas has developed Information Technology (IT) general controls. The general controls have been developed and are in the process of review by various departments. The general controls will include the financial systems, IT disaster recovery plan, and any other security controls that may need to be addressed. The general controls will be submitted to Mayor and Council for their final recommendations and approval/disapproval

Section III – Findings – Federal Awards

None noted

Section IV – Prior Year Audit Findings

None noted

**STATE OF NEW MEXICO
CITY OF LAS VEGAS
Exit Conference
June 30, 2019**

Exit Conference

An exit conference was held with the City on December 13, 2019. 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

Esther Garduno-Montoya, City Attorney

Axiom Certified Public Accountants and Business Advisors LLC

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

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.