LOS ALAMOS

Incorporated County of Los Alamos

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

Incorporated County of Los Alamos, New Mexico

LOS ALAMOS

Comprehensive Annual Financial Report
Fiscal Year Ended
June 30, 2017

Prepared by the Finance Division of the Administrative Services Departement

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LOS ALAMOS
where discoveries are made

November 30, 2017

To the County Council and Citizens of the
Incorporated County of Los Alamos:

We are pleased to submit to you the Comprehensive Annual Financial Report of the Incorporated County of Los Alamos (the County) for fiscal year 2017. The Finance Division in the County's Administrative Services Department has prepared this report to present the financial position of the County at June 30, 2017, and the results of its operations for the year then ended. The financial statements and supporting schedules have been prepared in conformity with generally accepted accounting principles for governments, and with the requirements of the State of New Mexico, Office of the State Auditor.

COUNTY COUNCIL
David Izraelevitz
Council Chair
Susan O'Leary
Council Vice-Chair
COUNCILORS
Chris Chandler
James A. Chrobocinski
Antonio Maggiore
Rick Reiss
Pete Sheehey
COUNTY MANAGER
Harry Burgess

This report consists of an Introductory Section, the Financial Section which includes the opinion of the County's independent auditors, Morton Accounting Services, LLC, and Management's Discussion and Analysis, a Statistical Section with ten years of summary data, and the Other Information Section. Readers should refer to the Management's Discussion and Analysis beginning on page 5 of this report for a more detailed overview of how to use this report, an introduction to the County's basic financial statements and an analytical overview of the County's financial activities.

INTERNAL CONTROL AND MANAGEMENT'S RESPONSIBILITY

County management is responsible for the accuracy of the County's financial statements and the completeness and fairness of their presentation. The County maintains a system of internal accounting controls that is intended to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements according to generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed the benefits to be derived. The County had no findings from the independent auditors' which would have been described in their Schedule of Findings and Questioned Costs, which is included in the Other Financial Information Section of this report.

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THE REPORTING ENTITY AND ITS SERVICES

In 1949 the County was formed from parts of three other existing counties as a separate political subdivision by the New Mexico legislature. It was incorporated on December 10, 1968 when County voters adopted the Charter. The County has the rights and responsibilities of both a county and a municipality under the County's Charter and New Mexico State law.

The County is located on the Pajarito Plateau in northern New Mexico, about 35 miles northwest of Santa Fe, the capital of New Mexico. The County covers about 109 square miles. The National Forest Service owns 41.2% of the County's area, the United States Department of Energy (DOE) owns 35.3%, the County and its citizens own 14%, and Bandelier National Monument owns 9.5%.

Before the establishment of the Los Alamos National Laboratory (LANL) in 1943, a few isolated ranches and a preparatory school for boys occupied the area that is now the County. This isolated area became the home for scientists and military personnel working as a key part of the Manhattan Project, which resulted in ending World War II. Initially, the Laboratory and the surrounding area were owned and controlled by the federal government. Under the Atomic Energy Communities Act of 1955, the government sold most commercial real estate, residential lots, and housing units to private owners. Churches and institutional properties, including hospitals, schools, municipal offices, the electric, gas, and water distribution systems and the wastewater collection system were transferred to private institutions, the school system, or municipal ownership.

The County operates under a council-manager form of government. The County Council consists of seven members who are elected at large by qualified County voters. Under the Charter, the County Council appoints a County Manager, the chief executive officer of the County, who is responsible for all County affairs placed in his or her charge by New Mexico State statutes, the County Charter, County ordinances, or the County Council.

The Basic Financial Statements of the County include all government activities, organizations and functions for which the County is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria, no other governmental organizations are included in this report.

The County provides a wide variety of services to its citizens, including the following: police services including dispatch of all emergency services; fire protection and prevention services; emergency medical services; maintenance of parks, streets and roads in the County; public transit services; residential and commercial refuse collection and disposal and transfer station operation; electric, water, gas, and wastewater utilities; public library operation; airport facilities; recreation facilities and programs; community planning and development; and certain health and social services.

ECONOMIC CONDITION AND OUTLOOK

The fiscal year 2018 budget anticipated revenues of $25.8 million (14%) more than the fiscal year 2017 adopted budget at the time of adoption which included bond proceeds of $20 million. However the general obligation bond election was not approved by voters in May of 2017, therefore the estimated combined increase in revenues is closer to $5.7 million (3%) more than fiscal year 2017. Expenditures are budgeted at $12.5 million (7%) higher than the prior fiscal year largely due to anticipated additional capital project funding which may or may not be reduced during FY 2018 CIP planning discussions. The budget increase in revenues and other financing sources is a result of planned joint utility revenues that are projected to increase by $3.7 million or 6% in fiscal year 2018 which is primarily driven by the net effect of projected rate changes (10% reduction in the gas

fixed portion of the commodity rate, an 8% increase in sewer, and an 8% increase in wholesale and retail water rates). Additional projected increases in revenues over fiscal year 2017 of $1.4 million (3%) are anticipated in total from the other enterprise and internal service funds. Also an approximate $2 million in increased revenues from proceeds of land sales are projected to occur in the CIP Fund. These revenue increases are offset by projected decreases in GRT in the General Fund of $1.4 million (2%) lower than the previous year. Given the unusually large concentration of employment and tax revenues in one employer – LANL - the County continues to adopt a conservative fiscal posture to help mitigate the potential negative effects of any significant unforeseen future changes.

One such potential change is that the National Nuclear Security Administration (NNSA) under the Department of Energy (DOE) released a Solicitation in the form of an RFP on October 26, 2017, for the Site Management and Operating Contract for LANL. Responses are due by December 11, 2017 and the award of the contract is anticipated to be reached in April of 2018. Depending on the business form of the successful contractor, there could be an impact on the County's GRT revenues. The total anticipated impact to the County cannot be precisely determined as of the date of this report, however if the contract is awarded to a tax-exempt organization, then under current State tax laws the County's GRT revenues would decline significantly. The County is working proactively to eliminate this risk and on contingency planning to mitigate the impacts if such a situation arises.

LANL is the County's largest employer, with estimates that its expenditures provide, either directly or indirectly, approximately 90-95% of the County's economic activity. For the year ended June 30, 2017, an estimated 75-80% of GRT revenues relate directly to LANL operations.

Given the significant impact of LANL operations, the County will be monitoring closely any federal legislative budget activities associated with the DOE and other federal agencies and continuing to consider potential impacts to LANL and to the County's long-range financial projections. The County has been vigilant in monitoring any potential changes that might arise due to the changes in the national nuclear posture policy, upcoming changes related to LANL contractor turnover, changes in the New Mexico federal congressional delegation, as well as DOE plans for its long-term overall Complex Transformation and significant construction projects.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

In 2017, the County Council continued its efforts on the Strategic Leadership Plan that was updated in FY 2016. The plan includes strategic focus areas and major goals for the next four out of five years. Highlights of significant progress made in FY 2017 include the following:

Economic Vitality – The Manhattan Project National Historic Park celebrated its one-year anniversary, hired its first Superintendent (Kris Kirby), and released the park's foundation document; a permanent facade was created at Los Alamos Project Main Gate Park to provide a photo opportunity and historic perspective for visitors; both Fuller Lodge and the History Museum underwent significant restoration in a multi-year, multi phased project; the County has also implemented numerous process improvements and outreach efforts within its Community Development Department in an effort to facilitate opportunities for residential and commercial development; staff have begun marketing several county-owned land parcels as we attempt to attract new housing opportunities that will address recent hiring increases at the Los Alamos National Laboratory.

Quality of Life – A new Housing Rehabilitation Program was launched and has included seven rehab projects; a new Homebuyer Assistance Program will have an open public application period beginning in August 2017 of which approximately ten households are expected to receive assistance in

the first year of the program; the County is developing a “clean and lien” strategy to allow clean-up of vacant properties that have code violations, as well as properties of owners non-responsive to violation notices. In addition,

- The County continues to support a public/private partnership to develop the Pajarito Mountain Ski Area for winter skiing and summer biking/hiking; Council approved $450,000 in funding for a new biking trail system to be designed and constructed on Pajarito Mountain; Council also approved $50,000 for a family-friendly pilot “flow trail” to be installed in Pueblo, Walnut or Bayo Canyon.
- The County continues its support of public schools through the many services it provides free of charge including two School Resource Officers, the School’s Prevention Specialist, use of the Aquatic Center, the County’s warehouse function, and a majority share of Trinity Site lease revenue accruing to the school system.

Quality Governance – The County launched a new public website in March to provide easier access to information for citizens and visitors and to allow for enhanced viewing from smart phones and tablets; the Fire Department acquired two new firefighting vehicles through grant funding that now gives LAFD the ability to respond to regional emergencies. In addition,

Recognizing that process improvements play a key role in advancing organizational excellence, the County purchased a new software package – Tyler Technologies MUNIS product. The implementation project has been named Planning for Resource Integration & Systems Management (PRISM). PRISM is the largest software project ever undertaken by County staff. Milestones in FY2017 include in-depth work flow analysis, testing of the system, and training for employees. PRISM will replace the County’s antiquated financial management, human resources, utilities billing, budgeting, purchasing, and work order system by July 1, 2018.

FEDERAL AND STATE MANDATES

Cities and counties continue to experience an increase in state and federal mandates, many of which are not funded, but are simply imposed on local governments. These present not only additional financial liabilities, but also require the County to engage in the development of new reporting systems and programs that expand management's responsibilities and tax the County's resources.

Although the County is a relatively small government in terms of resident population served, the demands of our predominantly highly educated citizens for high quality services and the numerous direct and indirect relationships with the Department of Energy require levels of service and complexity normally found only in large metropolitan areas.

The County continually faces the challenge of balancing these high demands for services and the requirements of unfunded mandates with continued pressure to keep taxes and costs of services at reasonable levels. Historically the County has been able to meet this challenge, but conditions exist which may require some difficult choices in the next few years. Among these conditions are an aging infrastructure, and the uncertainties of a “one employer town”.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The County’s Finance Office and budget staff plans, organizes, directs, and coordinates the overall management of the County's finances. The responsibilities of the Office include: (1) carrying out the duties of the County Treasurer; (2) managing the County's investment and debt activities;

(3) coordinating the annual audit of the County; (4) ensuring the accuracy and integrity of all financial data; (5) developing and monitoring the County's operating budget; and (6) forecasting financial results and monitoring trends. In addition, the Office maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council. Activities of all funds except the Pension Trust Fund and the Agency Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of established budgetary control is by department within an individual fund.

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control for interim reports. Unencumbered balances lapse at the end of the year. However, encumbrances are re-appropriated as part of the following year's budget. The County's budget policies and budget control procedures are fully described in the notes to the financial statements.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Incorporated County of Los Alamos for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is a national award that recognizes conformance with the highest standards for presentation of state and local government financial reports.
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to rigid program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years 1991 through 2016). We believe this current comprehensive annual financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it for review by GFOA. In addition, the County received the GFOA Award for Distinguished Budget Presentation for the Annual Budget for fiscal year 2017. This was the twenty-fifth consecutive year the County received the budget award. In order to qualify for the Distinguished Budget Presentation Award, the County’s budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. Finally, the County received the GFOA Award for Popular Annual Financial Reporting for the first year it has been compiled in FY2016. The PAFR is intended to be a more understandable report to the general public of information extracted from the CAFR. The County is very excited to continue the production of the PAFR in future years.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated service of the staff within the Finance Division. We wish to express our sincere appreciation to all staff members whose dedication and professionalism made the preparation of the report possible. We would also like to thank the staff from other County departments who assisted and contributed to its preparation. We would also like to make a special acknowledgement and recognition of our former Chief Financial Officer, Joseph A. D'Anna III who retired after 24 years of service to the County Finance Division. Joe was instrumental in previous GFOA awards and his dedication to excellence in financial reporting. Finally, without the leadership and support of the members of the County Council, preparation of this report would not have been possible.

Sincerely,

Harry Burgess
County Manager

Helen M. Perraglio, CPA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Incorporated County of Los Alamos

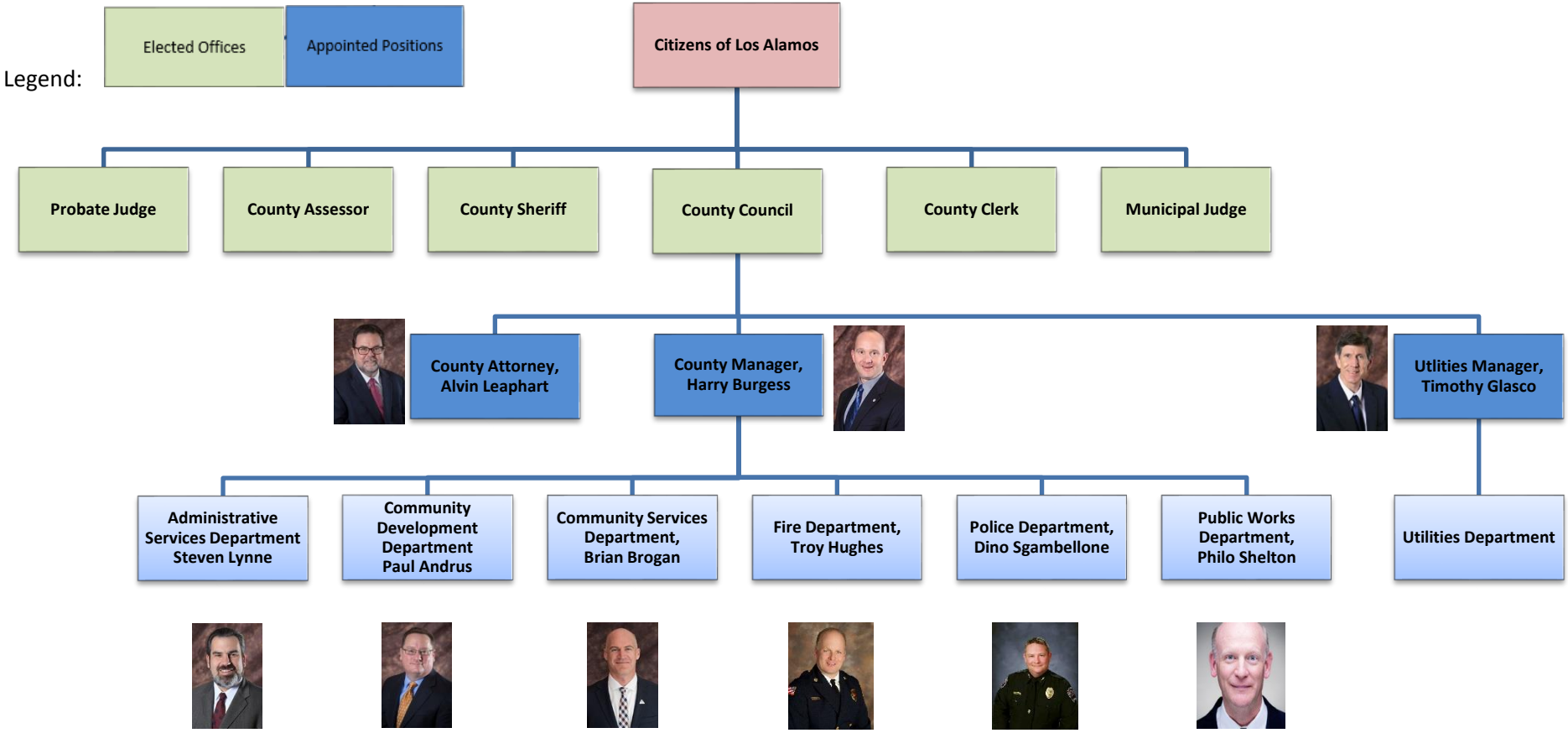
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART



INCORPORATED COUNTY OF LOS ALAMOS
ELECTED AND APPOINTED OFFICIALS

As of June 30, 2017

Elected:

Council

Elected:

Officials

Appointed:

County Manager	Harry Burgess
Deputy County Manager	Steven Lynne
County Attorney	Alvin Leaphart
Utilities Manager	Timothy Glasco
Community Development Director	Paul Andrus
Community Services Director	Brian Brogan
Fire Chief	Troy Hughes
Police Chief	Dino Sgambellone
Public Works	Philo Shelton
Deputy County Assessor	Joaquin Valdez
Deputy County Clerk	Adrianna Ortiz

LOS ALAMOS

MORTON
ACCOUNTING SERVICES, LLC
CPA and Business Consulting Firm

INDEPENDENT AUDITOR'S REPORT

Mr. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

Report on the 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 comparisons for the general fund and major special revenue funds of the Incorporated County of Los Alamos, New Mexico, (County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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.

Mr. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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 to 26 and the schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions on pages 118-124 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.

Mr. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections, and Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and other schedules, noted at Exhibits 1-5, as listed in the table of contents, required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic and combining and individual fund financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the County'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 result of that testing, and not to provide an opinion on 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 County's internal control over financial reporting and compliance.

MORTON ACCOUNTING SERVICES, LLC

Santa Fe, New Mexico
November 30, 2017

LOS ALAMOS

Management’s Discussion and Analysis

Management of the Incorporated County of Los Alamos (County) offers this discussion and analysis about the County government's financial position and financial activities for the fiscal year that ended June 30, 2017. This analysis is intended to serve as an introduction to the County's basic financial statements and to provide an analytical overview of the County's operations. Please read it along with the County's *Basic Financial Statements* starting on page 28, the *Notes to the Financial Statements* starting on page 67, and the *Letter of Transmittal* on page i. Additional data about the County is provided in the Statistical Section, beginning on page 175.

FINANCIAL HIGHLIGHTS

New Accounting Standards

In fiscal year 2017, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) that relate to taxes, investments and pensions:

- GASB Statement No. 74 (GASB 74), "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"
- GASB Statement No. 77 (GASB 76), "Tax Abatement Disclosures"
- GASB Statement No. 79 (GASB 79), "Certain External Investment Pools and Pool Participants"
- GASB Statement No. 81 (GASB 81), "Irrevocable Split-Interest Agreements"
- GASB Statement No. 82 (GASB 82), "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"

GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. GASB 74 was effective for the County fiscal year 2017, but did not have an impact on these financial statements. GASB 74 primarily affects the Retiree Health Care Authority at June 30, 2017 of which the County contributes to. Recognition of the County's share of OPEB is not effective until the following fiscal year.

GASB 77 requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients. This statement was effective for the County fiscal year 2017, but did not have an impact on these financial statements as the County had no such agreements in place.

GASB 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. GASB 79 was effective for the County fiscal year 2017, but did not have an impact on these financial statements. The County participates in the State Investment Council and Local Government Investment Pool which would be impacted by this statement.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement and was effective for the County fiscal year 2017, but did not have an impact on these financial statements, as no such agreements applied to the County.

GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements and was effective for the County fiscal year 2017, and has been adopted in these financial statements.

Government-wide Financial Highlights

- The County's total net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was approximately $489 million at fiscal year-ended June 30, 2017. This represents a decrease of $7.9 million in net position, or approximately -1.6%, as compared to the prior fiscal year-end. The single largest changes effecting net position were both related to the County's share of the Public Employees Retirement Association of New Mexico's (PERA) defined benefit pension plan obligations, where the net pension liability increased $31.2 million offset by an increase of $23.4 million in deferred outflows. The large increase in net pension liability was due to changes of assumptions for the overall plan along with differences between expected and actual experience which were recognized at the time of measurement, June 30, 2016. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.

- Governmental activities decreased the County's net position by $1.8 million to $307.7 million for the fiscal year-ended June 30, 2017. Expenses exceeded revenues by $1.8 million as gross receipts taxes were lower than expected. Gross receipts taxes and state shared revenues decreased $1.4 million. Property taxes remained the same. Expenses increased $5.8 million primarily in the public safety and culture and recreation functions when compared to the prior year.

- Business-type activities decreased the County's net position by $6.1 million to $181.2 million for the fiscal year-ended June 30, 2017. This compares to a $2.6 million increase during the previous fiscal year. Total revenue from business-type activities was $90.2 million for fiscal year 2017, approximately $4.7 million less than the previous year. The largest contributing factor to this decrease was $3.9 million in charges for services, and a reduction in grants and contributions of $.8 million. Expenses in fiscal year 2017 increased by $6.2 million primarily as a result of a $3.9 million increase recorded in Fire activities primarily from increased pension expense related to recording the net pension liability; a $1.3 million increase in Joint Utility System activities primarily from increased closure costs and pension expense;, and a $.9 million increase recorded in the Environmental Services Fund from increased landfill closure costs and increased pension

expense. Collectively, there were slight increases to normal operating costs in the categories of contractual services and salaries and benefits primarily in the Fire and Joint Utility funds.

- For the fiscal year-ended June 30, 2017, the County's Governmental Funds reported combined ending fund balance of approximately $77.6 million. This is a $7.2 million decrease from the end of fiscal year 2016. In large part, the decrease in net position is attributable to the spending down of resources set aside in prior years for capital expenditures. The net position in the Capital Improvements Projects Fund decreased by $6.3 million primarily due to an increase in expenditures of $5 million.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report (CAFR) is presented in four sections:

1) Introductory section, that includes the Transmittal Letter and general information;
2) Financial section that includes:
    a. Independent Auditors' Report,
    b. Management's Discussion and Analysis (this part),
    c. The Basic Financial Statements, that include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
    d. Other financial statements and required supplementary information;
3) Statistical Section; and
4) Other Information

Non-financial factors that help shape the County's finances are presented in both the Statistical Section and in the section entitled Other Information. Examples of non-financial factors are characteristics of the County population and assessed property values. Please consider non-financial factors when analyzing the County's overall financial condition.

The Basic Financial Statements

The County's basic financial statements are comprised of three components 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the financial statements. This set of financial statements provides both long-term and short-term views of the County's financial activities and financial position. See Table 1 for a comparison of the major features of these statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to that used by private-sector businesses. These statements are reported using the economic resources measurement focus and the accrual basis of accounting and include:

The Statement of Net Position presents information about the financial position of the County as a whole, including all its capital assets and long-term liabilities on a full accrual basis of accounting 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 the financial position of the County is improving or deteriorating. There are three categories of net position reported:

a) *Net investment in capital assets*, represent land, buildings, machinery, equipment and infrastructure, such as pavement, bridges, parks and streetlights, less the amount of unpaid debt related to make or buy them.
b) *Restricted* reflects amounts restricted either by contract or by law.
c) *Unrestricted* are available to run the daily operations of the government and pay its current expenses.

The Statement of Activities presents information showing how 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 the related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities).*

Governmental Activities - All of the County's basic services are considered to be governmental functions, including County Council, Municipal Court, County Manager, County Attorney, County Clerk, County Assessor, Administrative Services, Community Development, Community Services, Police, Public Works, and Cemetery. These services are supported by general County revenues such as taxes, and by specific program revenues such as fees.

Business-type Activities - All of the County's enterprise activities are reported here, including Joint Utility System (Electric, Gas, Water, and Wastewater), Environmental Services, Transit, Fire, and Airport. Unlike governmental services, these services are generally supported by charges paid by users based on the amount of service they use.

Government-wide Financial Statements are prepared on the accrual basis of accounting that means they include all economic resources of the County as a whole. The Government-wide financial statement can be found on pages 28-30 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary 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 statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities. The governmental funds financial statements can be found on pages 32-56 of this report.

Proprietary funds include two fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the Government-wide financial statements. The County uses enterprise funds to account for the Joint Utility System comprised of the Electric, Gas, Water, and Wastewater subfunds. Other enterprise funds are the Environmental Services, Transit, Fire, and Airport funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the maintenance and replacement of the County's central equipment pool and for the County's insurance for health, workers compensation, unemployment, retiree health care, and property and general liability. The proprietary funds financial statements can be found on pages 58-63 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the County's own programs. This includes the Los Alamos County Employees Pension Fund and the Agency Fund. The Agency Fund is used to account for property taxes and other fees and assessments that are collected by the County for, and distributed to, other governmental entities. It is also used to account for the assets and liabilities of the Regional Coalition of LANL communities, of which the County serves as fiscal agent. The fiduciary funds financial statements can be found on pages 65-66 of this report.

Table 1: Major Features of the Basic Financial Statements

	County-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private sector businesses	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to Financial Statements are provided on pages 67-116 and contain additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The County's net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was $489 million at fiscal year-ended June 30, 2017. This is a decrease of $7.8 million in net position, or 1.6%, as compared to the prior fiscal year-end. Analyzing changes in the relative mix of capital assets, restricted and unrestricted net position provides additional indicators of financial position. Please see Table 2 below for a high level summary of net position for fiscal year 2017 compared to fiscal year 2016.

Table 2
Los Alamos County's Net Position
As of June 30, 2017
(in millions of $)

	Governmental Activities		Business-type Activities		Totals	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Assets:						
Current and other assets	$ 81.4	89.5	69.4	71.4	150.8	160.9
Capital assets	300.7	297.0	231.4	231.1	532.1	528.1
Total assets	382.1	386.5	300.8	302.5	682.9	689.0
Deferred outflows of resources	19.9	10.0	18.9	6.1	38.8	16.1
Liabilities:						
Current and other liabilities	3.8	5.6	7.0	6.7	10.8	12.3
Long-term liabilities	91.2	80.5	129.1	114.1	220.3	194.6
Total liabilities	95.0	86.1	136.1	120.8	231.1	206.9
Deferred inflows of resources	(0.7)	1.0	2.4	0.4	1.7	1.4
Net position:						
Net investment in capital assets	259.8	252.5	188.2	184.4	448.0	436.9
Restricted	36.2	33.5	12.2	14.1	48.4	47.6
Unrestricted	11.7	23.4	(19.2)	(11.1)	(7.5)	12.3
Total net position	$ 307.7	309.4	181.2	187.4	488.9	496.8

The largest portion of the County's net position is invested in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debts. As of June 30, 2017 this amount was $448 million (91.6% of total net position). This compares to $436.9 million (87.9% of total) invested in capital assets net of related debt for the previous fiscal year-end, a net increase of $11.1 million or 2.54%. This increase is primarily the net result of three factors: paying down capital related debt, using accumulated unrestricted net assets to fund capital projects, and an increase in depreciation due to the capitalization of large assets in prior years, including the $10.9 million solar array in Utilities. Capital assets, including construction work in progress, are not available for future spending because the County uses them to provide its services. Although the County's capital assets are reported net of related debt, the resources needed to repay debt must come from other sources since the capital assets themselves cannot be used to settle these debts.

The balance of restricted net position is $48.4 million (9.9% of total) at fiscal year-end 2017, an increase of $.8 million or 1.68% compared to the prior year. Restricted net position in the general government activities had mostly insignificant variances between fiscal years. The only significant change was in the Capital Projects Permanent Fund where the restricted balance for revenue stabilization increased $2.1 million due to higher than expected investment returns. Restricted net position balances in the business-type activities decreased $1.9 million as cash and investments previously set aside for revenue bond repayment, were used for debt service.

The remaining negative $7.4 million of the County's net position is categorized as unrestricted. Unrestricted net position decreased in fiscal year 2017 by $19.7 million, which differs significantly from the prior year $.5 million increase. The decrease is primarily due to an increase in the County's net pension liability which was recorded as a result of changes in PERA plan assumptions based on the June 30, 2016 measurement date. These assumptions can cause great variations in the County's share of pension liability each year. GASB Statement 68 requires the County to record its proportionate share of the PERA unfunded pension liability, deferred inflows, and deferred outflows.

Changes in Net Position

Table 3 shows changes in net position as a result of revenues and expenses generated by governmental and business-type activities.

Table 3
Los Alamos County's Changes in Net Position
For Fiscal Year Ended June 30, 2017
(in millions of $)

	Governmental		Business-type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Revenues:						
Program revenues:						
Charges for services	$ 2.7	2.6	64.1	68.0	66.8	70.6
Operating grants and contributions	2.8	2.2	22.0	20.8	24.8	23.0
Capital grants and contributions	2.9	0.7	0.8	1.6	3.7	2.3
Total program revenues	8.4	5.5	86.9	90.4	95.3	95.9
General revenues:						
Gross receipts taxes	24.3	25.5	2.4	2.5	26.7	28.0
Property taxes	7.0	7.0	0.0	0.0	7.0	7.0
Franchise taxes	0.6	0.5	0.0	0.0	0.6	0.5
Grants and contributions not restricted to specific programs	0.8	1.4	0.0	0.0	0.8	1.4
State shared revenue	16.8	17.0	0.0	0.0	16.8	17.0
Unrestricted interest and investment earnings (loss)	5.0	0.1	0.9	0.1	5.9	0.2
Gain on San Juan restructuring agreement	0.0	0.0	0.0	2.0	0.0	2.0
Gain on exchange of capital assets	0.0	0.0	0.0	0.0	0.0	0.0
Total general revenues	54.5	51.5	3.3	4.6	57.8	56.1
Total Revenues	62.9	57.0	90.2	95.0	153.1	152.0
Program expenses:						
General government	15.8	15.3	0.0	0.0	15.8	15.3
Public safety	16.4	13.4	0.0	0.0	16.4	13.4
Physical and economic environment	3.2	3.0	0.0	0.0	3.2	3.0
Transportation	11.9	11.9	0.0	0.0	11.9	11.9
Health and welfare	3.8	3.4	0.0	0.0	3.8	3.4
Culture and recreation	10.9	9.0	0.0	0.0	10.9	9.0
Interest on long-term debt	2.7	2.9	0.0	0.0	2.7	2.9
Electric	0.0	0.0	41.1	40.5	41.1	40.5
Gas	0.0	0.0	4.7	3.9	4.7	3.9
Water	0.0	0.0	7.2	7.5	7.2	7.5
Wastewater	0.0	0.0	4.1	4.0	4.1	4.0
Environmental services	0.0	0.0	4.6	3.7	4.6	3.7
Transit (Atomic City Transit)	0.0	0.0	4.0	3.7	4.0	3.7
Fire	0.0	0.0	29.0	25.1	29.0	25.1
Airport	0.0	0.0	1.6	1.8	1.6	1.8
Total expenses	64.7	58.9	96.3	90.2	161.0	149.1

Change in net position before transfers		**(1.8)**	**(1.9)**	**(6.1)**	**4.8**	**(7.9)**	**2.9**
Transfers		0.1	2.1	(0.1)	(2.1)	0.0	0.0
Total Change in net position		**(1.7)**	**0.2**	**(6.2)**	**2.7**	**(7.9)**	**2.9**
Beginning net position		309.4	309.2	187.4	184.7	496.8	493.9
Prior period adjustment		0.0	0.0	0.0	0.0	0.0	0.0
Ending net position	$	307.7	309.4	181.2	187.4	488.9	496.8

Governmental Activities

Governmental activities during the year decreased the County's net position by $1.7 million for fiscal year 2017 as compared to the prior year. This section compares results of governmental activities for fiscal year 2017 to fiscal year 2016 as summarized in Table 3.

Total revenues were $62.9 million in fiscal year 2017, approximately $5.9 million more than the previous year. Key variances include:

- An increase of $2.2 million in capital grants and contributions primarily related to the Emergency Declarations fund for FEMA grant funding related to events from the Las Conchas Fire and subsequent flood;
- Interest and investment earnings, increased by $4.9 million compared to the prior fiscal year which was reflected primarily in balances invested in market based funds with the New Mexico State Investment Council;
- A decrease of $1.4 million in gross receipts taxes inclusive of $.2 million of state shared revenue, primarily due to cut backs in spending and staff reductions at LANL, the largest single employer in the county affected the taxable revenue base; and

Total expenses for governmental activities were $64.7 million in fiscal year 2017, or approximately $5.8 million more than the previous year. Key variances include:

- An increase of $1.9 million in Parks and Recreation projects;
- An increase in Public Safety expenses comprised of a $.5 million increase in expenses for the County's share of Fire Department costs, and a $3.1 million increase in combined Police and Emergency Management operations including capital outlay expenses;
- An increase of $.5 million in General Government and a decrease of interest expense on debt of $0.2 million;
- An increase of $0.4 million in Health and Welfare projects;
- An increase of $.2 million in Economic Development expenses.

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year-end 2017. This analysis demonstrates how dependent the County is on its ability to collect gross receipts, property and franchise taxes to fund basic services. At fiscal year-end, governmental activities' program expenses were far greater than related program revenues, resulting in the use of $56.3 million in general revenues and accumulated net position from governmental activities. Approximately 13% of governmental program expenses were covered by program revenues during fiscal year 2017, which is a significant increase compared to last year, at 9.3%.

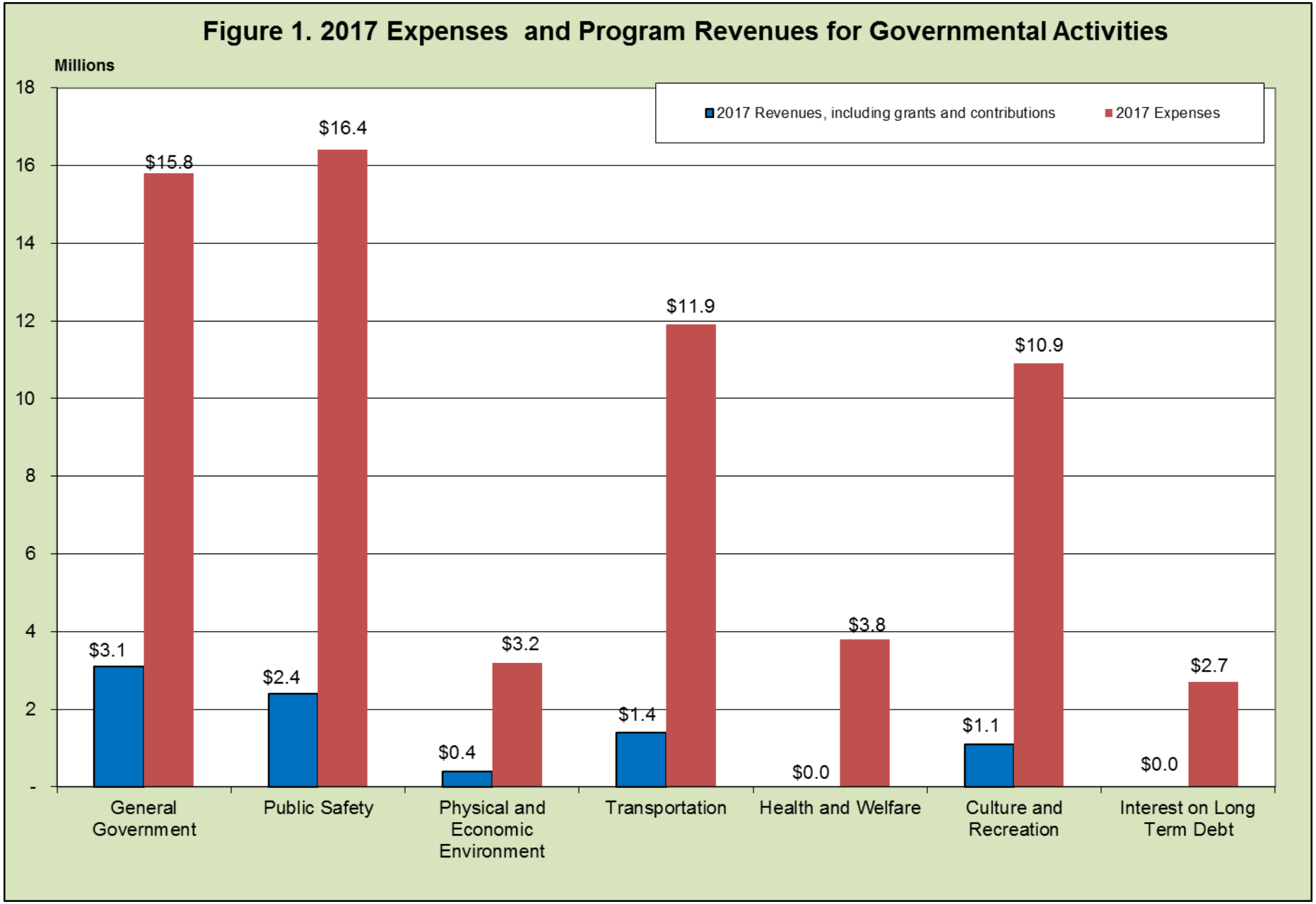
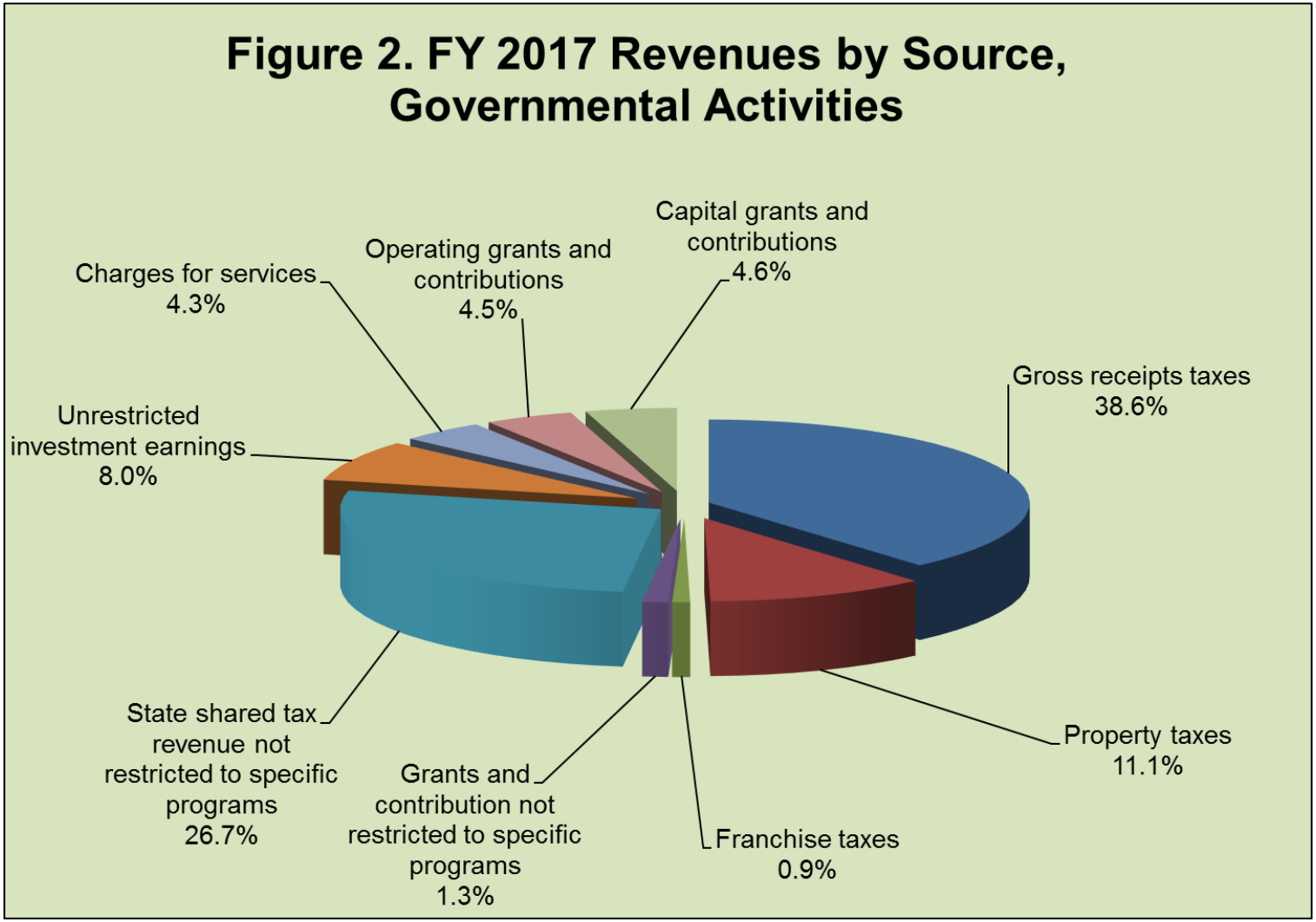


Figure 1. 2017 Expenses and Program Revenues for Governmental Activities
Millions
18
16
14
12
10
8
6
4
2
-
2017 Revenues, including grants and contributions
2017 Expenses
$3.1
$15.8
$2.4
$16.4
$0.4
$3.2
$1.4
$11.9
$0.0
$3.8
$1.1
$10.9
$0.0
$2.7
General Government
Public Safety
Physical and Economic Environment
Transportation
Health and Welfare
Culture and Recreation
Interest on Long Term Debt

Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2017. It should be noted that the *State shared tax revenue not restricted to specific programs* is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 65.3% of Governmental Activities revenues. GRT combined with State Shared GRT revenue comprised almost 65.3% of the total, which is a 9.3% decrease from the prior year. This change is primarily due the proportion of investment earnings which increased by $4.9 million from fiscal year 2016.



Business-type Activities

Business-type activities decreased the County's net position by $6.1 million for the fiscal year-ended June 30, 2017. This compares to a $2.7 million increase during the previous fiscal year. This section compares results of business-type activities for fiscal year 2017 to fiscal year 2016 as summarized in Table 3.

Total revenues and contributions were $90.4 million in fiscal year 2017; approximately $4.6 million lower than the previous year. This includes a decrease of $3.9 million in charges for services primarily as the result of lower utility consumption. There was also a $.8 million decrease in capital grants and contributions received.

Total expenses were $96.4 million in fiscal year 2017, a $6.2 million increase over the previous year. Fire expenses increased $3.9 million or 15% primarily as the result of recording pension expense in the payroll and benefits category. Total Joint Utility System experienced significant increases in closure costs of $1 million compared to the previous year in which a decrease to closure costs occurred. The Joint Utility System also had a $1.7 million decrease in contractual services, and a $1.4 million increase in payroll and benefits primarily related to the recording of pension expense. Various increases in payroll and benefits and other expenses for business-type activities amounted to an overall increase of $1.4 million due to the recording of pension expense and an increase of $.7 million in closure costs in the Environmental Services Fund.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2017. This chart demonstrates to what degree revenues covered expenses for each program by type of activity. Overall, total business-type program expenses exceeded total program revenues by approximately $9.3 million in fiscal year 2017 as compared to fiscal year 2016 where program revenues exceeded program expenses by $.2. Environmental services and fire functions look like they have program losses, but receive gross-receipts tax general revenues to help balance their net activity and offset some of the program losses.

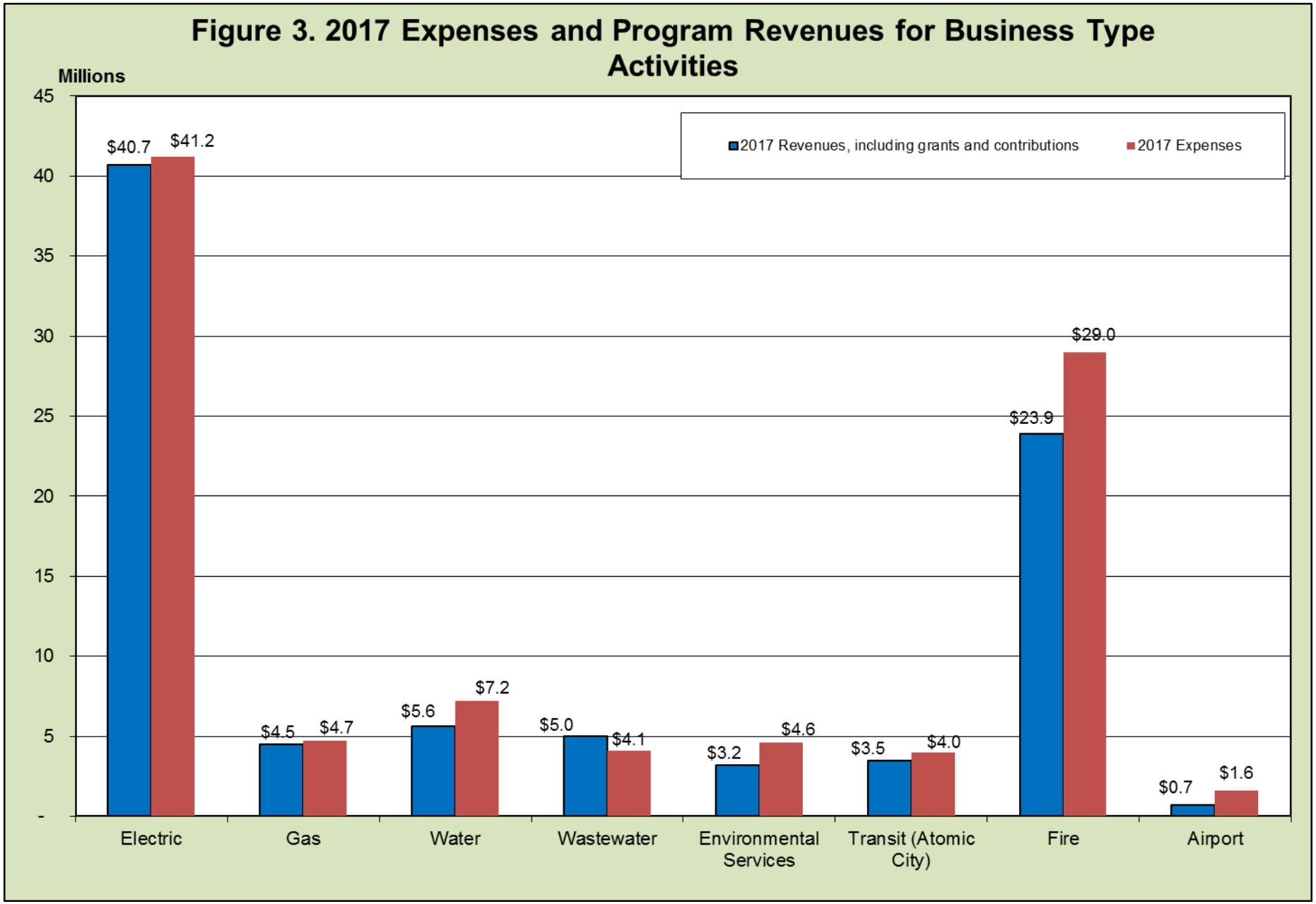
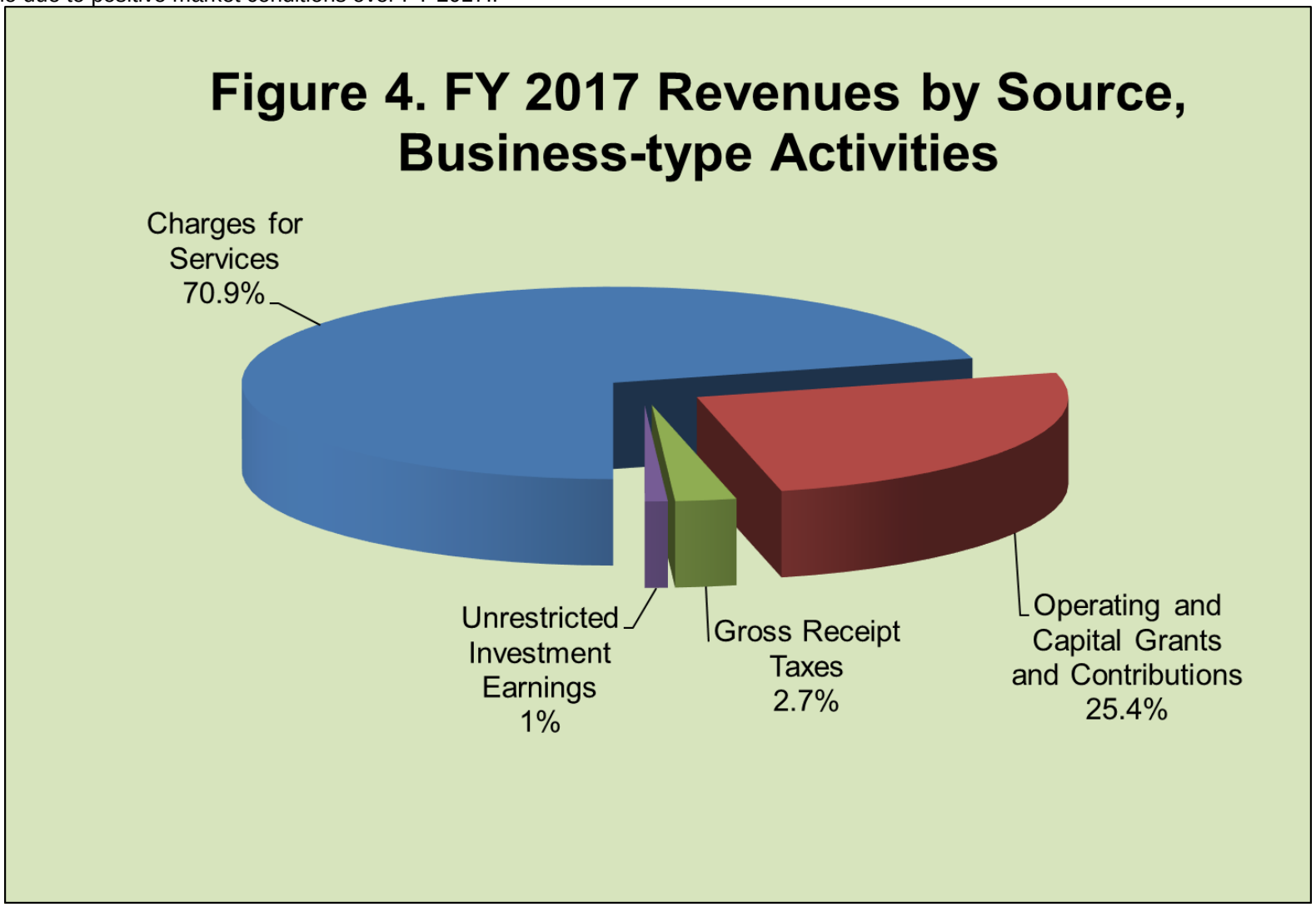


Figure 3. 2017 Expenses and Program Revenues for Business Type Activities
Millions
45
40
35
30
25
20
15
10
5
-
2017 Revenues, including grants and contributions
2017 Expenses
$40.7
$41.2
$4.5
$4.7
$5.6
$7.2
$5.0
$4.1
$3.2
$4.6
$3.5
$4.0
$23.9
$29.0
$0.7
$1.6
Electric
Gas
Water
Wastewater
Environmental Services
Transit (Atomic City)
Fire
Airport

Figure 4 demonstrates that approximately 70.9% of business-type activities revenues were generated from user charges for services in fiscal year 2017, which remained respectively unchanged when compared to fiscal year 2016. In fiscal year 2017, operating and capital grants made up 25.4% of revenues, up approximately 1.8% from fiscal year 2016 from increased capital grants in the Transit and Airport Funds. The most noticeable difference in revenues resulted in a .9% increase in investment earnings, which was demonstrated by a higher performing investment portfolio due to positive market conditions over FY 2017..



FINANCIAL ANALYSIS OF THE GOVERNMENT'S MAJOR FUNDS

Analysis of Total Governmental Funds - County governmental funds account for current year revenue, expenditures, and balances of resources available for spending. For the fiscal year-ended June 30, 2017, the County's governmental funds reported combined ending fund balance of approximately $77.6 million. Overall, this was a $7.3 million decrease from the prior year. It should be noted that the overall change in fund balance of a $7.3 million deficit, significantly differed from the prior year deficit of $2.5 million. This is an increase of approximately $4.8 million. Activities that impacted fund balance compared to the prior year were due to investment income in the Capital Projects Permanent Fund which experienced a $2.5 million fund balance surplus inclusive of a $3.8 million gain. Although revenues increased by $4.5 million when compared to the prior year, expenses increased by $8.7 million when compared to the prior year. The County spent down more resources set aside in prior years for capital expenditures and experienced roughly 2% increases in other operational costs as predicted. The largest areas identified were in expenditures in General Fund, Emergency Declarations and Capital Improvement Funds which increased by $1.8 million, $1.7 million and $5 million. Fund balances are comprised of four categories:

- $26.5 million was *nonspendable* at fiscal year-end 2017, a $.3 million increase over the prior year. The nonspendable balances are reported separately to indicate that certain assets do not represent available, spendable resources even though they are a component of net position. These assets are not expected to be converted to cash in time to pay current obligations. Nonspendable balances typically include principal on permanent funds, long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale (only in the general fund). The largest single nonspendable balance is $25 million in the Capital Projects Permanent Fund, which represents the nonspendable principal balance. The nonspendable fund balance in the Capital Projects Permanent Fund, increased $0.4 million per the annual inflationary calculation required to maintain the real value of the principal. The nonspendable fund balance related to inventories decreased by $85 thousand as the County warehouse worked to reduce outdated inventory and eliminate slow moving items. Cumulatively, other nonspendable fund balances increased by $38 thousand.
- $10.4 million of fund balance in governmental funds was *restricted* at fiscal year-end 2017, a $2.3 million increase from the prior year. These balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which require the resources to be used only for a specific purpose. This includes certain balances where the imposition of the revenue by Federal or State law restricts the expenditure to a specific purpose. The restricted fund balance in the Capital Projects Permanent Fund increased $2.1 million in the amount restricted by County code for income stabilization. This increase resulted from a combination of $3.7 million in market gains on long-term securities ($.4 million nonspendable) and transfers out of $1.2 million to fund capital projects. Cumulatively, other restricted fund balances increased approximately $0.1 million mainly due to restrictions from granting entities.
- $.5 million of governmental funds' fund balance was *committed* at fiscal year-end 2017. This includes certain balances where the imposition of the revenue is by County code. The balance in this category is made up of fund balance committed to art in public places and decreased by $13 thousand from the prior year.
- $30 million of governmental funds' fund balance was *assigned* at fiscal year-end 2017 which was a $9 million decrease from the prior year. These fund balances have constraints imposed by County Council policies and direction prior to fiscal year-end, but are not reflected in County ordinances. The fund balance *assigned to capital projects* (committed in prior years) in FY2017 decreased $6.3 million as capital expenditures exceeded transfers-in to fund new and existing projects. The balance assigned for *continuing appropriations* (committed in prior years) decreased $1.3 million as $.7 million was approved to be carried over to fiscal year 2018. The balance

assigned for *fire services* increased by $.2 million as a result of assigning 1% to total program incurred costs, which increased over the prior year by $3.1 million.

- The remaining $10.1 million of fund balance was *unassigned* in the General Fund. This is a $.9 million decrease from the prior year. Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This balance would include the residual fund balance of the General Fund and all other governmental funds. A significant portion of this change resulted from the General Fund transferring resources to fund capital projects.

General Fund - The General Fund is the main governmental operating fund of the County. Its total fund balance for the fiscal year-ended June 30, 2017 was approximately $17.9 million as compared to $19.8 million at the prior year-end, amounting to a $2 million decrease and notable decrease of $7.7 million over the past two years. GRT revenue decreased in fiscal year 2017 by $1.8 million. Expenditures exceeded revenues by $1.9 million, resulting from the General Fund transferring resources to support projects and other funds' operations. See page 23 for a more detailed explanation of General Fund Budgetary Highlights. Two measures of the General Fund's liquidity are: (1) the percent of total fund balance as a percent of expenditures and (2) the spendable/unrestricted fund balance as a percent of expenditures. The total fund balance was 35.6% of expenditures and the spendable/unrestricted component was 23% of expenditures. Both liquidity measures decreased as compared to the prior year as a result of the larger fund balance decrease in fiscal year 2017. Significant account balances and transactions in the General Fund included:

- $12.8 million transferred out to other funds. $6.3 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service). Other notable transfers out were $4.7 million to the Capital Improvement Projects Fund (for capital projects). $1.0 million to the Transit Fund (to support operations), $0.3 million to the Indigent Health Care Fund (to support community programs), and $0.4 million to the Airport Fund (to support operations).
- $12.5 million due from other governments, due primarily from the State of New Mexico for their portion of gross receipts taxes that is shared locally with the County and the GRT that the State collects on behalf of the County for locally imposed GRT increments. This balance is $7 million higher than the prior year as a result of higher GRT revenue accruals recorded in fiscal year 2017 which included a corrected GRT distribution from an error made on the County's May 2017 accrual month.
- $4.6 million restricted for cash requirements. The State requires that one-twelfth of General Fund revised-budgeted expenditures be maintained as a cash reserve.
- Unassigned fund balance of the General Fund decreased by $.9 million, as a result of funding capital projects and other operations.
- General Fund expenditures increased approximately $1.8 million, or 3.5% to $50.2 million. Most departments had expenditures that were comparable to the previous year, with the largest increases incurred in Police, Fire, and Parks and Recreation Departments.
- General Fund revenues decreased by $1.3 million from the prior year. The largest variances in revenues were associated with GRT revenues, inclusive of state shared, which decreased $1.9 million while investment income increased by $.6 million, which was reflective of the higher performing investment market. Intergovernmental charges increased approximately $.8 million while Payment in Lieu of Taxes (PILT) decreased by $.6 million.

Economic Development Fund - The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act. The assignment of $8.5 million of fund balance recognizes that this is a one-time resource for the County to use to help develop the local economy so that it is less dependent upon the Los Alamos National Laboratory (LANL). The $8.1 million total fund balance at the end of fiscal year 2017 was $0.4 million

lower than in the prior fiscal year. Expenditures exceeded revenues by $.5 million with the rest of the increase resulting from transfers in of $.2 million offset by transfers out of the fund of $0.1 million.

Housing Sub-fund: During fiscal year 2017, the County issued mortgage loans totaling $154 thousand under its Housing Rehabilitation Program. The loans vary in terms and conditions for repayment based on affordability periods and qualifying events that may trigger future repayment.

Emergency Declarations Fund – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with the response to and recovery from the Las Conchas Fire which began July 26, 2011 and flooding events within the community in September 2013. The fund reflects negative fund balance of $0.7 million, a decrease of $1 million from the prior year. The deficit arose from the deferred inflow of Federal and State grants. Grant reimbursements were received and recognized as revenue in fiscal year 2017 to reimburse qualified expenditures made under state and federal grant awards.

Capital Improvement Projects Fund - The Capital Improvement Projects Fund accounts for the financing and construction of structures and improvements approved by the County Council. The total fund balance at fiscal year-end was $21.7 million, which represented the unspent portion of previously approved and funded capital projects. The fund balance decreased by $6.3 million from the prior fiscal year as expenditures exceeded transfers-in to fund new and existing projects. Significant capital expenditures in fiscal year 2017 include the following: $3.1 million on the White Rock Civic Center, $2.5 million on the Central Avenue Improvements project, $2.1 million on the Western Area road reconstruction project, and $1.9 million on the Canyon Rim Trail project.

Capital Projects Permanent Fund – The Capital Projects Permanent Fund accounts for amounts received as a settlement of prior years' gross receipts taxes, and that was set aside by the County Council and the County Charter for capital projects. These amounts are invested, and the real value of the fund principal is required by County Charter to be maintained at an annual level that keeps pace with the implicit price deflator for the gross domestic product. The minimum principal requirement of approximately $25 million, as of June 30, 2017, is identified as nonspendable in fund balance to recognize the County Charter restrictions. When there is investment income in excess of the principal maintenance requirement, it is made available for expenditure in the Capital Improvement Projects Fund. During fiscal year 2017, $1.2 million was transferred out to the CIP fund as regularly scheduled. The balance in this fund is primarily invested in long-term pooled funds with the New Mexico State Investment Council. Total ending fund balance at June 30, 2017 was $28.2 million, an increase of $2.5 million from the prior year.

Analysis of Total Proprietary Funds - The County proprietary funds provide detail about the same type of information found in the government-wide financial statements. This analysis of proprietary funds focuses on the significant balances and operations of individual funds, reasons why these balances changed, and significant limitations on future uses.

Joint Utility System Fund - The most notable balances and transactions in the Joint Utility System Fund were:

- $185.9 million in capital assets (net of accumulated depreciation of $150 million), including electric production and distribution assets, water production and distribution assets, gas distribution assets and wastewater collection and processing assets. This balance increased by approximately $1.3 million in fiscal year 2017 as investment in utility plant in service and construction in progress had a combined increase of $8.4 million over a decrease of $29 thousand in machinery and equipment, net of $7.1 million in accumulated depreciation;
- $39.4 million in debt related to the Utility plant in service, which is $3.4 million lower than the prior year with the fiscal year 2015 refunding and issue of new debt nearly offsetting regularly scheduled debt service payments;
- $9.5 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This increased $1.3 million from the prior year as more restricted funds were set aside for the County's share.

- $11.1 million in pension liability increased by $4 million, deferred pension outflows increased by $2.7million from $.5 million in prior year, and negative $0.3 million in deferred pension inflows decreased by $.6 million from the prior year, all related to the increase in the County's share of the pension liability due to changes in assumptions based on the measurement date of June 30, 2016.
- Operating revenues were $55.4 million in fiscal year 2017, a decrease of $4.7 million compared to the prior year. The decrease is the net of $5 million decreased revenues in electric (due mostly to an decrease in wholesale sales to LANL based on its demand), $0.4 million lower revenues in gas (due to lower demand and rates), $0.4 million higher in water service, and $0.3 higher revenues in wastewater service compared to the prior year; and
- Operating expenses were $.8 million higher at $54.4 million in fiscal year 2017, compared to $53.5 million in fiscal year 2016. The increase is the net result of: an increase of $.7 million in Electric subfund closure cost, depreciation, materials and supplies, and payroll and benefits cumulatively increased by $2.2 million while contractual service decreased by $1.5 million; a $0.6 million increase in cost of gas purchased, a $0.5 million decrease in costs for water production and a $44 thousand decrease in wastewater disposal costs.

Environmental Services Fund – The Environmental Services Fund has a long-term liability balance of $5.8 million. Of this, $0.3 million was for landfill closure and monitoring and $4.2 million was intergovernmental debt payable for a loan from the New Mexico Finance Authority that was used to fund the construction of the Solid Waste Transfer Station (EcoStation). The remainder relates to net pension liability and compensated absences of $1.3 million. Total expenses of $4.4 million exceeded operating and non-operating revenues of $3.9 million by $.6 million in fiscal year 2017, compared to a $0.1 million gain in the prior year. Most of this difference is an increase in closure costs to construct the methane extraction system.

Transit Fund – The Transit Fund accounts for public transportation services provided to the community, with no additional user fees or charges, under the name Atomic City Transit (ACT). The fund is funded primarily through state and federal grants ($2.1 million), payments from the North Central Regional Transit District ($1.4 million), and transfers in from the general fund ($1 million). Other notable balances related to net pension liability of $2.6 million up $1 million from the prior year.

Fire Fund – On October 1, 2013 the County entered into a ten year cooperative agreement with the National Nuclear Security Administration (NNSA) to provide enhanced fire protection services to LANL (replacing a similar 5 year cooperative agreement). Under the agreement, the County pays a share of costs for operating the fire department. The County share for fiscal year 2017 was $4.7 million. The intergovernmental revenue of $18.4 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. Additional pension expenses were recorded in the Fire Fund for the County's share of the New Mexico Public Employees Retirement Fund (PERA) activities in accordance with GASB 68. The Fire Fund had an ending negative fund balance of $26.6 million due mostly to the net pension obligation, deferred inflows, and deferred outflows related to PERA.

Airport Fund – Net position decreased $0.5 million as expenditures of $1 million exceeded revenues of $0.1 million and transfers in of $0.4 million. Depreciation on capital assets represents nearly half of the operating expenses of the airport, which no longer has commercial air service. This year also saw a $0.6 million in federal and state grants for runway maintenance.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues available for spending on budgeted needs were $3.9 million less than the final revised budget of $62.8 million. The variance between actual revenue and the revised budget was largely due to the GRT revenue realized over projections. GRT revenue (including the state shared revenue portion) was $3.1 million less than projected.

Actual General Fund expenditures were approximately $4.5 million less than the final revised fiscal year 2017 budget. This variance was achieved through careful cost management measures across all departments. Most variances were less than 5% of budget, as the County has been managing to tighter budgets and cutting back for several years. The County Manager's Office was $0.7 million under budget, the Community Services Development Department was $0.1 million under, and the Public Works Department was $2.7 million under in its expenditure budget for facilities maintenance projects. Facilities maintenance project spending varies greatly from year to year depending on projects undertaken, only $.2 million of the remaining $2.7 million was re-appropriated by Council in fiscal year 2018.

The revised budget for revenues of $62.8 million was $1.5 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of $55 million was $4.9 million higher than the adopted budget. The increase is comprised of the following: approximately $.7 million in encumbrance carryovers, $59 thousand in project and grant carryovers, $0.7 million in current year grant revisions.

A detailed statement of budget variances for the General Fund can be found on pages 42-52.

ADMINISTRATION OF CAPITAL ASSETS AND DEBT

Capital Assets - The County's total investment in capital assets for its governmental and business type activities as of June 30, 2017 was $532.1 million, net of $326.7 million in accumulated depreciation. This investment in capital assets includes land, utility plant, facilities and buildings, machinery and equipment, parks and recreation facilities and improvements and infrastructure such as highways, roads, sidewalks, storm drains, storm inlets, bridges, traffic lights, flasher beacons and streetlights.

Total capital assets for the County increased by approximately $3.9 million from 2016 to 2017 or 0.74%. Capital assets associated with business-type activities increased by $.2 million. Purchased additions to capital and donated assets exceeded depreciation and retirements by 0.1%. Capital assets associated with governmental activities increased by $3.7 million. Additions to infrastructure assets exceeded retirements by $6.5 million. Construction work in progress increased $5 million. Building assets increased by $4.1 million during the fiscal year. Accumulated depreciation increased $18.6 million as depreciation of $23.5 million exceeded retirements of $4.9 million. Additional information about the County's capital assets can be found on pages 89-91.

A year over year comparison of changes in capital assets is shown in Table 4 (next page).

Table 4
Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2017 and 2016
(in millions of $)

	Governmental Activities		Business-type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Land	$ 53.8	53.2	8.5	8.5	62.3	61.7
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	315.7	311.8	315.7	311.8
Buildings	143.6	139.5	24.0	24.0	167.6	163.5
Improvements other than buildings	21.0	19.2	17.6	17.6	38.6	36.8
Machinery and Equipment, Art and Historic Treasures	19.0	19.6	32.1	30.8	51.1	50.4
Infrastructure	188.8	182.4	0.0	0.0	188.8	182.4
Less Accumulated Depreciation	(147.2)	(138.1)	(179.5)	(170.0)	(326.7)	(308.1)
Construction in Progress	3.7	3.2	13.0	8.5	16.7	11.7
Total	$ 300.7	297.0	231.4	231.2	532.1	528.2

Administration of Debt - From fiscal year 2016 to 2017, the County's total debt payable for governmental and business-type activities combined decreased by $5.6 million as regularly scheduled debt service payments of $8 million were offset by new intergovernmental loans of $0.2 million issued in the Joint Utility System Fund. Closure costs for the landfill increased by $.7 million for the construction of methane extraction system while closure costs for the Joint Utility System Fund increased by $1.3 million. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 101.

ECONOMIC FACTORS AND THE FISCAL YEAR 2018 ADOPTED BUDGET

The County budgets on a modified accrual basis**.** The fiscal year 2018 budget anticipated revenues of $25.8 million (14%) more than the fiscal year 2017 adopted budget at the time of adoption which included bond proceeds of $20 million. However the general obligation bond election was not approved by voters in May of 2017, therefore the estimated combined increase in revenues is closer to $5.7 million (3%) more than fiscal year 2017. Expenditures are budgeted at $12.5 million (7%) higher than the prior fiscal year largely due to anticipated additional capital project funding which may or may not be reduced during FY 2018 CIP planning discussions. The budget increase in revenues and other financing sources is a result of planned joint utility revenues that are projected to increase by $3.7 million or 6% in fiscal year 2018 which is primarily driven by the net effect of projected rate changes (10% reduction in the gas fixed portion of the commodity rate, an 8% increase in sewer, and an 8% increase in wholesale and retail water rates). Additional projected increases in revenues over fiscal year 2017 of $1.4 million (3%) are anticipated in total from the other enterprise and internal service funds. Also an approximate $2 million in increased revenues from proceeds of land sales are projected to occur in the CIP Fund. These revenue increases are offset by projected decreases in GRT in the General Fund of $1.4 million (2%) lower than the previous year. Given the unusually large concentration of employment and tax revenues in one employer – LANL - the County continues to adopt a conservative fiscal posture to help mitigate the potential negative effects of any significant unforeseen future changes.

One such potential change is that the National Nuclear Security Administration (NNSA) under the Department of Energy (DOE) released a Solicitation in the form of an RFP on October 26, 2017, for the Site Management and Operating Contract for LANL. Responses are due by December 11, 2017 and the award of the contract is anticipated to be reached in April of 2018. Depending on the business form of the successful contractor, there could be an impact on the County's GRT revenues. The total anticipated impact to the County cannot be precisely determined as of the date of this report, however if the contract is awarded to a tax-exempt organization, then under current State tax laws the County's GRT revenues would decline significantly. The County is working proactively to eliminate this risk and on contingency planning to mitigate the impacts if such a situation arises.

LANL is the County's largest employer, with estimates that its expenditures provide, either directly or indirectly, approximately 90-95% of the County's economic activity. For the year ended June 30, 2017, an estimated 75-80% of GRT revenues relate directly to LANL operations.
Given the significant impact of LANL operations, the County will be monitoring closely any federal legislative budget activities associated with the DOE and other federal agencies and continuing to consider potential impacts to LANL and to the County's long-range financial projections. The County has been vigilant in monitoring any potential changes that might arise due to the changes in the national nuclear posture policy, upcoming changes related to LANL contractor turnover, changes in the New Mexico federal congressional delegation, as well as DOE plans for its long-term overall Complex Transformation and significant construction projects.

REQUESTS FOR INFORMATION

The Comprehensive Annual Financial Report is designed to provide a general overview of the County's financial position. Questions about the information provided in this report and requests for more information should be addressed to the County of Los Alamos, Helen Perraglio, Chief Financial Officer, Finance Division, 1000 Central Avenue, Suite 300, Los Alamos, New Mexico 87544.

Government-wide Financial Statements

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
Government-wide
Statement of Net Position
June 30, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in pooled cash and investments	$ 40,788,866	33,764,467	74,553,333
Investments	23,566,198	0	23,566,198
Receivables, net of allowance for uncollectibles			
Accounts	89,471	4,519,245	4,608,716
Interest	260,102	0	260,102
Pension forfeitures	109	0	109
Property taxes	154,108	0	154,108
Unbilled	0	1,409,152	1,409,152
Loans receivable, net of discounts/reserve for loan losses	154,765	0	154,765
Due from other governments	14,076,704	4,798,048	18,874,752
Internal balances	577,806	(577,806)	0
Inventories and prepayments			
Inventories	560,462	884,941	1,445,403
Power plant inventories	0	712,569	712,569
Prepayments	29,785	850,295	880,080
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	555,038	4,931,922	5,486,960
Operations and maintenance	0	11,380,754	11,380,754
Investments			
Debt reserves and debt service	0	6,704,247	6,704,247
Asset held for resale	597,402	0	597,402
Capital assets			
Land	53,789,586	8,524,970	62,314,556
Right of way	18,001,114	0	18,001,114
Utility plant in service	0	315,633,725	315,633,725
Buildings	143,557,204	23,999,622	167,556,826
Improvements other than buildings	20,955,227	17,555,084	38,510,311
Machinery, equipment, art and historic treasures	19,097,473	32,142,867	51,240,340
Infrastructure	188,862,455	0	188,862,455
Less accumulated depreciation	(147,193,974)	(179,488,210)	(326,682,184)
Construction in progress	3,665,031	13,045,883	16,710,914
TOTAL ASSETS	**382,144,932**	**300,791,775**	**682,936,707**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts (debits) from refunding of debt	6,895,585	537,575	7,433,160
Deferred pension	12,957,487	18,375,684	31,333,171
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**19,853,072**	**18,913,259**	**38,766,331**

LIABILITIES			
Accounts payable	1,929,594	5,703,500	7,633,094
Accrued salaries and benefits payable	1,341,211	1,013,664	2,354,875
Customer deposits payable	101,758	193,249	295,007
Due to other governments	0	131,907	131,907
Donations held in trust	48,282	27,366	75,648
Unearned revenue	348,988	0	348,988
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	2,179,780	2,325,948	4,505,728
Claims and judgments payable	0	1,929,328	1,929,328
Revenue bonds payable	4,395,000	2,800,000	7,195,000
Contracts and intergovernmental debt payable	0	942,533	942,533
Special closure costs	0	861,893	861,893
Deferred revenues	172,812	0	172,812
Interest payable on non-current liabilities	156,133	195,453	351,586
Due in more than one year			
Accrued compensated absences	1,029,421	830,909	1,860,330
Claims and judgments payable	0	1,103,864	1,103,864
Revenue bonds payable	43,432,556	24,690,393	68,122,949
Contracts and intergovernmental debt payable	0	15,289,591	15,289,591
Special closure costs	0	9,801,106	9,801,106
Pension liability	39,897,620	68,288,886	108,186,506
TOTAL LIABILITIES	**95,033,155**	**136,129,590**	**231,162,745**
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension	(713,576)	2,397,262	1,683,686
TOTAL DEFERRED INFLOWS OF RESOURCES	**(713,576)**	**2,397,262**	**1,683,686**
NET POSITION			
Net investment in capital assets	259,802,145	188,228,999	448,031,144
Restricted for (Restricted by):			
Capital projects - nonexpendable (County code)	24,958,847	0	24,958,847
Debt service (Bond and loan agreements)	286,470	12,158,471	12,444,941
Perpetual care (County code)	774,092	0	774,092
Lodgers' tax (State law)	246,835	0	246,835
Clerk records and files (State law)	62,852	0	62,852
Indigent health care (State law)	592,990	0	592,990
Property tax valuation (State law)	599,011	0	599,011
Grants (Granting entities)	467,111	0	467,111
Cash requirements (State law)	4,591,274	0	4,591,274
Recreation (County code and contributors)	187,420	0	187,420
Library operations (Contributors)	88,436	0	88,436
Major street maintenance (State law)	98,278	0	98,278
Income stabilization (County code)	3,214,297	0	3,214,297
Unrestricted	11,708,367	(19,209,288)	(7,500,921)
TOTAL NET POSITION	$ **307,678,425**	**181,178,182**	**488,856,607**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Government-wide
Statement of Activities
Year ended June 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS / PROGRAMS							
Governmental activities							
General government	$ 15,761,303	1,316,695	1,222,189	551,042	(12,671,377)	0	(12,671,377)
Public safety	16,408,125	33,262	927,181	1,451,113	(13,996,569)	0	(13,996,569)
Physical and economic environment	3,153,938	350,571	0	0	(2,803,367)	0	(2,803,367)
Transportation	11,961,231	0	539,087	934,889	(10,487,255)	0	(10,487,255)
Health and welfare	3,875,543	0	15,169	0	(3,860,374)	0	(3,860,374)
Culture and recreation	10,868,466	1,002,205	72,249	0	(9,794,012)	0	(9,794,012)
Interest on long-term debt	2,729,727	0	0	0	(2,729,727)	0	(2,729,727)
Total governmental activities	**64,758,333**	**2,702,733**	**2,775,875**	**2,937,044**	**(56,342,681)**	**0**	**(56,342,681)**
Business-type activities							
Joint Utilities							
Electric	41,151,605	40,655,034	0	94,893	0	(401,678)	(401,678)
Gas	4,541,525	4,502,630	0	0	0	(38,895)	(38,895)
Water	7,204,526	5,305,884	0	259,179	0	(1,639,463)	(1,639,463)
Wastewater	4,136,049	4,962,215	0	0	0	826,166	826,166
Environmental Services	4,601,666	3,180,855	0	0	0	(1,420,811)	(1,420,811)
Transit (Atomic City Transit)	4,038,842	11,701	3,020,351	423,803	0	(582,987)	(582,987)
Fire	29,027,727	5,415,618	18,448,491	0	0	(5,163,618)	(5,163,618)
Airport	1,628,521	90,208	566,437	0	0	(971,876)	(971,876)
Total business-type activities	**96,330,461**	**64,124,145**	**22,035,279**	**777,875**	**0**	**(9,393,162)**	**(9,393,162)**
Total government	$ **161,088,794**	**66,826,878**	**24,811,154**	**3,714,919**	**(56,342,681)**	**(9,393,162)**	**(65,735,843)**
		General revenues:					
		Gross receipts taxes and excise tax			24,315,050	2,382,482	26,697,532
		Property taxes			7,020,492	0	7,020,492
		Franchise taxes			566,033	0	566,033
		Grants and contributions not restricted to specific programs			847,665	0	847,665
		State shared tax revenue not restricted to specific programs			16,816,686	0	16,816,686
		Unrestricted investment earnings			4,961,232	886,979	5,848,211
		Transfers			51,556	(51,556)	0
		Total general revenues,and transfers			**54,578,714**	**3,217,905**	**57,796,619**
		Change in net position			(1,763,967)	(6,175,257)	(7,939,224)
		Net position - beginning			309,442,392	187,353,439	496,795,831
		Net position - ending			$ **307,678,425**	**181,178,182**	**488,856,607**

See accompanying notes to financial statements

Major Governmental Funds

General Fund 010 - accounts for all financial resources traditionally associated with governments which are not required to be accounted for in another fund. It is the general operating fund of the County.

Economic Development Fund 170 - accounts for the receipt, management, investment, and expenditure of the buyout payment received from the U.S. Department of Energy under the Atomic Energy Community Act. This special revenue fund was established by County Council. In FY2017 the County added a Housing subfund 172 to account for the housing rehabilitation and affordable housing programs funded by the economic development subfund 171.

Emergency Declarations Fund 190 - this special revenue fund accounts for the revenues and expenditures associated with response and recovery to the Las Conchas Fire, which began June 26, 2011 and flooding events in the community in September 2013. This special revenue fund was established by County Council.

Capital Improvement Projects Fund 310 - this capital projects fund accounts for the financing and construction of structures and improvements approved by the County Council.

Capital Projects Permanent Fund 391 - this permanent fund accounts for amounts received under a settlement of prior years' gross receipts taxes, set aside by the County Council and the County Charter for capital projects. These amounts are invested, and the real value of the fund principal is maintained using the implicit price deflator for the gross domestic product. When there is investment income in excess of the principal maintenance, it is made available for expenditure in the Capital Improvement Projects Fund.

Other governmental funds - nonmajor governmental funds are shown in aggregate. Combining fund financial statements are provided following the notes to the financial statements.

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Balance Sheet
June 30, 2017

		GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Equity in pooled cash and investments	$	4,006,864	7,654,323	0	22,201,630	5,439,584	1,486,465	40,788,866
Investments		820,339	0	0	0	22,733,559	12,300	23,566,198
Receivables, net of allowance for uncollectibles								
Accounts		57,851	0	0	0	0	31,620	89,471
Interest		242,038	18,047	0	0	0	17	260,102
Property taxes		154,108	0	0	0	0	0	154,108
Loans receivable, net of discounts/reserve for loan losses		0	154,765	0	0	0	0	154,765
Due from other governments		12,540,850	0	790,478	66,345	0	679,031	14,076,704
Due from other funds		2,028,884	0	0	0	0	0	2,028,884
Inventories and prepayments								
Inventories		560,462	0	0	0	0	0	560,462
Prepayments		14,335	0	0	0	0	15,450	29,785
Advances to other funds		146,799	0	0	0	0	0	146,799
Restricted assets								
Cash and cash equivalents								
Debt reserves and debt service		0	0	0	0	0	555,038	555,038
Asset held for resale (LA Apartments Land)		0	597,402	0	0	0	0	597,402
TOTAL ASSETS	$	**20,572,530**	**8,424,537**	**790,478**	**22,267,975**	**28,173,143**	**2,779,921**	**83,008,584**
LIABILITIES								
Accounts payable	$	912,314	115,871	319,909	506,442	0	75,059	1,929,595
Claims and judgments payable		0	0	0		0	0	0
Accrued salaries and benefits payable		1,266,362	0	0	18,351	0	6,536	1,291,249
Customer deposits payable		101,758	0	0	0	0	0	101,758
Due to other funds		49,962	0	132,321	0	0	294,677	476,960
Donations held in trust		48,282	0	0	0	0	0	48,282
Unearned revenue		99,856	0	249,132	0	0	0	348,988
Deferred revenues		0	172,812	0	0	0	0	172,812
TOTAL LIABILITIES		**2,478,534**	**288,683**	**701,362**	**524,793**	**0**	**376,272**	**4,369,644**
DEFERRED INFLOWS OF RESOURCES:								
Federal and state grants (unavailable)		217,732	0	790,478	66,345	0	0	1,074,555
TOTAL DEFERRED INFLOWS OF RESOURCES		**217,732**	**0**	**790,478**	**66,345**	**0**	**0**	**1,074,555**
FUND BALANCE								
Nonspendable								
Principal - Capital projects		0	0	0	0	24,958,847	0	24,958,847
Principal - Perpetual care		774,092	0	0	0	0	0	774,092
Advances		146,799	0	0	0	0	0	146,799
Inventories		560,463	0	0	0	0	0	560,463
Prepaid items		14,335	0	0	0	0	0	14,335
Restricted for								
Clerk records and files (State law)		0	0	0	0	0	62,852	62,852
Debt service (Bond and loan agreements)		0	0	0	0	0	286,470	286,470
Grants (Granting entities)		0	0	0	0	0	467,111	467,111

Library operations (County code and contributors)	73,670	0	0	0	0	14,766	88,436
Lodgers' tax (State law)	0	0	0	0	0	246,835	246,835
Indigent health care claims (State law)	0	0	0	0	0	592,990	592,990
Property tax valuation (State law)	0	0	0	0	0	599,011	599,011
Recreation (County code and contributors)	152,084	0	0	0	0	35,336	187,420
Income stabilization (County code)	0	0	0	0	3,214,296	0	3,214,296
Major street maintenance (State law)	0	0	0	0	0	98,278	98,278
Cash requirements (State law)	4,591,274	0	0	0	0	0	4,591,274
Committed to							
Art in Public Places (County code)	0	0	0	509,644	0	0	509,644
Assigned for							
Capital projects	0	0	0	21,167,193	0	0	21,167,193
Fire services	770,241	0	0	0	0	0	770,241
Continuing appropriations	671,092	0	0	0	0	0	671,092
Economic development	0	8,135,854	0	0	0	0	8,135,854
Emergency response and recovery	0	0	(701,362)	0	0	0	(701,362)
Unassigned	10,122,214	0	0	0	0	0	10,122,214
TOTAL FUND BALANCE (deficit)	17,876,264	8,135,854	(701,362)	21,676,837	28,173,143	2,403,649	77,564,385
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ **20,572,530**	**8,424,537**	**790,478**	**22,267,975**	**28,173,143**	**2,779,921**	**83,008,584**

See accompanying notes to financial statements

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Reconciliation of Balance Sheet to the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement of net position are different from those reflected in the governmental funds balance sheet because:

Total fund balance as reported in governmental funds balance sheet:	$	77,564,385
Capital assets ($447,928,090), net of accumulated depreciation ($147,193,974), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		300,734,116
Long-term liabilities, including bonds payable ($42,630,000), bond premium/discount ($5,197,556), net pension liability ($39,897,620), and compensated absences ($3,209,200) are not due and payable in the current period and, therefore are not reported in the governmental funds.		(90,934,376)
Deferred outflow of resources related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of net position.		6,895,585
Deferred outflow of resources related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.		12,957,487
Accrued interest payable on long-term liabilities are not recorded in the governmental funds, but are included in the government-wide statement of net position.		(156,133)
Deferred inflow of resources related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.		713,576
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.		1,074,555
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. An internal balance is shown on the government-wide statement of Net Position to reflect the allocation of the internal service fund loss to the governmental funds from the business-type funds, where the internal service funds balances are combined.		(1,170,770)
Net position of governmental activities	$	307,678,425

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2017

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
REVENUES							
Taxes							
Property taxes-current	$ 7,020,492	0	0	0	0	0	7,020,492
Local units in-lieu taxes	419,775	0	0	0	0	0	419,775
Gross receipts taxes	22,444,438	0	0	0	0	1,588,792	24,033,230
Lodgers' tax	0	0	0	0	0	281,820	281,820
Franchise tax-privately owned	161,497	0	0	0	0	0	161,497
Franchise tax-County owned	404,536	0	0	0	0	0	404,536
Penalties and interest-taxes	49,471	0	0	0	0	0	49,471
	30,500,209	**0**	**0**	**0**	**0**	**1,870,612**	**32,370,821**
Licenses and permits							
Business	47,131	0	0	0	0	0	47,131
Nonbusiness	235,286	0	0	0	0	0	235,286
	282,417	**0**	**0**	**0**	**0**	**0**	**282,417**
Intergovernmental							
Federal direct	281,577	0	0	0	0	0	281,577
Federal indirect	281,433	0	1,044,372	739,087	0	0	2,064,892
Federal shared revenues	1,609	0	0	0	0	0	1,609
Federal in-lieu taxes	557,168	0	0	0	0	0	557,168
State grants-fire	0	0	0	0	0	558,322	558,322
State grants-library	11,599	0	0	0	0	0	11,599
State grants-major street maintenance	0	0	0	195,802	0	0	195,802
State grants-police	128,914	0	0	0	0	90,579	219,493
State grants-other	261,336	0	174,062	287,142	0	0	722,540
State shared revenues	16,231,074	0	0	0	0	585,612	16,816,686
	17,754,710	**0**	**1,218,434**	**1,222,031**	**0**	**1,234,513**	**21,429,688**
Fines and forfeitures							
Fines	72,289	0	0	0	0	0	72,289
Correction fees	53,366	0	0	0	0	0	53,366
Special fees	27,549	0	0	0	0	0	27,549
Court ordered reimbursements	51,262	0	0	0	0	2,093	53,355
Noncourt fines and forfeitures	2,051	0	0	0	0	0	2,051
	206,517	**0**	**0**	**0**	**0**	**2,093**	**208,610**
Charges for services							
Court fees	948	0	0	0	0	0	948
Clerk fees	63,699	0	0	0	0	27,646	91,345
Planning fees	68,154	0	0	0	0	0	68,154
Finance/treasurer fees	0	0	0	0	0	172,364	172,364
Administrative charges for services	46,990	0	0	0	0	0	46,990
Sales of food or merchandise	74,285	0	0	0	0	0	74,285
Other charges for services	28,024	0	0	0	0	0	28,024
Sheriff fees	3,400	0	0	0	0	0	3,400
Police charges for services	25,773	0	0	0	0	0	25,773

Miscellaneous services	820	0	0	0	0	0	820
Cemetery services	27,359	0	0	0	0	0	27,359
Perpetual care services	60,980	0	0	0	0	0	60,980
Animal shelter fees	7,489	0	0	0	0	0	7,489
Daily fees/passes	207,742	0	0	0	0	0	207,742
Annual passes	180,668	0	0	0	0	0	180,668
Three-month passes	34,894	0	0	0	0	0	34,894
Monthly passes	228	0	0	0	0	0	228
Punch passes	83,834	0	0	0	0	0	83,834
Recreation fees	136,524	0	0	0	0	0	136,524
Other fees	30,930	0	0	0	0	0	30,930
	1,082,741	**0**	**0**	**0**	**0**	**200,010**	**1,282,751**
Interfund/interdepartmental charges							
Interdepartmental services	7,190,007	0	0	0	0	0	7,190,007
Miscellaneous revenue							
Investment income (loss)	895,004	260,074	0	0	3,739,948	66,207	4,961,233
Interest charges-delinquent accounts	5,208	0	0	0	0	0	5,208
Building rental	162,413	25,924	0	0	0	6,118	194,455
Land rental	434,780	0	0	0	0	33,888	468,668
Concessions	3,082	0	0	0	0	0	3,082
Miscellaneous rentals	130,529	0	0	0	0	0	130,529
Pension forfeitures	53,404	0	0	0	0	0	53,404
Donations	60,200	0	0	0	0	450	60,650
Other	126,513	500	0	0	0	0	127,013
	1,871,133	**286,498**	**0**	**0**	**3,739,948**	**106,663**	**6,004,242**
TOTAL REVENUES	**58,887,734**	**286,498**	**1,218,434**	**1,222,031**	**3,739,948**	**3,413,891**	**68,768,536**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2017

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
EXPENDITURES							
Current expenditures:							
General government							
County Council	320,224	0	0	0	0	0	320,224
Municipal Court	463,525	0	0	0	0	17,093	480,618
County Manager	1,587,827	0	0	0	0	0	1,587,827
County Manager-Comm. and Public Relations	364,582	0	0	0	0	0	364,582
County Manager-Human Resources	1,060,053	0	0	0	0	0	1,060,053
County Assessor	385,554	0	0	0	0	146,934	532,488
County Attorney	595,085	0	0	0	0	0	595,085
County Clerk	599,704	0	0	0	0	15,557	615,261
County Probate Clerk	4,525	0	0	0	0	0	4,525
County Sheriff	16,436	0	0	0	0	0	16,436
Administrative Services-Information Technologies	4,386,697	0	0	0	0	0	4,386,697
Administrative Services-Finance Office	1,376,571	0	0	0	0	0	1,376,571
Administrative Services-Procurement	917,810	0	0	0	0	0	917,810
Public Works	6,704,169	0	0	0	0	0	6,704,169
Community Services-Cemetery	19,017	0	0	0	0	0	19,017
	18,801,779	**0**	**0**	**0**	**0**	**179,584**	**18,981,363**
Public safety							
Fire Department-County share	4,716,221	0	0	0	0	0	4,716,221
Emergency response and recovery	0	0	1,457,605	0	0	0	1,457,605
Fire Marshal	0	0	0	0	0	76,998	76,998
Fire Mitigation	17,092	0	0	0	0	0	17,092
Fire-E.M.S. grant	0	0	0	0	0	11,923	11,923
Police	8,823,254	0	0	0	0	12,583	8,835,837
	13,556,567	**0**	**1,457,605**	**0**	**0**	**101,504**	**15,115,676**
Physical and economic environment							
County Manager	186,526	0	0	0	0	253,631	440,157
Community Development	1,732,259	767,726	0	0	0	71,261	2,571,246
Transportation							
Public Works	**3,749,900**	**0**	**0**	**0**	**0**	**0**	**3,749,900**
Health and welfare							
Commuity Services-Social Services	**1,778,592**	**0**	**0**	**0**	**0**	**2,076,788**	**3,855,380**
Culture and recreation							
Community Services-Administration	972,036	0	0	0	0	0	972,036
Community Services-Library	2,370,628	0	0	0	0	750	2,371,378
Community Services-Parks	2,130,060	0	0	0	0	0	2,130,060
Community Services-Recreation	2,982,749	0	0	0	0	1,916	2,984,665
	8,455,473	**0**	**0**	**0**	**0**	**2,666**	**8,458,139**

Capital outlay:							
General government							
Administrative Services	543,485	0	0	2,237,391	0	0	2,780,876
Public Works	194,583	0	0	3,560,885	0	0	3,755,468
County Manager	205,200	0	0	0	0	0	205,200
Community Services	0	0	0	162	0	0	162
Public safety							
Fire	278,417	0	0	0	0	679,472	957,889
Police	277,184	0	0	0	0	27,050	304,234
Emergency response and recovery	0	0	838,294	0	0	0	838,294
Transportation							
Public Works	341,005	0	0	7,470,266	0	0	7,811,271
Culture and recreation							
Community Services	119,192	0	0	644,878	0	0	764,070
	1,959,066	**0**	**838,294**	**13,913,582**	**0**	**706,522**	**17,417,464**
Debt service:							
Principal	0	0	0	0	0	4,175,000	4,175,000
Interest	0	0	0	0	0	2,089,646	2,089,646
	0	**0**	**0**	**0**	**0**	**6,264,646**	**6,264,646**
TOTAL EXPENDITURES	**50,220,162**	**767,726**	**2,295,899**	**13,913,582**	**0**	**9,656,602**	**76,853,971**
EXCESS REVENUES OVER (UNDER) EXPENDITURES	**8,667,572**	**(481,228)**	**(1,077,465)**	**(12,691,551)**	**3,739,947**	**(6,242,711)**	**(8,085,436)**
OTHER FINANCING SOURCES (USES)							
Transfers in	2,208,310	200,000	98,530	6,618,922	0	6,625,646	15,751,408
Transfers out	(12,809,830)	(90,800)	0	(235,000)	(1,218,942)	(580,000)	(14,934,572)
	(10,601,520)	**109,200**	**98,530**	**6,383,922**	**(1,218,942)**	**6,045,646**	**816,836**
NET CHANGE IN FUND BALANCE	**(1,933,948)**	**(372,028)**	**(978,935)**	**(6,307,629)**	**2,521,005**	**(197,065)**	**(7,268,600)**
FUND BALANCE							
Beginning of fiscal year	19,810,212	8,507,882	277,573	27,984,466	25,652,138	2,600,714	84,832,985
FUND BALANCE - END OF FISCAL YEAR	**$ 17,876,264**	**8,135,854**	**(701,362)**	**21,676,837**	**28,173,143**	**2,403,649**	**77,564,385**

See accompanying notes to financial statements

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
Year ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different from those reflected in the governmental funds statement of revenues, expenditures, and changes in fund balance because:

Total net change in fund balance as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance:	$	(7,268,600)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays ($17,417,464) exceed depreciation ($12,058,871) in the current period.		5,358,593
Loss on disposal of capital assets is not recorded in governmental funds. This includes expenditures in the Capital Improvement Projects capital projects funds which did not result in the creation of a capital asset.		(1,390,410)
Donations of capital assets from outside sources and corresponding contribution revenue are not recorded in governmental funds. This includes the donation of land from the Department of Energy.		551,042
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.		(765,280)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.		4,175,000
The amortization of debt premiums and discounts does not use current financial resources, and thefore is not reported in the governmental funds.		31,473
The change in interest payable on long-term liabilities is not recorded in the governmental funds, but is included in the government-wide statement of net position.		18,004
Amortization of deferred amounts related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of activities.		(689,558)
Expenses, such as compensated absences, reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.		(314,806)
The pension expense related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.		(2,277,355)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		813,240
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. The net gain or loss of certain activities in internal service funds is reported with governmental activities.		(5,310)
Change in net position of governmental activities	$	(1,763,967)

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Property taxes-current	$ 6,992,560	6,992,560	7,020,492	27,932
Local units in-lieu taxes	421,421	421,421	419,775	(1,646)
General gross receipts taxes	24,257,000	24,257,000	22,444,438	(1,812,562)
Franchise tax-privately owned	120,000	120,000	161,497	41,497
Franchise tax-County owned	413,250	413,250	404,536	(8,714)
Penalties and interest-taxes	33,260	33,260	49,471	16,211
	32,237,491	**32,237,491**	**30,500,209**	**(1,737,282)**
Licenses and permits				
Business	44,500	44,500	47,131	2,631
Nonbusiness	214,130	214,130	235,286	21,156
	258,630	**258,630**	**282,417**	**23,787**
Intergovernmental				
Federal direct	0	316,191	281,577	(34,614)
Federal indirect	170,000	540,133	281,433	(258,700)
Federal shared revenues	0	0	1,609	1,609
Federal in-lieu taxes	290,000	290,000	557,168	267,168
State grants-library	52,200	105,000	11,599	(93,401)
State grants-police	180,000	390,916	128,914	(262,002)
State grants-other	275,000	762,749	261,336	(501,413)
State shared revenues	17,530,000	17,530,000	16,231,074	(1,298,926)
	18,497,200	**19,934,989**	**17,754,710**	**(2,180,279)**
Fines and forfeitures				
Fines	65,000	65,000	72,289	7,289
Correction fees	42,000	42,000	53,366	11,366
Special fees	13,700	13,700	27,549	13,849
Court ordered reimbursements	38,030	38,030	51,262	13,232
Noncourt fines and forfeitures	1,000	1,000	2,051	1,051
	159,730	**159,730**	**206,517**	**46,787**

Charges for services				
Court fees	5,400	5,400	948	(4,452)
Clerk fees	54,600	54,600	63,699	9,099
Planning fees	31,000	31,000	68,154	37,154
Administrative charges for services	43,700	43,700	46,990	3,290
Sales of food or merchandise	62,000	62,000	74,285	12,285
Other charges for services	30,000	68,169	28,024	(40,145)
Sheriff fees	5,000	5,000	3,400	(1,600)
Police charges for services	20,000	20,000	25,773	5,773
Miscellaneous services	700	700	820	120
Cemetery services	20,100	20,100	27,359	7,259
Perpetual care services	42,000	42,000	60,980	18,980
Animal shelter fees	3,300	3,300	7,489	4,189
Daily fees/passes	192,690	192,690	207,742	15,052
Annual passes	158,500	158,500	180,668	22,168
Three-month passes	41,000	41,000	34,894	(6,106)
Monthly passes	8,000	8,000	228	(7,772)
Punch passes	81,500	81,500	83,834	2,334
Recreation fees	207,500	207,500	136,524	(70,976)
Other fees	13,000	23,500	30,930	7,430
	1,019,990	**1,068,659**	**1,082,741**	**14,082**
Interfund/interdepartmental charges				
Interdepartmental services	3,532,408	3,532,408	3,663,246	130,838
Indirect overhead-fire services	2,725,452	2,725,452	2,891,695	166,243
Indirect overhead - dispatch services	636,066	636,066	635,066	(1,000)
	6,893,926	**6,893,926**	**7,190,007**	**296,081**
Miscellaneous revenue				
Interest income	1,270,000	1,270,000	895,004	(374,996)
Interest charges-delinquent accounts	0	0	5,208	5,208
Buildings rental	78,500	78,500	162,413	83,913
Land rental	426,000	426,000	434,780	8,780
Concessions rental	2,000	2,000	3,082	1,082
Other rental	144,000	144,000	130,529	(13,471)
Pension forfeitures	150,000	150,000	53,404	(96,596)
Donations	45,000	65,000	60,200	(4,800)
Other	101,500	101,500	163,201	61,701
	2,217,000	**2,237,000**	**1,907,821**	**(329,179)**
TOTAL REVENUES	**61,283,967**	**62,790,425**	**58,924,422**	**(3,866,003)**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES AND ENCUMBRANCES				
County Council				
Employee salaries and benefits	90,597	90,597	93,614	(3,017)
Outside services	267,000	265,500	207,693	57,807
Materials and supplies	29,000	29,000	17,315	11,685
Intrafund/interfund services	1,602	1,602	1,602	0
	388,199	**386,699**	**320,224**	**66,475**
County Courts (Municipal judge)				
Employee salaries and benefits	361,872	375,280	349,629	25,651
Outside services	112,468	174,668	101,685	72,983
Materials and supplies	15,727	15,727	15,895	(168)
Intrafund/interfund services	6,217	6,217	6,217	0
Debt and fiscal charges	1,000	1,000	1,485	(485)
	497,284	**572,892**	**474,911**	**97,981**
County Manager				
Operations				
Employee salaries and benefits	960,993	960,993	944,006	16,987
Outside services	704,150	784,150	624,160	159,990
Materials and supplies	800	800	8,907	(8,107)
Intrafund/interfund services	10,754	10,754	10,754	0
	1,676,697	1,756,697	1,587,827	168,870
Communications and Public Relations				
Employee salaries and benefits	293,749	286,749	274,732	12,017
Outside services	79,559	109,559	72,913	36,646
Materials and supplies	6,135	14,274	16,937	(2,663)
	379,443	410,582	364,582	46,000
Human Resources				
Employee salaries and benefits	1,069,761	1,069,761	1,102,349	(32,588)
Outside services	194,143	381,224	115,638	265,586
Materials and supplies	36,299	44,799	38,592	6,207
Intrafund/interfund services	8,674	8,674	8,674	0
	1,308,877	1,504,458	1,265,253	239,205

Economic Development Admin				
Employee salaries and benefits	244,815	244,815	186,526	58,289
	244,815	244,815	186,526	58,289
Total County Manager	**3,609,832**	**3,916,552**	**3,404,188**	**512,364**
County Assessor				
Employee salaries and benefits	369,530	369,530	372,474	(2,944)
Outside services	12,500	12,500	9,960	2,540
Materials and supplies	1,500	1,500	927	573
Intrafund/interfund services	2,193	2,193	2,193	0
	385,723	**385,723**	**385,554**	**169**
County Attorney				
Employee salaries and benefits	603,658	600,658	525,789	74,869
Outside services	64,703	67,703	51,859	15,844
Materials and supplies	15,636	15,636	11,689	3,947
Intrafund/interfund services	5,748	5,748	5,748	0
	689,745	**689,745**	**595,085**	**94,660**
County Clerk				
Employee salaries and benefits	437,994	442,282	447,078	(4,796)
Outside services	46,200	115,081	125,709	(10,628)
Materials and supplies	28,900	28,900	22,180	6,720
Intrafund/interfund services	4,124	4,124	4,124	0
Capital outlay	9,000	9,000	0	9,000
Debt and fiscal charges	800	800	613	187
	527,018	**600,187**	**599,704**	**483**
County Probate Judge				
Employee salaries and benefits	4,841	4,841	4,525	316
Outside services	900	900	0	900
Materials and supplies	144	144	0	144
	5,885	**5,885**	**4,525**	**1,360**
County Sheriff				
Employee salaries and benefits	70,666	7,460	7,500	(40)
Outside services	8,620	6,545	7,340	(795)
Materials and supplies	5,580	2,450	1,051	1,399
Intrafund/interfund services	545	545	545	0
	85,411	**17,000**	**16,436**	**564**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Administrative Services				
Information Management				
Employee salaries and benefits	2,396,335	2,396,335	2,441,417	(45,082)
Outside services	2,098,132	2,103,262	2,075,502	27,760
Materials and supplies	221,586	251,333	202,796	48,537
Intrafund/interfund services	41,734	41,734	43,065	(1,331)
	4,757,787	4,792,664	4,762,780	29,884
Finance				
Employee salaries and benefits	1,437,287	1,437,287	1,420,638	16,649
Outside services	134,940	137,410	129,652	7,758
Materials and supplies	27,200	27,200	11,251	15,949
Intrafund/interfund services	12,327	12,327	12,327	0
Debt and fiscal charges	0	0	6,628	(6,628)
	1,611,754	1,614,224	1,580,496	33,728
Procurement				
Employee salaries and benefits	922,531	922,531	870,236	52,295
Outside services	36,500	36,500	16,070	20,430
Materials and supplies	92,000	92,000	48,411	43,589
Intrafund/interfund services	28,545	28,545	30,948	(2,403)
Capital outlay	0	9,015	16,751	(7,736)
	1,079,576	1,088,591	982,416	106,175
Total Administrative Services	**7,449,117**	**7,495,479**	**7,325,692**	**169,787**
Fire				
Fire Mitigation				
Employee salaries and benefits	0	0	4,268	(4,268)
Outside services	0	164,862	12,825	152,037
Capital outlay	0	280,953	278,416	2,537
	0	445,815	295,509	150,306
Fire - County Shared Costs				
Intrafund/interfund services	4,829,176	4,829,176	4,716,221	112,955
Total Fire	**4,829,176**	**5,274,991**	**5,011,730**	**263,261**

Community Services-Administration				
Employee salaries and benefits	385,741	385,741	481,827	(96,086)
Outside services	492,617	533,051	516,111	16,940
Materials and supplies	1,470	1,470	8,524	(7,054)
Intrafund/interfund services	4,575	4,575	6,040	(1,465)
Total Community Services-Admin.	**884,403**	**924,837**	**1,012,502**	**(87,665)**
Community Services-Library				
Library operations				
Employee salaries and benefits	1,850,558	1,850,558	1,830,278	20,280
Outside services	118,997	118,997	117,884	1,113
Materials and supplies	26,435	26,435	27,594	(1,159)
Intrafund/interfund services	29,245	29,245	29,245	0
Capital outlay	0	0	759	(759)
	2,025,235	2,025,235	2,005,760	19,475
Collection development				
Materials and supplies	247,031	279,221	269,250	9,971
Outside funding sources				
Outside services	0	0	1,334	(1,334)
Materials and supplies	0	186,333	105,265	81,068
Capital outlay	0	0	6,064	(6,064)
	0	186,333	112,663	73,670
Total Community Services-Library	**2,272,266**	**2,490,789**	**2,387,673**	**103,116**
Community Services-Parks				
Parks Maintenance				
Employee salaries and benefits	1,457,169	1,428,169	1,375,770	52,399
Outside services	40,822	40,822	37,753	3,069
Materials and supplies	177,517	177,801	162,285	15,516
Intrafund/interfund services	392,676	392,676	453,671	(60,995)
Capital outlay	0	0	2,417	(2,417)
Debt and fiscal charges	1,279	1,279	1,340	(61)
	2,069,463	2,040,747	2,033,236	7,511
Parks Maintenance Projects				
Employee salaries and benefits	0	0	498	(498)
Outside services	87,781	87,781	33,121	54,660
Materials and supplies	0	6,499	46,604	(40,105)
	87,781	94,280	80,223	14,057
Cemetery				
Intrafund/interfund services	35,000	35,000	17,856	17,144
Debt and fiscal charges	0	0	1,162	(1,162)
	35,000	35,000	19,018	15,982
Total Community Svcs.-Parks	**2,192,244**	**2,170,027**	**2,132,477**	**37,550**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Recreation				
Employee salaries and benefits	681,077	681,077	681,894	(817)
Outside services	79,202	79,202	67,978	11,224
Materials and supplies	39,595	44,775	61,525	(16,750)
Intrafund/interfund services	12,320	12,320	12,181	139
Debt and fiscal charges	2,361	2,361	0	2,361
	814,555	819,735	823,578	(3,843)
Recreation -Aquatic Center				
Employee salaries and benefits	732,939	732,939	691,087	41,852
Outside services	75,775	77,669	84,740	(7,071)
Materials and supplies	66,528	82,274	86,624	(4,350)
Intrafund/interfund services	232,520	232,520	219,263	13,257
Debt and fiscal charges	0	0	6,688	(6,688)
	1,107,762	1,125,402	1,088,402	37,000
Recreation - Ice Rink				
Employee salaries and benefits	146,365	146,365	138,765	7,600
Outside services	9,475	9,475	3,115	6,360
Materials and supplies	17,416	17,416	13,533	3,883
Intrafund/interfund services	13,678	13,678	13,678	0
Debt and fiscal charges	0	0	1,054	(1,054)
	186,934	186,934	170,145	16,789
Recreation -Golf Course				
Employee salaries and benefits	598,509	598,509	630,856	(32,347)
Outside services	52,225	52,225	49,598	2,627
Materials and supplies	151,865	169,766	139,848	29,918
Intrafund/interfund services	207,092	207,092	191,485	15,607
Capital outlay	0	0	17,413	(17,413)
Debt and fiscal charges	6,750	6,750	6,946	(196)
	1,016,441	1,034,342	1,036,146	(1,804)
Total Community Svcs.-Recreation	**3,125,692**	**3,166,413**	**3,118,271**	**48,142**

Community Services-Social Services				
Employee salaries and benefits	184,626	184,626	189,180	(4,554)
Outside services	1,536,060	1,574,843	1,556,233	18,610
Materials and supplies	900	900	776	124
Intrafund/interfund services	32,379	32,379	32,403	(24)
Total Community Svcs.-Social Services	**1,753,965**	**1,792,748**	**1,778,592**	**14,156**
Total Community Svcs. Department	**10,228,570**	**10,544,814**	**10,429,515**	**115,299**
Police				
Operations				
Employee salaries and benefits	6,900,605	6,953,811	6,975,228	(21,417)
Outside services	272,711	360,123	443,940	(83,817)
Materials and supplies	400,080	435,554	538,876	(103,322)
Intrafund/interfund services	459,744	459,744	460,207	(463)
Capital outlay	0	65,500	2,609	62,891
Debt and fiscal charges	200	200	583	(383)
	8,033,340	8,274,932	8,421,443	(146,511)
Emergency Management				
Employee salaries and benefits	190,184	190,184	163,686	26,498
Outside services	56,598	482,452	49,702	432,750
Materials and supplies	12,850	12,850	51,295	(38,445)
Intrafund/interfund services	6,023	6,023	6,023	0
Capital outlay	0	22,497	286,082	(263,585)
	265,655	714,006	556,788	157,218
Police Grants				
Employee salaries and benefits	0	16,592	6,561	10,031
Outside services	0	248,607	137,353	111,254
Materials and supplies	0	6,195	0	6,195
	0	271,394	143,914	127,480
Total Police	**8,298,995**	**9,260,332**	**9,122,145**	**138,187**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Public Works				
Administration				
Employee salaries and benefits	386,474	386,474	381,625	4,849
Outside services	12,900	12,900	5,832	7,068
Materials and supplies	2,597	2,597	14,397	(11,800)
Intrafund/interfund services	7,862	7,862	7,862	0
	409,833	409,833	409,716	117
Engineering & Project Management				
Employee salaries and benefits	1,355,043	1,355,043	1,316,989	38,054
Outside services	28,392	29,512	19,903	9,609
Materials and supplies	5,150	6,531	10,887	(4,356)
Intrafund/interfund services	19,904	19,904	19,904	0
	1,408,489	1,410,990	1,367,683	43,307
Traffic and Streets				
Employee salaries and benefits	1,996,098	1,996,098	2,142,534	(146,436)
Outside services	770,030	892,332	756,764	135,568
Materials and supplies	535,254	539,049	466,784	72,265
Intrafund/interfund services	804,995	804,995	781,547	23,448
Capital outlay	15,800	32,671	60,574	(27,903)
	4,122,177	4,265,145	4,208,203	56,942
Custodial				
Employee salaries and benefits	873,734	873,734	794,709	79,025
Outside services	128,565	128,565	121,847	6,718
Materials and supplies	99,001	99,001	118,181	(19,180)
Intrafund/interfund services	27,791	27,791	27,851	(60)
	1,129,091	1,129,091	1,062,588	66,503
Facilities maintenance				
Employee salaries and benefits	1,158,715	1,158,715	1,125,550	33,165
Outside services	298,501	327,016	347,733	(20,717)
Materials and supplies	180,000	180,000	278,750	(98,750)
Intrafund/interfund services	883,178	967,178	956,227	10,951
	2,520,394	2,632,909	2,708,260	(75,351)

Facilities maintenance projects				
Employee salaries and benefits	0	0	913	(913)
Outside services	1,762,802	4,060,744	1,397,478	2,663,266
Materials and supplies	0	0	3,366	(3,366)
Intrafund/interfund services	0	0	977	(977)
	1,762,802	4,060,744	1,402,734	2,658,010
Total Public Works	**11,352,786**	**13,908,712**	**11,159,184**	**2,749,528**
Community Development (CDD)				
CDD - Administration				
Employee salaries and benefits	484,742	578,742	542,394	36,348
Outside services	78,993	90,092	53,108	36,984
Materials and supplies	10,000	17,401	13,407	3,994
Intrafund/interfund services	14,103	14,103	14,103	0
Debt and fiscal charges	0	1,500	1,783	(283)
	587,838	701,838	624,795	77,043
CDD - Community Development				
Employee salaries and benefits	969,862	969,862	926,606	43,256
Outside services	288,406	342,240	195,252	146,988
Materials and supplies	6,050	15,149	12,185	2,964
Intrafund/interfund services	7,183	7,183	7,183	0
	1,271,501	1,334,434	1,141,226	193,208
Total Community Development	**1,859,339**	**2,036,272**	**1,766,021**	**270,251**
TOTAL EXPENDITURES AND ENCUMBRANCES	**50,207,080**	**55,095,283**	**50,614,914**	**4,480,369**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**11,076,887**	**7,695,142**	**8,309,508**	**614,366**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Capital Improvement Project Fund	0	35,000	35,000	0
Joint Utility System Fund-Electric	648,823	648,823	594,680	(54,143)
Joint Utility System Fund-Gas	260,287	260,287	226,475	(33,812)
Fire Fund	1,725,000	1,725,000	1,352,155	(372,845)
	2,634,110	2,669,110	2,208,310	(460,800)
Transfers out to:				
State/Other Grants Fund	0	(29,000)	(29,000)	0
Indigent Health Care Fund	(250,000)	(317,000)	(317,000)	0
Other Special Revenues Fund	(15,000)	(1,015,000)	(15,000)	1,000,000
Emergency Declarations Fund	0	(58,515)	(58,515)	0
Gross Receipts Tax Revenue Bonds Fund	(6,264,647)	(6,264,647)	(6,264,646)	1
Capital Improvement Projects Fund	(4,144,080)	(4,729,180)	(4,729,180)	0
Transit Fund	(1,000,000)	(1,000,000)	(1,000,000)	0
Airport Fund	(396,486)	(396,486)	(396,489)	(3)
	(12,070,213)	(13,809,828)	(12,809,830)	999,998
TOTAL OTHER FINANCING SOURCES (USES)	**(9,436,103)**	**(11,140,718)**	**(10,601,520)**	**539,198**
NET CHANGE IN FUND BALANCE	$ **1,640,784**	**(3,445,576)**	**(2,292,012)**	**1,153,564**
ADJUSTMENTS TO GAAP				
Encumbrances			394,752	
Bad debt expense			(2,597)	
Adjustments to inventory			(34,091)	
			358,064	
GAAP BASIS			**(1,933,948)**	
FUND BALANCE				
Beginning of fiscal year			19,810,212	
FUND BALANCE - END OF FISCAL YEAR			$ **17,876,264**	

See accompanying notes to financial statements

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous revenues				
Investment income	$ 195,000	195,000	260,074	65,074
Other	0	0	500	500
Buildings rental	0	0	25,924	25,924
	195,000	195,000	286,498	91,498
TOTAL REVENUES	**195,000**	**195,000**	**286,498**	**91,498**
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	2,791,500	5,010,749	916,694	4,094,055
Materials and supplies	5,000	5,000	8,179	(3,179)
Economic development loans	1,244,000	744,000	154,765	589,235
TOTAL EXPENDITURES AND ENCUMBRANCES	**4,040,500**	**5,759,749**	**1,079,638**	**4,680,111**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**(3,845,500)**	**(5,564,749)**	**(793,140)**	**4,771,609**
OTHER FINANCING SOURCES (USES)				
Transfer in from:				
General Fund	0	1,000,000	0	(1,000,000)
Capital Improvement Project Fund	150,000	200,000	200,000	0
Transfers out to:				
Joint Utilities System Fund	(2,000,000)	(2,000,000)	0	2,000,000
Capital Improvement Project Fund	0	(90,800)	(90,800)	0
NET CHANGE IN FUND BALANCE	$ **(5,695,500)**	**(6,455,549)**	**(683,940)**	**5,771,609**

ADJUSTMENTS TO GAAP		
Encumbrances		311,912
		311,912
GAAP BASIS		**(372,028)**
FUND BALANCE		
Beginning of fiscal year		8,507,882
FUND BALANCE - END OF FISCAL YEAR	**$**	**8,135,854**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
EMERGENCY DECLARATIONS FUND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal indirect	$ 0	2,531,332	1,044,372	(1,486,960)
State grants-other	0	408,832	174,062	(234,770)
	0	**2,940,164**	**1,218,434**	**(1,721,730)**
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Outside services	0	3,246,274	2,705,342	540,932
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**0**	**(306,110)**	**(1,486,908)**	**(1,180,798)**
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	0	58,515	58,515	0
Joint Utilities System Fund	0	15,000	15,000	0
Environmental Services Fund	0	25,015	25,015	0
	0	98,530	98,530	0
NET CHANGE IN FUND BALANCE	$ **0**	**(207,580)**	**(1,388,378)**	**(1,180,798)**
ADJUSTMENTS TO GAAP				
Encumbrances			409,443	
GAAP BASIS			**(978,935)**	
FUND BALANCE				
Beginning of fiscal year			277,573	
FUND BALANCE - END OF FISCAL YEAR			$ **(701,362)**	

See accompanying notes to financial statements

Major Proprietary Funds

Joint Utility System Fund 500 - accounts for the provision of electric, gas, water, and wastewater utility services to the county. Combining subfund financial statements are provided for each utility service following the notes to financial statements.

Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Transit Fund 651 - accounts for the operation of the Atomic City Transit (ACT) public transportation system.

Fire Fund 660 - accounts for fire protection services provided to Los Alamos National Laboratory and the community through a cooperative agreement with the National Nuclear Security Administration.

Airport Fund 681 - accounts for the operation and maintenance of the Los Alamos Airport which is leased from the U.S. Department of Energy.

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
Proprietary Funds
Statement of Net Position
June 30, 2017

	ENTERPRISE FUNDS						
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
ASSETS							
Current Assets:							
Equity in pooled cash and investments	$ 13,989,400	1,083,888	1,323,383	0	1,114,020	17,510,691	16,253,776
Receivables, net of allowance for uncollectibles							
Accounts	3,807,977	211,655	0	435,591	0	4,455,223	64,022
Unbilled	1,294,399	114,753	0	0	0	1,409,152	0
Due from other governments	0	206,786	724,686	3,866,576	0	4,798,048	0
Inventories and prepayments							
Inventories	884,941	0	0	0	0	884,941	0
Power plant inventories	712,569	0	0	0	0	712,569	0
Prepayments	823,395	0	0	0	0	823,395	26,900
Total Current Assets	**21,512,681**	**1,617,082**	**2,048,069**	**4,302,167**	**1,114,020**	**30,594,019**	**16,344,698**
Non-current assets:							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	4,495,144	436,778	0	0	0	4,931,922	0
Operations and maintenance	10,192,214	1,188,540	0	0	0	11,380,754	0
Investments							
Debt reserves and debt service	6,704,247	0	0	0	0	6,704,247	0
Capital assets							
Land	2,959,328	0	0	1,178,602	4,387,040	8,524,970	0
Utility plant in service	315,633,725	0	0	0	0	315,633,725	0
Buildings	0	6,112,038	63,147	16,724,437	1,100,000	23,999,622	0
Improvements other than buildings	0	1,683,448	929,533	143,285	14,798,818	17,555,084	0
Machinery and equipment	4,430,327	74,322	696,254	1,213,387	57,604	6,471,894	25,670,973
Less accumulated depreciation	(150,139,173)	(1,694,720)	(684,284)	(5,176,166)	(6,883,001)	(164,577,344)	(14,910,866)
Construction in progress	13,029,851	0	0	0	16,032	13,045,883	0
Total Non-current Assets	**207,305,663**	**7,800,406**	**1,004,650**	**14,083,545**	**13,476,493**	**243,670,757**	**10,760,107**
TOTAL ASSETS	**228,818,344**	**9,417,488**	**3,052,719**	**18,385,712**	**14,590,513**	**274,264,776**	**27,104,805**
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts (debits) from refunding of debt	537,575	0	0	0	0	537,575	0
Deferred pensions	3,292,054	373,028	754,409	13,503,398	57,819	17,980,708	394,976
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**3,829,629**	**373,028**	**754,409**	**13,503,398**	**57,819**	**18,518,283**	**394,976**
LIABILITIES							
Current Liabilities:							
Accounts payable	5,281,675	52,920	375	144,189	379	5,479,538	223,962
Accrued salaries and benefits payable	261,674	32,805	56,321	389,222	3,606	743,628	270,036
Customer deposits payable	158,675	34,574	0	0	0	193,249	0
Due to other governments	121,281	10,626	0	0	0	131,907	0
Donations held in trust	27,366	0	0	0	0	27,366	0

Current portion of long-term liabilities							
Accrued compensated absences	646,595	78,549	112,317	1,401,414	2,934	2,241,809	84,139
Claims and judgments payable	0	0	0	0	0	0	1,929,328
Revenue bonds payable	2,800,000	0	0	0	0	2,800,000	0
Contracts and intergovernmental debt payable	759,187	183,346	0	0	0	942,533	0
Due to other funds (current portion of advances)	0	0	0	1,601,777	0	1,601,777	0
Special closure costs	0	861,893	0	0	0	861,893	0
Interest payable on revenue bonds and other debt	166,143	29,310	0	0	0	195,453	0
Total Current Liabilities	**10,222,596**	**1,284,023**	**169,013**	**3,536,602**	**6,919**	**15,219,153**	**2,507,465**
Noncurrent Liabilities:							
Due in more than one year							
Accrued compensated absences	321,824	34,838	71,854	357,168	991	786,675	44,234
Claims and judgments payable	0	0	0	0	0	0	1,103,864
Revenue bonds payable	24,690,393	0	0	0	0	24,690,393	0
Contracts and intergovernmental debt payable	11,110,435	4,179,156	0	0	0	15,289,591	0
Advances from other funds	0	0	0	0	146,799	146,799	0
Special closure costs	9,474,459	326,647	0	0	0	9,801,106	0
Net pension liability	11,172,286	1,274,570	2,581,444	51,716,662	210,860	66,955,822	1,333,064
Total Noncurrent Liabilities	**56,769,397**	**5,815,211**	**2,653,298**	**52,073,830**	**358,650**	**117,670,386**	**2,481,162**
TOTAL LIABILITIES	**66,991,993**	**7,099,234**	**2,822,311**	**55,610,432**	**365,569**	**132,889,539**	**4,988,627**
DEFERRED INFLOWS OF RESOURCES:							
Deferred pensions	(327,355)	(31,960)	(62,403)	2,859,682	2,960	2,440,924	(43,662)
TOTAL DEFERRED INFLOWS OF RESOURCES	**(327,355)**	**(31,960)**	**(62,403)**	**2,859,682**	**2,960**	**2,440,924**	**(43,662)**
NET POSITION							
Net investment in capital assets	147,091,618	1,812,586	1,004,650	14,083,545	13,476,493	177,468,892	10,760,107
Restricted, net of related liabilities, for:							
Debt service	11,751,003	407,468	0	0	0	12,158,471	0
Unrestricted	7,140,714	503,188	42,570	(40,664,549)	803,310	(32,174,767)	11,794,709
TOTAL NET POSITION	**$ 165,983,335**	**2,723,242**	**1,047,220**	**(26,581,004)**	**14,279,803**	**157,452,596**	**22,554,816**
Net position of business-type internal service funds						22,554,816	
Net activity of internal service funds						1,170,770	
TOTAL NET POSITION AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET POSITION						**$ 181,178,182**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2017

	ENTERPRISE FUNDS						
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
OPERATING REVENUES							
Utility sales and other services	$ 55,362,229	2,999,170	0	696,163	42,813	59,100,375	0
Sales of food or merchandise	0	4,774	0	0	0	4,774	0
Interfund charges for services	0	61,032	11,701	4,717,302	0	4,790,035	3,408,924
Insurance and pension contributions							
County	0	0	0	0	0	0	8,436,057
Employees and retirees	0	0	0	0	0	0	1,721,880
Rentals	22,262	0	0	0	47,395	69,657	0
Intergovernmental - charges for services	0	0	0	18,448,491	0	18,448,491	0
Miscellaneous operating revenue	41,272	115,879	0	2,153	0	159,304	107,980
	55,425,763	**3,180,855**	**11,701**	**23,864,109**	**90,208**	**82,572,636**	**13,674,841**
OPERATING EXPENSES							
Employee salaries and benefits	9,334,138	1,309,323	2,453,792	22,286,695	138,592	35,522,540	1,270,742
Contractual services	34,891,598	2,089,015	1,371,588	5,212,884	738,940	44,304,025	9,332,975
Materials and supplies	754,540	122,218	61,032	906,456	9,021	1,853,267	1,473,054
Depreciation and amortization	8,040,955	194,371	150,371	488,872	741,372	9,615,941	2,128,793
Special closure costs	1,311,576	698,216	0	0	0	2,009,792	0
Other	17,564	3,179	0	131,226	573	152,542	0
	54,350,371	**4,416,322**	**4,036,783**	**29,026,133**	**1,628,498**	**93,458,107**	**14,205,564**
OPERATING INCOME (LOSS)	**1,075,392**	**(1,235,467)**	**(4,025,082)**	**(5,162,024)**	**(1,538,290)**	**(10,885,471)**	**(530,723)**
NONOPERATING REVENUES (EXPENSES)							
Gross receipts taxes for solid waste recycling	0	794,419	0	0	0	794,419	0
Fire excise tax	0	0	0	1,588,063	0	1,588,063	0
Gain (loss) on disposition of capital assets	(1,213,251)	0	0	0	0	(1,213,251)	(5,516)
Investment income	720,467	75,011	53,261	0	38,240	886,979	523,682
Interest on long-term debt	(1,469,850)	(183,994)	0	0	0	(1,653,844)	0
Inventory adjustment	1,988	0	0	0	0	1,988	0
Intergovernmental - non-capital grants	0	0	3,020,351	0	566,437	3,586,788	0
	(1,960,646)	**685,436**	**3,073,612**	**1,588,063**	**604,677**	**3,991,142**	**518,166**
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	**(885,254)**	**(550,031)**	**(951,470)**	**(3,573,961)**	**(933,613)**	**(6,894,329)**	**(12,557)**
TRANSFERS AND CONTRIBUTIONS							
Transfers in	0	0	1,000,000	0	396,489	1,396,489	389,248
Transfers out	(836,156)	(25,395)	(388,868)	(1,352,154)	0	(2,602,573)	0
Intergovernmental - capital grants	354,072	0	382,603	0	0	736,675	41,200
Contributed capital assets - governmental activities	194,000	0	0	0	0	194,000	571,280
	(288,084)	**(25,395)**	**993,735**	**(1,352,154)**	**396,489**	**(275,409)**	**1,001,728**
CHANGE IN NET POSITION	**(1,173,338)**	**(575,426)**	**42,265**	**(4,926,115)**	**(537,124)**	**(7,169,738)**	**989,171**
NET POSITION							
Beginning of fiscal year	167,156,673	3,298,668	1,004,955	(21,654,889)	14,816,927	164,622,334	21,565,645
NET POSITION - END OF FISCAL YEAR	**$ 165,983,335**	**2,723,242**	**1,047,220**	**(26,581,004)**	**14,279,803**	**157,452,596**	**22,554,816**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Proprietary Funds
Reconciliation of Statement of Revenues, Expenses and Changes in Net Position to the Statement of Activities
Year ended June 30, 2017

Amounts reported for business-type activities in the statement of activities are different from those reflected in the proprietary funds statement of revenues, expenses, and changes in net position because:

Total change in net position for enterprise funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position:	$	(7,169,738)
Total change in net position for business-type internal service funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position.		989,171
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. The net gain or loss of certain activities in internal service funds is reported with governmental activities.		5,310
Change in net position of business-type activities	$	(6,175,257)

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2017

	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES INTERNA SERVICE FUNDS
CASH FLOWS - OPERATING ACTIVITIES							
Cash received from customers and users	$ 55,559,817	3,172,628	11,701	5,132,318	90,208	63,966,672	3,533,077
Cash received from contributions-employer and employees	0	0	0	0	0	0	10,157,937
Cash paid to suppliers for goods and services	(35,285,564)	(2,228,350)	(1,442,053)	(6,025,265)	(758,424)	(45,739,656)	(10,995,836)
Cash paid to employees	(8,568,889)	(1,235,344)	(2,302,372)	(17,466,568)	(129,033)	(29,702,206)	(982,989)
Taxes received from customers and users	1,757,655	127,685	0	0	0	1,885,340	0
Taxes remitted to State (from customers and users)	(1,757,521)	(126,583)	0	0	0	(1,884,104)	0
NET CASH FLOWS - OPERATING ACTIVITIES	**11,705,498**	**(289,964)**	**(3,732,724)**	**(18,359,515)**	**(797,249)**	**(11,473,954)**	**1,712,189**
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES							
Cash received from grants	0	0	2,685,775	18,378,722	566,903	21,631,400	0
Transfers to other funds	(836,156)	(25,395)	(388,868)	(1,352,154)	0	(2,602,573)	0
Transfers from other funds	0	0	1,000,000	0	396,489	1,396,489	0
Gross receipts taxes received	0	696,192	0	1,297,552	0	1,993,744	0
Cash paid on short-term interfund loans	0	0	0	96,578	0	96,578	0
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	**(836,156)**	**670,797**	**3,296,907**	**18,420,698**	**963,392**	**22,515,638**	**0**
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES							
Cash received from capital grants	414,256	0	382,603	0	0	796,859	41,200
Proceeds received from loans	180,428	0	0	0	0	180,428	0
Principal repaid	(3,469,521)	(176,515)	0	0	0	(3,646,036)	0
Interest and other debt service paid	(1,527,677)	(185,115)	0	0	0	(1,712,792)	0
Cash paid for acquisition of capital assets	(10,381,555)	0	(94,384)	(61,183)	(16,032)	(10,553,154)	(1,634,383)
Proceeds from sale of capital assets	48,357	0	0	0	0	48,357	40,675
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	**(14,735,712)**	**(361,630)**	**288,219**	**(61,183)**	**(16,032)**	**(14,886,338)**	**(1,552,508)**
CASH FLOWS - INVESTING ACTIVITIES							
Proceeds from sale of investment securities	2,284,998	0	0	0	0	2,284,998	0
Interest received on investments	720,467	75,011	53,261	0	38,240	886,979	523,682
Purchase of investment securities	(87,629)	0	0	0	0	(87,629)	0
NET CASH FLOWS - INVESTING ACTIVITIES	**2,917,836**	**75,011**	**53,261**	**0**	**38,240**	**3,084,348**	**523,682**
NET INCREASE (DECREASE) IN CASH	**(948,534)**	**94,214**	**(94,337)**	**0**	**188,351**	**(760,306)**	**683,363**
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	29,625,292	2,614,992	1,417,720	0	925,669	34,583,673	15,570,413
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	$ **28,676,758**	**2,709,206**	**1,323,383**	**0**	**1,114,020**	**33,823,367**	**16,253,776**

(Joint Utility System Fund and Environmental Services Fund cash balances are shown in both Equity in Pooled Cash and Investments and Restricted Cash on the Proprietary Funds Statement of Net Position)

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	$ 1,075,392	(1,235,467)	(4,025,082)	(5,162,024)	(1,538,290)	(10,885,471)	(530,723)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES							
Depreciation and amortization expense	8,040,955	194,371	150,371	488,872	741,372	9,615,941	2,128,793
Operating grants included in operating revenues	0	0	0	(18,448,491)	0	(18,448,491)	0
Amortization of special closure costs	1,311,576	698,216	0	0	0	2,009,792	0
Provision for uncollectible accounts receivable	10,882	3,179	0	131,226	0	145,287	0
Intergovernmental revenue	0	0	0	0	0	0	0
Change in assets and liabilities:							
Accounts and other receivables	155,688	(9,777)	0	(283,300)	0	(137,389)	16,173
Inventories	301,577	0	0	0	0	301,577	0
Prepayments and other	28,862	0	0	0	0	28,862	0
Accounts and retentions payable	36,819	(17,117)	(9,433)	94,076	(9,890)	94,455	(57,282)
Salaries and benefits payable	765,247	73,979	151,420	4,820,126	9,559	5,820,331	287,753
Other current liabilities	(21,634)	1,550	0	0	0	(20,084)	0
Claims and judgements payable	0	0	0	0	0	0	(132,525)
Due to other governments	134	1,102	0	0	0	1,236	0
Total adjustments	**10,630,106**	**945,503**	**292,358**	**(13,197,491)**	**741,041**	**(588,483)**	**2,242,912**
NET CASH FLOWS - OPERATING ACTIVITIES	**$ 11,705,498**	**(289,964)**	**(3,732,724)**	**(18,359,515)**	**(797,249)**	**(11,473,954)**	**1,712,189**

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	$ 0	0	0	0	0	0	389,248
Contributed capital assets - governmental activities	194,000	0	0	0	0	194,000	571,280
TOTAL NON CASH TRANSACTIONS	**$ 194,000**	**0**	**0**	**0**	**0**	**194,000**	**960,528**

See accompanying notes to financial statements

LOS ALAMOS

Fiduciary Funds

Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Pension Trust Fund 811 - accounts for the accumulation of resources for pension benefit payments to qualified County employees.

Agency Fund 871 - accounts for the collection and payment to the State and local School District of property taxes billed and collected by the County. Also accounts for the assets and liabilities held for the Regional Coalition of LANL Communities, of which Los Alamos County serves as the fiscal agent.

INCORPORATED COUNTY OF LOS ALAMOS
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2017

		PENSION TRUST	AGENCY
ASSETS			
Equity in pooled cash and investments	$	0	472,948
Investments (participant directed mutual funds), at fair value		46,663,853	0
Receivables, net of allowance for uncollectibles			
Property taxes		0	206,125
Employee loans		1,694,231	0
Other		0	2,738
Due from other funds		49,962	0
TOTAL ASSETS		**48,408,046**	**681,811**
LIABILITIES			
LIABILITIES			
Accounts payable		93,083	0
Due to other governments			
Taxes and fees payable to state		0	12,486
Property taxes payable		0	316,172
Other		0	337,530
Due to other funds		109	0
Donations held for others		0	15,623
TOTAL LIABILITIES		**93,192**	**681,811**
NET POSITION			
Restricted for pensions		48,314,854	
TOTAL NET POSITION	$	**48,314,854**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PENSION TRUST FUND
STATEMENT OF CHANGES IN NET POSITION
Year ended June 30, 2017

		PENSION TRUST FUND
ADDITIONS TO NET POSITION		
Investment income (loss), net of investment expense	$	6,293,398
Contributions		
Employer, net of forfeitures		3,473,635
Employee (plan member)		391,258
		10,158,291
DEDUCTIONS FROM NET POSITION		
Benefits and refunds paid to plan members and beneficiaries		2,476,768
NET INCREASE (DECREASE) IN NET POSITION		**7,681,523**
NET POSITION		
Beginning of fiscal year		40,633,331
NET POSITION - END OF YEAR	$	**48,314,854**

See accompanying notes to financial statements

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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The County of Los Alamos (County) was incorporated on December 10, 1968. Under the County Charter and State statutes, the County has all the rights and responsibilities of both a county and a municipality. The County provides traditional city and county services, operating under a council-manager form of government, in which the County Manager is the chief administrative officer.

The accounting and reporting policies of the County relating to the government-wide financial statements and governmental funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

The more significant accounting policies of the County are described as follows.

B. Financial Reporting Entity

The County's basic financial statements include the accounts of all County operations. To include organizations as component units within the County's reporting entity, as set forth in GASB Statement No.14, *The Financial Reporting Entity,* GASB Statement No. 39*, Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14,* and most recently, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and Statement No. 34,* the following criteria would need to be met:

- the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the County, its component units, or its constituents; and
- the County is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and
- the economic resources received or held by an individual organization that the County or its component units is entitled to or has the ability to otherwise access are significant to the County; and
- for organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the County and that organization for it to be included in the reporting entity as a component unit.

Based on the aforementioned criteria, the County of Los Alamos has no component units.

The County's Joint Utility System was established by Chapter 5 of the County Charter as a specific department of the County. The Joint Utility System is not a legally separate organization from the County. Therefore, it is included in these financial statements as an enterprise fund of the County.

C. Implementation of New Accounting Standards

New Accounting Standards

In fiscal year 2017, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) that relate to taxes, investments and pensions:

- GASB Statement No. 74 (GASB 74), “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”
- GASB Statement No. 77 (GASB 76), “Tax Abatement Disclosures”
- GASB Statement No. 79 (GASB 79), “Certain External Investment Pools and Pool Participants”
- GASB Statement No. 81 (GASB 81), “Irrevocable Split-Interest Agreements”
- GASB Statement No. 82 (GASB 82), “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73”

GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan’s fiduciary net position. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. GASB 74 was effective for the County fiscal year 2017, but did not have an impact on these financial statements. GASB 74 primarily affects the Retiree Health Care Authority at June 30, 2017 of which the County contributes to. Recognition of the County’s share of OPEB is not effective until the following fiscal year.

GASB 77 requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
This statement was effective for the County fiscal year 2017, but did not have an impact on these financial statements as the County had no such agreements in place.

GASB 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. GASB 79 was effective for the County fiscal year 2017, but did not have an impact on these financial statements. The County participates in the State Investment Council and Local Government Investment Pool which would be impacted by this statement.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement and was effective for the County fiscal year 2017, but did not have an impact on these financial statements, as no such agreements applied to the County.

GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements and was effective for the County fiscal year 2017, and has been adopted in these financial statements.

D. Basic Financial Statements

Basic financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the County. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column.

In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. Exceptions to this general rule are charges between the Joint Utility System Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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.

Both of the government-wide financial statements distinguish functions of the County 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 statement of activities displays the extent to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, while program revenues are those items that are applicable to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment are also included.

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

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

It is important to note that the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds (58% of interfund revenues). As such, the net position of these funds is reflected in the government-wide financial statements in the business-type activities.

The Governmental Fund Types (General, Special Revenue, Debt Service, Capital Project, and Permanent Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter (2 months) to be used to pay liabilities of the current period. Revenues, which are recognized when they become both measurable and available, include intergovernmental revenues and interest earnings. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: principal and interest on general long-term debt, which are recorded when fund liabilities are due; and accrued vacation and sick leave which are recorded when payable from current available financial resources.

Property taxes are recognized as revenue when levied. Derived tax revenues (gross receipts taxes, cigarette taxes, gasoline taxes, etc.) are recognized when the underlying exchange transaction takes place. Revenues from fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Revenues, if available, from federal and state grants are recognized as soon as all eligibility requirements imposed by the individual grant provider and agreement have been met.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned. Expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary Fund Types (Pension and Agency Funds) use the accrual basis of accounting. The Pension Trust Fund is accounted for on an economic measurement focus.

Presentation of Funds

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The transactions of each fund are summarized in a separate set of self-balancing accounts, which include its assets, liabilities, fund balance, revenues, and expenses/expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- *Ten percent criterion* – An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets and deferred outflows, b) total governmental fund liabilities and deferred inflows, c) total governmental fund revenues, or d) total governmental fund expenditures.

- *Five percent criterion* – An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The County has elected to report the following governmental funds as major, although only the General, Capital Improvements Project Fund, and Capital Projects Permanent Fund would qualify using the basic criteria established by GASB 34. The major governmental funds are as follows:

- **General Fund –** The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. For the County, the General Fund includes most basic services, such as police, parks, recreation facilities and programs, library, and general administration.
- **Economic Development Fund –** The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act.
- **Emergency Declarations Fund –** The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with response to and recovery from the Las Conchas Fire which began June 26, 2011 and flooding events within the community in September 2013. This special revenue fund was established by County Council.
- **Capital Improvement Projects Fund** – The Capital Improvement Projects Fund (capital projects fund) accounts for the financing and construction of structures and improvements approved by the County Council.
- **Capital Projects Permanent Fund –** The Capital Projects Permanent Fund accounts for amounts received under a settlement of prior year's gross receipts taxes, set aside by the County Council and the County Charter for capital projects. The original principal of this fund, adjusted for inflation, is restricted and non-expendable.

The County also reports the following non-major governmental funds: State Shared Revenue, Lodgers' Tax, State Grants/Other, Health Care Assistance, Other Special Revenues, and Gross Receipts Tax Revenue Bond Fund.

The County has elected to report all enterprise funds as major, although only the Joint Utility System and Fire Fund would qualify using the basic criteria established by GASB 34. The major enterprise funds are as follows:

- **Joint Utility System –** The Joint Utility System Fund accounts for the provision of electric, gas, water, and wastewater utility services to the community.
- **Environmental Services Fund –** The Environmental Services Fund accounts for the closure and monitoring of the County landfill, commercial and residential refuse collection, curbside and drop off recycling, and composting of yard waste.
- **Transit Fund –** The Transit Fund accounts for public transportation services provided to the community under the name Atomic City Transit (ACT).
- **Fire Fund –** The Fire Fund accounts for fire protective services primarily provided under a cooperative agreement between the County and the National Nuclear Security Administration, an agency of the U.S. Department of Energy (DOE).
- **Airport Fund –** The Airport Fund accounts for the operation and maintenance of the Los Alamos Airport.

The County has the following additional fund types:

- **Internal Service Funds –** The Internal Service Funds are used to account for vehicle maintenance and replacement, and risk management operations that provide services to other funds and departments of the County. As previously mentioned, the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds.

- **Fiduciary Funds –** The Fiduciary Funds of the County consist of a Pension Trust Fund and an Agency Fund. The Pension Trust Fund is used to account for the Los Alamos County Employees Pension Plan, which is administered by the County. The Agency Fund primarily is used to account for property taxes and other fees and assessments collected for and distributed to other government entities along with the assets and liabilities of the Regional Coalition of LANL Communities of which the County serves as the fiscal agent.

F. Budgetary Control

Annual appropriated budgets are adopted for all funds using the modified accrual basis, including encumbrances, except as follows: capital projects funds are budgeted over the life of the projects and not on an annual basis; budgets are not adopted for the Pension Trust Fund and for the Agency Fund. All annual appropriations lapse at the end of the fiscal year, except as approved by Council as "Assigned for Continuing Appropriations" prior to the end of the fiscal year.

Actual expenditures and encumbrances may not exceed the budget at the department level within a fund, which is the legal level of budgetary control. Increases of appropriations within a fund or department and transfers between departments within a fund require approval of the County Council. Management may make transfers of appropriations within departments.

The budget process for the County is an on-going, year-round process. It formally begins in October or November when the Department Directors, the County Manager, and the County Council hold strategy meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new or enhanced services. The Office of the County Manager provides detailed budget guidelines to the departments in December and meets with departmental staff to discuss the guidelines and the County's goals for the upcoming year. From these guidelines, the departments develop their preliminary budgets. The County Council holds public hearings in April and adopts the annual operating budget and capital improvement program in May. Finally, the budget is submitted to the State of New Mexico Department of Finance and Administration (DFA) for its review and approval.

The Statements (or Schedules) of Revenues, Expenditures (or Expenses), Encumbrances, and Changes in Fund Balance (or Net Position) - Budget and Actual present comparisons of actual results of operations to budgetary data for those funds for which annual operating budgets are legally adopted. The effect of encumbrances is added to actual results for these comparisons.

Because the modified accrual basis is not the generally accepted accounting method for proprietary funds, differences result from budgeting for items such as encumbrances, capital outlay, and principal on debt repayments, and from not budgeting for items such as changes in compensated absences, bad debt expense, depreciation and amortization, inventory adjustments, special closure costs, and gains or losses on disposition of capital assets.

Reconciliations between the budget basis and GAAP basis are provided in the budgetary schedules.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in all funds. Encumbrances are re-appropriated through a revision of the subsequent year's budget.

H. Cash, Investments, and Equity in Pooled Cash and Investments

Most cash belonging to all funds (excluding certain segregated and restricted cash and investment balances) is pooled into one common account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated to substantially all of the County's funds based upon relative equity at month-end. An individual fund's equity in pooled cash and investments is available upon demand and is considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific fund and that are purchased with an average maturity of ninety days or less also are considered to be "cash equivalents." Significant negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund, except where the deficit fund has liquid investments to offset the deficit in pooled cash. In such cases, the investments are shown net of the pooled cash deficit.

The County invests in securities authorized by State statutes and in accordance with County ordinances. See Note (3) for a comprehensive listing of allowable investments. When held as an investment, repurchase agreements are secured in accordance with state law, which requires collateral with a market value greater than 105% of the value of the agreement.

All of the County's investments are stated at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* In the proprietary funds, there were not investments that required a fair value adjustment at June 30, 2017. The County does not have investments that are reported at amortized cost.

I. Accounts and Loans Receivable – Allowance for Doubtful Accounts

Where collection of trade and loan receivables is uncertain, the County provides an allowance for doubtful accounts. See item L. below for interfund receivables.

J. Property Taxes Receivable

Unpaid property taxes attach as an enforceable lien on property as of January 1, annually. Taxes are levied on November 1 and are payable in two installments no later than December 10 and May 10. Property taxes receivable are recorded as of the date levied. No significant amounts, which have been recognized as revenue under GAAP, remain unpaid at fiscal year-end. Property tax receivable balances are included in the accounts receivable balance in the general fund.

K. Prepaid Items

Prepaid balances are for payments made by the County in a current year to provide services occurring in subsequent fiscal years. Since these assets are not available for other subsequent expenditures they are categorized as a nonspendable component of fund balance.

L. Interfund Receivables and Payables

Current amounts owed between funds are classified as "Due from/to other funds" in the governmental fund financial statements. Any non-current balance of interfund loans would be reported in the fund financial statements, classified as "Advances to/from other funds" and offset by a nonspendable component of fund balance in governmental funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

M. Inventories

Inventories in the General Fund consist of expendable supplies held for consumption and are valued at average cost. The average cost of inventory is recorded as an expenditure at the time of consumption. Inventories reported in the General Fund financial statement are offset by a *nonspendable* segregation of fund balance, which indicates that it does not constitute "available expendable resources" even though it is a component of net current assets.

The inventories in the proprietary funds consist of supplies that are recorded at average cost, which approximates lower of cost or market value.

N. Restricted Assets

Certain proceeds of Joint Utility revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Certain loan proceeds and related cash equivalents balances are restricted assets in the Joint Utility Fund because their use is restricted for project expenses and debt reserve requirements. Certain cash balances are classified as restricted assets in the Joint Utility Fund because they are set aside for estimated closure and reclamation costs related to the San Juan Electric Generating Station and coalmine. There are also additional restricted assets related to the Laramie River reclamation. Additionally, certain cash balances are classified as restricted assets in the Environmental Services Fund because they are set aside for estimated landfill closure and post-closure costs. Certain cash balances are classified as restricted assets in the GRT Revenue Bond Debt Service Fund because their use is limited by applicable bond covenants. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then use unrestricted resources as they are needed.

O. Capital Assets

Capital assets, which include property, plant, equipment (includes externally developed software), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. County policy requires capitalization of assets with an initial, individual cost of $5,000 or more. All capital assets are recorded at cost or, if contributed property, at their estimated acquisition cost at the time of contribution. Repairs and maintenance that do not add to the value of the asset or materially extend the life are recorded as expenses; improvements are capitalized. The County does not capitalize or depreciate the cost of library books. Additionally, the County is not internally developing computer software, which would require capitalization or depreciation.

Construction work-in-progress consists of labor costs, including related taxes, and material costs. In addition, in proprietary funds, debt interest costs are capitalized, net of interest earned on investment of unexpended proceeds of the debt, as incurred for construction of specific assets during the period required to bring the constructed assets to their intended use.

Most automotive and similar multi-use capital assets, other than those owned by and recorded in the proprietary funds, are the property of the County as a whole and are owned by the Equipment Fund, an internal service fund. Other funds rent these assets as needed. The rental rate charged to the individual budget activities consists of two amounts based on usage; a routine maintenance and operation charge, and an equipment replacement charge. Both of these charges are recorded in the Equipment Fund as revenue. The equipment replacement charge is calculated using cost and estimated useful lives of the equipment. Rental charges are established at an hourly rate or flat fee.

Property, plant, and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets, except for Electric Utility Fund assets financed by certain long-term debt. An adjustment is made to the annual depreciation, based on annual debt service requirements to smooth annual expenditures for ratemaking purposes. This resulted in a decrease in depreciation expense of $1,326,000 in the year ended June 30, 2017, and a cumulative increase in accumulated depreciation of $9,506,501 as of June 30, 2017.

The County has elected to depreciate its infrastructure assets consistent with its other assets, using the straight-line method. The purpose of depreciation is to spread the cost of capital assets equitably over the life of the assets. The amount charged as depreciation each year represents that year's pro rata share of the original cost of the capital assets. Depreciation on proprietary fund capital assets is charged as an expense against operations each year, and accumulated depreciation is reported on the statement of net position as a reduction in the book value of capital assets. Depreciation and accumulated depreciation of capital assets used in the operation of governmental funds are recorded and included in the government-wide financial statements.

Estimated useful lives used to compute depreciation are summarized in the following table:

Asset Category	Estimated Useful Life in Years
Buildings	30 - 40
Improvements other than buildings	10 - 20
Infrastructure	15 - 50
Equipment	5 - 25
Automotive equipment	3 - 20
Utility plant in service:	
Electric	15 - 40
Gas	30 - 40
Water	35 - 60
Wastewater	15 - 80

P. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future period. Deferred inflows of resources are defined as an acquisition of net assets that is applicable to a future period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities. The components of deferred outflows and inflows are reported on the face of the financial statements.

Q. Compensated Absences

The County permits employees to accumulate a limited amount of earned but unused vacation, compensatory time, and sick leave. These compensated absences are accrued when they are earned in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. In proprietary funds and in the government-wide financial statements, the County has recorded liabilities for accumulated vacation leave, compensatory time, termination payments for sick leave, and associated benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported in the governmental funds only if they have matured.

The County allows employees to accrue compensatory time up to 60 hours for exempt employees, 120 hours for nonexempt employees, and 240 hours for public safety employees. Sick leave accrues at 8 hours per month for all active regular and limited-term employees. Sick leave expense is recognized as employees utilize it, but the County does provide a termination payment of up to 520 hours (65 days) of sick leave when an employee retires under PERA retirement rules [see Note (8)].

The basis for recording these compensated absences is at the current hourly rate of each employee plus associated employer paid benefits except for termination sick leave which has been accrued based on five years of retiree payment experience and utilizing a composite hourly wage rate. The termination sick leave calculation provided an estimated benefit cost of approximately $201 per year of service for active Fire Department employees at June 30, 2017, and approximately $312 for other active County employees.

R. Pension – Participation in PERA

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 New Mexico 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, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. 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. Bond issuance costs are reported as expenses at issuance. In accordance with GASB Statement No. 23, an unamortized charge, the difference between the reacquisition price and the net carrying amount of old debt, on refunding of debt is deferred and amortized to interest expense using the straight-line method in business-type activities. The unamortized charge is reported as a deferred outflow (debit) or inflow (credit) of resources on the corresponding statement of net position.

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

T. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets net of related debt, restricted and unrestricted. *Net investment in capital assets* describes the portion of net position which is represented by the current net book value of the County's assets, less the outstanding debt issued to finance those assets. *Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the County cannot unilaterally alter. *Unrestricted* describes the portion of net position which is not restricted as to use.

U. Fund Balance

In the fund financial statements, governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and investments plus deferred inflows of resources, less its liabilities and deferred outflows of resources.

The County's fund balances are classified in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the County to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the County prioritizes and expends funds in the following order, Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balances represent balances set aside to indicate that certain assets do not represent available, spendable resources even though they are a component of assets. These assets are not expected to be converted to cash or are legally or contractually required to be maintained intact. Nonspendable balances typically include principal on permanent funds, long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislations which require the resources to be used only for a specific purpose. This includes balances where the imposition of revenues is restricted by the County Charter.

Committed fund balances have constraints imposed by formal action of the County Council which may be altered only by subsequent formal action of the County Council. Committed fund balances are established by ordinance.

Assigned fund balances are amounts constrained by the County's intent to be used for a specific purpose, but are neither restricted not committed. Via financial policies and formal action at Council meetings held prior to year-end, the County Council identifies certain fund balances to be assigned for future purposes. These amounts are reflected as assigned on the face of the financial statements.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund balance deficits, if any, of other governmental funds.

V. Stabilization Arrangement

The Capital Projects Permanent Fund has a portion of fund balance *Restricted for Income Stabilization* in accordance with County Code Sec. 20-361. This arrangement is in place to establish a cushion in the fund to allow market fluctuations to affect the stabilization balance, without impacting the real value of principal. The income of the Permanent Fund is used in the following priority: 1) first, to make additions to principal in an amount that maintains

the real value of the principal, and then if any income remains, 2) second, to make distributions for capital projects in accordance subsection (g) of the Code, and then if any income remains, 3) third, to make additions to the balance Restricted for Income Stabilization.

W. Interfund Transactions

Interfund transactions are classified as follows:

- **Services provided –** Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services are similarly treated when they involve other funds. These transactions are not eliminated in the consolidation to the government-wide financial statements.
- **Transfers –** Transactions to support the operations of other funds are recorded as “Transfers out/transfers in” and classified with “Other Financing Sources and Uses” in the fund financial statements. Transfers within governmental or proprietary fund groups are netted as part of the reconciliation to the government-wide financial statements.
- **Contributions –** Contributions to the capital of enterprise or internal service funds, transfers of capital assets between proprietary and governmental funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as non-operating revenue.

X. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information
The adopted budget for FY2017 is the first year of the FY2017/2018 Biennial Budget. New Mexico State Statute and County Charter requires an annual budget. The budget process for the County of Los Alamos is an ongoing, year-round process. The formal budget process begins in October with meetings held by the County Council, the County Manager, and department directors. Following these preliminary meetings, departments begin to prepare plans for maintaining current services, reducing or deleting other services, and planning for new services. Detailed budget guidelines are distributed to the departments in December. Departmental meetings are held to discuss the guidelines and the County Manager's goals for the upcoming year. From these guidelines, the departments develop their preliminary budgets. The County also develops a Long Range Financial Projection, a comprehensive Capital Improvement Program and communicates the Strategic Goals and Objectives section as part of the budget development communication to the public and County Council. The Council conducts public hearings to discuss and approve the County’s annual budget.

Budgets
Annual appropriated budgets are adopted for all County funds except agency and pension trust funds. All annual operating appropriations lapse at fiscal year-end unless specifically approved by the County Council to carry over to the next fiscal year. In contrast, project-length financial plans are adopted for all capital projects funds.

Budget Revisions

Changes from one expense code to another within a division or between divisions within the same department or fund, excluding charges to salaries, benefits or interdepartment charges are approved by the Department Director or Utilities Manager.

Changes within a division or between divisions within the same department or fund which involves salaries, benefits or interdepartment charges must be approved by the County Manager. Transfers from one department to another department within the same fund are approved by County Manager and the County Council for all funds and departments except Utilities. Transfers to or from the Joint Utility System Fund are approved by the Utilities Manager, Utilities board, and Council.

Budget Increases to departments or funds and transfers between funds, transfers of cash, both permanent and temporary between funds and any combination of the above are approved by the County Manager, (Utilities Manager/Utilities Board when involving Utilities Department), Council and the State of New Mexico Department of Finance and Administration.

During fiscal year 2017, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately $47.8 million of budget revisions (transfers and supplemental appropriations) for the General Fund, Capital Improvement Projects (CIP) Fund, Emergency Declarations Fund, Joint Utility System Fund and other funds. The approximately $47.8 million of budget revisions include the following re-appropriations and carryovers: $10.8 million for CIP project carryovers, $4.7 million for road reconstruction projects, $10.7 million in encumbrance carryovers, $1.9 million in other project and grant re-appropriations. Other major revisions include: $4.1 million for Utilities capital projects carried over from FY2016, $4.4 million for the County's ERP project, $2.7 million for grant related revisions and approximately $18.5 million for other items and projects. For the fiscal year ended June 30, 2017 expenditures did not exceed appropriations at the legal level of budgetary control for any County department, project, or fund.

Individual Deficit Fund Balance and Net Position

At fiscal year end June 30, 2017, the Emergency Declarations Fund, a major governmental fund, reported a deficit fund balance of $701,362. The deficit arose from the deferred inflow of Federal and State grants. The Fire Fund, a major proprietary fund, reported a deficit net position of $26,581,004. The deficit arose from recording the pension liability, deferred pension inflows, and deferred pension outflows in accordance with GASB Statement No. 68.

(3) POOLED CASH AND INVESTMENTS

The County follows the practice of pooling cash and investments of all funds in the General Fund, except for restricted or dedicated accounts. Each fund's portion of pooled cash and investments is summarized in the governmental funds balance sheet and the proprietary funds statement of net position.

A. Cash

Policies

County of Los Alamos municipal code Sec. 20-401 and rules of the State of New Mexico govern deposits and investing. Pooled cash and investments held by the County may include cash on deposit with financial institutions, money market accounts, certificates of deposit, treasury notes, U.S. agency securities, U.S. Government obligations, municipal bonds, deposits with the New Mexico State Treasurer Local Government Investment Pool (LGIP), investments with the New Mexico State Investment Council (NMSIC), and repurchase agreements.

Cash and investments are presented in the financial statements as shown below:

Petty cash and change funds	$	4,560
Carrying amount of deposits		16,411,074
Cash equivalents		12,703,425
Book value of investments		139,709,234
Total reported in notes to financial statements	$	168,828,293
Government-wide Statement of Net Position:		
Equity in pooled cash and investments	$	74,553,333
Investments		23,566,198
Restricted assets-Cash & Cash Equivalents		16,867,714
Restricted assets-Investments		6,704,247
Fiduciary Funds:		
Equity in pooled cash and investments		472,948
Investments (mutual funds), at fair value		46,663,853
Total reported in financial statements	$	168,828,293

Custodial Credit Risk – Deposits
The custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be recovered. The County of Los Alamos Investment Policy requires deposits be in a qualified financial institution. The policy defines a qualified depository as one that meets all of the following requirements:

(1) Equity-to-asset ratio is equal to or greater than the level recommended by the federal deposit insurance corporation,
(2) A current audited annual financial statement has been submitted to the County,
(3) No successive losses for two preceding years,
(4) If not a local financial institution, its assets must be in excess of $1 billion, and
(5) Not operating under cease and desist order issued by any regulatory agency.

Under New Mexico law, financial institutions holding public deposits must pledge collateral in an amount not less than 50% of the uninsured balance. At June 30, 2017 the County had deposits with bank balances of $17,429,149 that were fully insured or collateralized with securities held by the pledging financial institution in the County's name and therefore not exposed to custodial credit risk under New Mexico law.

B. Investments

Credit Risk
Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The County's policy to minimize investment credit risk involves limiting investments to securities authorized in the County Code, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The County government's rated debt investments as of June 30, 2017 are presented below using the Standard and Poor's rating scale:

	Fair	Net Asset	Quality Ratings		
Investment Type	Value	Value	AAAm	AA+	A
U.S. Government Agencies	$ 24,538,355		10,027,350	14,511,005	0
U.S Treasuries	25,531,568		12,838,920	12,692,648	0
Unrated investments:					
New Mexico State Investment Council	38,475,458				
NM Local Government Investment Pool	4,500,000				
Exempt from credit risk disclosure:					
LAC Pension	46,663,853				
Total Investments	$ 139,709,234	0			

Interest rate risk
Interest rate risk is the risk that changes in the interest rates of debt investments will adversely affect the fair value of investment.

The County's policy is to minimize investment interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and also satisfy requirements for cash reserves, thereby avoiding the need to sell securities on the open market prior to maturity.

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities					
U.S. Agencies	$ 24,538,355	11,490,785	13,047,570	0	0
U.S Treasuries	25,531,568	5,223,623	20,307,945		
	50,069,923	16,714,408	33,355,515	0	0
Other Investments					
New Mexico State Investment Council	38,475,458				
NM Local Government Investment Pool	4,500,000				
LAC Pension Plan	46,663,853				
Total Investments	$ 139,709,234				

The County maintains a joint powers agreement with the New Mexico State Investment Council (NMSIC) to provide investment services in accordance with guidelines listed in the County's Investment Policy. NMSIC issues a separate, publicly available financial report that includes financial statements and required supplementary information. These investments are stated at fair value, which is based on the County's share of NMSIC's pooled investments, which are stated at fair value based on the quoted market prices plus accrued interest and dividends.

Custodial Credit Risk - Investments
Custodial credit risk for investments is the risk that, in the event of a failure of the counter-party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County does not have any investments at June 30, 2017 that are exposed to custodial credit risk.

Concentration of Credit Risk - Investments

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, and NMSIC that represent 5% or more of the total government-wide investments at June 30, 2017 (not inclusive of the pension fund which is disclosed separately) are as follows:

Issuer	Investment Type	Amount	% of Total Government-wide Investments
FNMA	Federal agency securities	$ 7,526,725	8.1%
FHLMC	Federal agency securities	13,014,870	14.0%
FHLB	Federal agency securities	3,996,760	4.3%
T-NOTE	U.S Treasuries securities	25,531,568	27.4%

Investments in the securities of any individual issuers that represent 5% or more of the total investments by individual funds at June 30, 2017 are as follows:

Issuer	Investment Type	Amount
FNMA	Federal agency securities	$ 7,526,725
FHLMC	Federal agency securities	13,014,870
FHLB	Federal agency securities	3,996,760
T-NOTE	U.S Treasuries securities	25,531,568

The County's policy is not to have more than 20% of the total deposits and investment portfolio invested in securities of a single issuer with the following exceptions:

1. US Government obligations, deposits with the New Mexico State Treasurer's Local Government Investment Pool, and investments with the New Mexico State Investment Council's Long-term Investment Funds;
2. Repurchase agreements associated with required debt service reserves
3. Deposits in a local qualified financial institution that are 100% collateralized in accordance with section 20-403 of the County Code. This exception recognizes the impact of the County's investment program on the local economy.

Fair Value Measurement - Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs

Investments by fair value level at June 30, 2017 are as follows:

			Fair Value Measurements Using		
		6/30/2017	Level 1	Level 2	Level 3
Investments by fair value level					
U.S. Agencies Securities	$	24,538,355	24,538,355	0	
U.S. Treasuries Securities		25,531,568	25,531,568	0	
New Mexico State Investment Council		38,475,458	23,244,272	15,231,186	
NM Local Government Investment Pool		4,500,000	4,500,000		
Alliance Benefit Group - LAC Pension Plan		46,663,853	40,842,858	5,820,995	
Total investments by fair value level	$	139,709,234	118,657,053	21,052,181	

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2017, net of applicable allowances for uncollectible accounts, are as follows:

		Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:				
General	$	69,420	(11,569)	57,851
Capital Improvement Projects		147,329	(147,329)	0
Other Governmental		31,620	0	31,620
Total governmental activities		248,369	(158,898)	89,471
Business-type activities:				
Joint Utility System		3,847,275	(39,298)	3,807,977
Environmental Services		222,789	(11,134)	211,655
Fire		2,597,035	(2,161,444)	435,591
Internal Service		70,634	(6,612)	64,022
Total business-type activities		6,737,733	(2,218,488)	4,519,245
Totals	$	**6,986,102**	**(2,377,386)**	**4,608,716**

On the Government-wide Statement of Net Position an additional $109 due from the Pension Trust Fund is classified as pension forfeitures receivable.

The County leases land under non-cancelable operating leases with terms ranging from 5 to 99 years to Sombrillo Nursing and Rehabilitation Center, Aspen Ridge Lodge Retirement and Assisted Living Center, Los Alamos School of Gymnastics, Los Alamos Dog Obedience Club, Nectar Properties, and Los Alamos Trinity LP(Smith's). The following is a schedule of future minimum rentals under these leases at June 30, 2017:

Fiscal Year Ending June 30,		Amount
2018	$	241,498
2019		232,549
2020		222,634
2021		209,292
2022		198,950
Thereafter		13,639,422
	$	14,744,345

(5) LOANS RECEIVABLE

Economic Development Loans Receivable

On occasion, the County will provide public support, in the form of loans, for economic development projects pursuant to the County's Economic Development Plan. As of June 30, 2017 the County had two outstanding loans receivable recorded in the Economic Development Special Revenue Fund.

On June 20, 2003 the County entered into a loan agreement with Advanced Realtime Technologies, LLC (name since changed to Elemetric Instruments, Inc.) in the amount of $75,000. As of June 30, 2010 the County had distributed $73,027 of the loan amount to Elemetric. The loan bears interest at 5% per annum beginning June 1, 2008. The loan is secured by any and all assets that Elemetric purchases in whole, or in part, constructed or installed prior to December 31, 2005. The loan requires Elemetric to make sixty monthly payments of $1,415 beginning July 1, 2008 through June 2013. During FY 2010, Elemetric made $14,303 of payments including interest. No payments have been made since FY 2011. Elemetric is in default, and the County is pursuing legal measures to collect the loan balance due of $51,170.

On July 30, 2003 the County entered into a loan agreement with Avanza Technologies, Inc. in the amount of $235,000. As of June 30, 2010 the County had distributed the entire $235,000 loan amount to Avanza. The loan bears interest at 5% per annum beginning July 30, 2006. The loan is secured by any and all assets that Avanza purchases in whole or in part with the loan proceeds constructed or installed prior to December 31, 2004. The loan requires Avanza to make eighty-four monthly payments of $3,321 beginning July 30, 2006 through January 30, 2012. Over the life of this loan, Avanza has only made three payments totaling $7,056. On October 17, 2006, Avanza sent a letter notifying the County that it was no longer a viable entity and that it would not be making any further loan payments. A reserve for loan losses has been recorded for the outstanding balance on the loan. The County is pursuing legal measures to collect the loan balance due of $227,944.

As of June 30, 2017 the total reserve for loan losses balance was $279,114. The reserve was established since these loans are in default and may not prove to be fully, or even partially, collectible.

The detail of the loan receivable balances at June 30, 2017, is as follows:

Principal, economic development loans:		
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	$	51,170
Avanza Technologies, Inc.		227,944
Subtotal economic development loans		279,114
Less: Reserve for loan losses		(279,114)
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	$	0

During fiscal year 2017 the County created a Housing sub-fund of the Economic Development Fund to fund housing program loans. The Home Renewal Program is managed by the Los Alamos Housing Partnership Inc. by agreement with Los Alamos County. It allows selected income-qualified Los Alamos County homeowners to make needed repairs or improvements to their homes to increase comfort, safety, and livability -- without adding to monthly expenses as these loans are deferred based on an affordability period. The detail of the loan receivable balances at June 30, 2017 is as follows:

Principal, home renewal program loans:		
Loan No. FY2017 - 1	$	5,450
Loan No. FY2017 - 2		16,105
Loan No. FY2017 - 3		12,107
Loan No. FY2017 - 4		24,603
Loan No. FY2017 - 5		45,000
Loan No. FY2017 - 6		16,500
Loan No. FY2017 - 7		35,000
Subtotal economic development loans		154,765
Less: Reserve for loan losses		-
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	$	154,765

(6) INTERFUND TRANSFERS, ASSETS, AND LIABILITIES

Interfund transfers:

The County records transfers to fund the operations and projects of other funds, to provide for debt service, to record profit transfers from utility funds, record the movement of capital assets between funds, and as otherwise needed and required by GAAP.

The interfund transfers during the year ended June 30, 2017 are:

Transfers in (from other funds)	Transfers out (to other funds)									
	General	Economic Development	Capital Improvement Projects	Capital Projects Permanent	Joint Utility System	Environmental Services	Transit	Fire	Other Governmental	Total
General	$ 0	0	35,000	0	821,156	0	0	1,352,154	0	2,208,310
Economic Development	0	0	200,000	0	0	0	0	0	0	200,000
Emergency Declarations	58,515	0	0	0	15,000	25,015	0	0	0	98,530
Capital Improvement Projects	4,729,180	90,800	0	1,218,942	0	0	0	0	580,000	6,618,922
Transit	1,000,000	0	0	0	0	0	0	0	0	1,000,000
Airport	396,489	0	0	0	0	0	0	0	0	396,489
Internal Service	0	0	0	0	0	380	388,868	0	0	389,248
Other Governmental	6,625,646	0	0	0	0	0	0	0	0	6,625,646
	$ 12,809,830	90,800	235,000	1,218,942	836,156	25,395	388,868	1,352,154	580,000	17,537,145

Capital assets were transferred into (out of) the following funds from (to) governmental activities:

Joint Utility System	$ 194,000
Internal Service	571,280
Total	$ 765,280

Interfund assets and liabilities:

An advance from the General Fund to the Airport Fund for construction projects was recorded in FY 2010 in the amount of $146,799. Since additional advances are expected for other Airport projects, no repayment schedule has been set and the entire balance is considered long-term.

Advance from/to balances at June 30, 2017 are presented below:

Advances from other funds	Advances to other funds
	General
Airport	$ 146,799
	$ 146,799

All other interfund balances were expected to be repaid within a year and are classified as due to/due from balances. These balances represent pension contributions payable, pension forfeitures receivable, and the reclassification of negative pooled cash in the Emergency Declarations Fund and Fire Fund.

Due to/due from balances at June 30, 2017 are presented below:

Due to other funds	Due from other funds		
	General	Pension Trust	Total
General	$ 0	49,962	49,962
Emergency Declarations	132,321	0	132,321
Fire	1,601,777	0	1,601,777
Other Governmental	294,677	0	294,677
Pension Trust	109	0	109
	$ 2,028,884	49,962	2,078,846

(7) CAPITAL ASSETS

The County capitalized approximately $48.9 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, $31.7 were additions to governmental activities and $17.2 million were additions to business-typed activities In addition, during FY 2017, the County added approximately $25.6 million in new construction in progress, $15.2 million in governmental activities and $10.4 million in business-type activities.

Machinery and equipment in the amount of $571,280 was transferred from governmental activities to business-type activities. This represents vehicles and other machinery and equipment purchased by the General Fund and transferred to the Equipment internal service fund. Construction work in progress of $194,000 was transferred from governmental activities to the business-type activities (Joint Utility System Fund) for utility assets being constructed as part of the White Rock Civic Center project.

Capital asset activity for the year ended June 30, 2017 was as follows:

		June 30, 2016 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2017 Balance
Governmental activities capital assets:						
Capital assets, not being depreciated:						
Land	$	53,238,544	551,042	0	0	53,789,586
Right of way land		18,001,114	0	0	0	18,001,114
Art and historic treasures		1,456,601	31,648	0	0	1,488,249
Construction in progress		3,165,475	15,213,068	(14,519,512)	(194,000)	3,665,031
Total capital assets, not being depreciated		75,861,734	15,795,758	(14,519,512)	(194,000)	76,943,980
Capital assets, being depreciated						
Buildings		139,507,703	4,049,501	0	0	143,557,204
Improvements other than buildings		19,176,867	1,778,360	0	0	20,955,227
Machinery and equipment		18,190,038	1,717,867	(1,727,401)	(571,280)	17,609,224
Infrastructure		182,351,652	8,332,018	(1,821,215)	0	188,862,455
Capital assets, being depreciated		359,226,260	15,877,746	(3,548,616)	(571,280)	370,984,110
Less accumulated depreciation for:						
Buildings		(23,401,298)	(2,929,683)	0	0	(26,330,981)
Improvements other than buildings		(7,787,516)	(599,873)	0	0	(8,387,389)
Machinery and equipment		(10,061,114)	(1,115,043)	1,674,235	0	(9,501,922)
Infrastructure		(96,857,895)	(7,414,272)	1,298,485	0	(102,973,682)
Total accumulated depreciation		(138,107,823)	(12,058,871)	2,972,720	0	(147,193,974)
Total capital assets, being depreciated, net		221,118,437	3,818,875	(575,896)	(571,280)	223,790,136
Total governmental activities capital assets	$	296,980,171	19,614,633	(15,095,408)	(765,280)	300,734,116
Business-type activities capital assets:						
Capital assets, not being depreciated:						
Land	$	8,524,970	0	0	0	8,524,970
Construction in progress		8,549,104	10,391,033	(5,894,254)	0	13,045,883
Total capital assets, not being depreciated		17,074,074	10,391,033	(5,894,254)	0	21,570,853
Capital assets, being depreciated						
Buildings		23,999,622	0	0	0	23,999,622
Improvements other than buildings		17,555,084	0	0	0	17,555,084
Utility plant in service		311,670,160	4,863,031	(1,093,466)	194,000	315,633,725
Machinery and equipment		30,806,821	1,941,389	(1,420,987)	815,644	32,142,867
Capital assets, being depreciated		384,031,687	6,804,420	(2,514,453)	1,009,644	389,331,298
Less accumulated depreciation for:						
Buildings		(5,468,464)	(589,408)	0	0	(6,057,872)
Improvements other than buildings		(6,478,954)	(811,434)	0	0	(7,290,388)
Utility plant in service		(142,997,437)	(7,772,734)	630,998	0	(150,139,173)
Machinery and equipment		(15,036,854)	(2,302,937)	1,339,014	0	(16,000,777)
Total accumulated depreciation		(169,981,709)	(11,476,513)	1,970,012	0	(179,488,210)
Total capital assets, being depreciated, net		214,049,978	(4,672,093)	(544,441)	1,009,644	209,843,088
Total business-type activities capital assets	$	231,124,052	5,718,940	(6,438,695)	1,009,644	231,413,942

Depreciation expense for the year ended June 30, 2017 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	$ 2,666,952
Public safety	672,732
Transportation	7,450,971
Culture and recreation	1,268,216
Total depreciation expense - governmental activities	$ 12,058,871
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	$ 4,610,259
Gas	369,399
Water	1,955,835
Wastewater	837,241
Environmental Services	194,371
Transit	150,371
Fire	488,872
Airport	741,372
Equipment - Internal Service	2,128,793
Total depreciation expense - business-type activities	$ 11,476,513

(8) RETIREMENT AND DEFERRED COMPENSATION PLANS

A. State of New Mexico - Public Employees' Retirement Association (PERA)

Plan description: The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22,

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

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at **http://www.nmpera.org/.**

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at **http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf**

Contributions: The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 43 of the PERA FY16 annual audit report at **http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf**. The PERA coverage options that apply to the County are: the Municipal Plan 3, Municipal Police Plan 5, Municipal Detention Officer Plan 1, and the Municipal Fire Plan 5.
The active plan rates for plans the County participates in are summarized below:

Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage
	Annual salary $20,000 or less	Annual salary greater that $20,000	
Municipal Plan 3	13.15%	14.65%	9.55%
Municipal Police Plan 5	16.30%	17.80%	18.90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%
Municipal Fire Plan 5	16.20%	17.70%	21.65%

Statutorily required contributions to the pension plan from the County were $5,145,867 and employer paid member benefits that were “picked up” by the County were $29,226 for the year ended June 30, 2017. The County’s total contributions to PERA for the years ended June 30, 2017, 2016, 2015, and 2014 were $5,175,093, $4,857,054, $4,830,706, and $4,612,333, respectively, which were equal to the required contributions for each year.

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members (includes detention), municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates

are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were preformed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The County's proportion of the net pension liability for each membership group that the County participates in is based on the County's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For the PERA Municipal General Division, at June 30, 2016, the County reported a liability of $49,462,020 for its proportionate share of the net pension liability. At June 30, 2016, the County's proportion was 3.0931 percent, which was a decrease from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized PERA Municipal General Division net pension expense of $3,036,974. At June 30, 2017, the County reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal General Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,985,818	$ 0
Changes of assumptions	2,977,330	38,556
Net difference between projected and actual earnings on pension plan investments	9,093,822	0
Changes in proportion and differences between County contributions and proportionate share of contributions	0	(121,244)
County contributions subsequent to measurement date	2,534,844	0
Totals	$ 16,591,814	$ (82,688)

$2,534,844 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2017	$	2,991,960
2018		2,991,960
2019		5,563,827
2020		2,426,535
Thereafter	$	0

For PERA Municipal Police Division, at June 30, 2016, the County reported a liability of $7,927,902 for its proportionate share of the net pension liability. At June 30, 2016, the County's proportion was 1.0753 percent, which was an increase from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized PERA Municipal Police Division net pension expense of $324,154. At June 30, 2017, the County reported PERA Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal Police Plan		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	570,692	$	0
Changes of assumptions		389,156		0
Net difference between projected and actual earnings on pension plan investments		1,872,380		(620,935)
Changes in proportion and differences between County contributions and proportionate share of contributions		179,802		(49,495)
County contributions subsequent to measurement date		405,149		0
Totals	$	3,417,179	$	(670,430)

$405,149 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2017	$	568,111
2018		568,111
2019		879,745
2020		325,633
Thereafter	$	0

For PERA Municipal Fire Division, at June 30, 2016, the County reported a liability of $50,835,148 for its proportionate share of the net pension liability. At June 30, 2016, the County's proportion was 7.6203 percent, which was a decrease from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized PERA Municipal Fire Division net pension expense of $4,747,863. At June 30, 2017, the County reported PERA Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal Fire Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,333,391	$ 0
Changes of assumptions	2,705,146	0
Net difference between projected and actual earnings on pension plan investments	4,241,458	0
Changes in proportion and differences between County contributions and proportionate share of contributions	123,227	(930,568)
County contributions subsequent to measurement date	1,920,956	0
Totals	$ 11,324,178	$ (930,568)

$1,920,956 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2016 were recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2017	$	1,763,334
2018		1,763,334
2019		2,197,318
2020		2,748,668
Thereafter	$	0

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

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment expense
Payroll growth	2.75% for first 10 years, then 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 10 years, 2.75% all other years

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

All funds - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	43.5%	7.39%
Risk Reduction and Mitigation	21.5%	1.79%
Credit Oriented Fixed Income	15.0%	5.77%
Real Assets	20.0%	7.35%
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County'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 table below presents the County's net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
PERA Municipal General Division:			
County's proportionate share of the net pension liability	$ 73,676,844	$ 49,462,020	$ 29,295,270
PERA Municipal Police Division:			
County's proportionate share of the net pension liability	11,672,172	7,927,902	4,875,959
PERA Municipal Fire Division:			
County's proportionate share of the net pension liability	66,492,113	50,835,148	34,974,588

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the FY16 PERA financial report. The report is available at **http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf**.

B. Los Alamos County Employees Pension Plan

All County employees (except those classified as casual, temporary, or elected officials) also participate in a single-employer defined contribution plan (the Plan) administered under authority of the County Council. The Plan's financial position and results of operation are reported in the accompanying financial statements in the Pension Trust Fund. The County does not prepare a separate report for the Plan. The Plan Agreement requires the County to contribute bi-weekly an amount equal to 9.0 percent of the compensation paid to all participating employees. Participants are required to contribute bi-weekly an amount equal to 1.0 percent of their individual compensation. The amount contributed by the participant, and four ninths of the amount contributed by the County, are vested immediately. Five ninths of the amount contributed by the County is subject to a seven-year step-vesting schedule. Participants are not allowed to make voluntary contributions to the Plan. Changes to plan provisions require approval by the County Council.

Total contributions for the year ended June 30, 2017 were $3,864,894 ($391,258 participant; and $3,473,636 County, net of forfeitures of $47,689). All required contributions were actually made to the Plan. In accordance with the Plan Agreement, forfeitures of unvested participant balances are used to reduce the County's contributions.

The Plan authorizes participants to borrow from the Plan. These loans are secured with participant balances. Participants are allowed to have one outstanding loan at any given time. Loans cannot exceed $50,000 or 50% of the borrower's vested benefit. Interest is fixed to one percent plus the prime rate listed in the Wall Street Journal at loan origination. Loans used to acquire a home are limited to a term of up to fifteen years. Other loans are limited to a term of up to five years. A one-time $125 loan origination fee is charged to the participant at the inception of the loan.

Financial statements for the Plan are prepared using the accrual basis of accounting. Employer and participant contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the Plan. Administrative expenses of the plan for the year ended June 30, 2017 were $58,622, which included allocated audit fees of $5,857, trustee fees of $47,668, and legal fees of $5,097.

Plan investments at June 30, 2017, stated at fair value, based on the funds' share price are shown in the table on the following page.

Mutual funds at fair value:		
American Funds	$	3,053,188
Invesco International Growth		2,217,131
T. Rowe Price Blue Chip Growth		10,714,266
AB Relative		8,746,825
JPMorgan Mid Cap		4,161,196
Loomis Sayles Strategic Income		1,976,768
Gabelli Small Cap		5,312,974
PIMCO Stable Income		2,767,807
Templeton Global Bond		1,736,352
Franklin Mutual Global		5,977,346
Total investments	$	46,663,853

C. Deferred Compensation Plans

The County offers to its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. Certain executive employees also may participate in a deferred compensation plan established in accordance with Internal Revenue Code Section 401. Any contributions made to the deferred compensation plans are not available to employees until termination of employment, retirement, death, or an unforeseen emergency. A private corporation under contract with the County administers assets of the plans. Plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. The County provides neither administrative services nor investment advice to the plans. Therefore, no fiduciary relationship exists between the County and the deferred compensation pension plans.

The County makes contributions to the deferred compensation plans for certain employees in accordance with their employment contracts. The cost to the County for these contributions was 23,617.68 for the fiscal year ended June 30, 2017.

D. New Mexico Retiree Health Care Act – Post Employee Benefit

Plan Description: The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and

amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

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

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

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee, and retiree contributions are required to be remitted to the RHCA on a monthly basis. The County began participation in the RHCA plan in January, 2006. The County's contributions to the RHCA for the fiscal years ended June 30, 2017, 2016, and 2015 were $858,864, $802,083 and $783,174, respectively, which equal the required contributions for each year.

(9) LONG-TERM OBLIGATIONS

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017, was as follows:

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:						
Accrued compensated absences	$	2,894,395	2,005,683	1,690,877	3,209,201	2,179,780
Revenue bonds payable		52,034,028	0	4,206,472	47,827,556	4,395,000
Total governmental activities	$	54,928,423	2,005,683	5,897,349	51,036,757	6,574,780
Business-type activities:						
Accrued compensated absences	$	3,185,065	1,928,222	1,956,430	3,156,857	2,325,948
Claims and judgments		3,165,717	3,033,192	3,165,717	3,033,192	1,929,328
Revenue bonds payable		30,339,868	0	2,849,475	27,490,393	2,800,000
Contracts and intergovernmental debt		16,967,732	182,000	917,608	16,232,124	942,533
Special closure costs		8,653,206	2,101,478	91,685	10,662,999	861,893
	$	62,311,588	7,244,892	8,980,915	60,575,565	8,859,702

In prior years, resources of the General Fund have been used to liquidate the liability for compensated absences. Internal service funds of the County predominantly serve the proprietary funds. Accordingly, compensated absences in the amount of $128,373 and claims and judgments in the amount of $3,033,192 from internal service funds are included as part of the business-type activities

B. Gross Receipts Tax Improvement Revenue Bonds

GRT Revenue Bonds – 2008/2013 Series

On October 21, 2008, the County closed on the sale of The Incorporated County of Los Alamos, New Mexico Gross Receipts Tax (GRT) Improvement Revenue Bonds, Series 2008. The original bonds were issued in the amount of $75,000,000 with a final maturity date of June 1, 2028. On June 26, 2013, the County issued $38,235,000 Gross Receipts Tax Refunding Revenue Bonds, Series 2013 which advance refunded a portion of the 2008 Series. The net proceeds of $49,926,817 (including $5,178,930 in premiums net of discount [$115,496], $6,700,000 additional funding from the County less $187,113

in underwriting, insurance and issuance costs) were deposited into escrow and used to pay a portion of the interest on the 2008 Series when due beginning December 1, 2013 through June 1, 2028 and redeem the outstanding 2008 Series maturing on June 1, 2029 and after, when callable on June 1, 2018. The un-refunded Series 2008 Revenue Bonds have principal outstanding of $12,540,000 at June 30, 2015, with a final maturity date of June 1, 2018. Interest on the bonds is payable semi-annually at rates ranging from 3.45% to 5.00%, with an average coupon rate of 4.22%.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $9,653,817. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2028 using the straight-line method. The County completed the advance refunding in order to reduce its total debt service payments over the next 14 years by $9,515,950, and to recognize an economic gain (difference between the present values of the old and new debt service payments) of $1,151,198.

The bonds were issued for the purpose of providing funds for public projects related to public facilities, roads and streets, public works, parks and recreation, and community services. The two largest projects to be funded with the proceeds are the Airport Basin Project and the Judicial / Police / Jail Complex Project.

Revenues pledged to cover debt service include (1) the County's State-Shared Gross Receipts Tax Revenues, at the rate authorized (currently 1.225%), (2) the Municipal Gross Receipts Tax Revenues, which equal one and one quarter percent (1.25%), (3) the Municipal Infrastructure Gross Receipts Tax Revenues, in an amount of one-eighth of one percent (0.125%), and (4) the third one-eighth of one percent (0.125%) increment of County Gross Receipts Tax Revenues. The schedules of current year activity and annual maturity requirements of the 2008 GRT Bonds and 2013 GRT Advance Refunding Bonds are as follows:

Year ending	2008 Series		2013 Series	
June 30	Principal	Interest	Principal	Interest
2018	4,395,000	228,038	0	1,645,559
2019	0	0	4,620,000	1,645,559
2020	0	0	3,090,000	1,460,759
2021	0	0	3,215,000	1,337,159
2022-2026	0	0	18,650,000	4,107,044
2027-2028	0	0	8,660,000	436,536
	$ 4,395,000	228,039	38,235,000	10,632,615

2008 Series Principal	$ 4,395,000
2013 Series Principal	38,235,000
Unamortized balances:	
Discounts and premiums	5,197,556
	$ 47,827,556

C. Utility System Revenue Bonds

All Joint Utility System revenue bonds are secured by a pledge of the net revenues of the Joint Utility System and certain funds established pursuant to the bond indentures. Accordingly, the bondholders may not seek repayment from the general public or any other fund of the County. The County has complied with all indenture requirements.

Utility Revenue Bonds – 2014 A and B Series

On August 13, 2014, the County issued The Incorporated County of Los Alamos, Joint Utility System Bonds, Series 2014A (tax-exempt) and 2014B (taxable). The bonds were issued in the par amount of $21,690,000 with a final maturity date of June 1, 2034 for the Series 2014A and June 1, 2021 for the Series 2014B. Interest on the bonds is payable semi-annually beginning December 1, 2014 at rates ranging from 3.1% to 5.10% for the series 2014A and 0.37% to 2.91% for the series 2014B.

The Series 2014A and 2014B bonds were issued to refund the Joint Utility Fund Bonds, Series 2004A, 2004B, and advance refund Series 2006A, and 2006B, and provide $16,853,827 for Joint Utility System projects. The net proceeds of $22,652,043 (including $1,067,958 in premiums, less $105,915 of bond issuance costs) along with $7,994,493 of prior debt service restricted reserves from the 2004/2006 fund proceeds, were used to retire the outstanding 2004/2006 Series Utility Revenue Bonds. Proceeds of $1,436,504 from the 2014A series and proceeds of $2,514,099 of the 2014B series were also used to advance refund remaining portions of the 2006A/B series bonds payable. As a result, the 2004 A and B and 2006 A and B Series Utility Revenue Bonds have been removed from the government wide statement of net position.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $747,197. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2034 using the straight-line method. The County completed the advance refunding in order to reduce its total debt service payments over the next 10 years by $8,317,334, and to recognize an economic gain (difference between the present values of the old and new debt service payments) of $303,540.

The scheduled annual maturity requirements of the 2014 Series A and B Utility Revenue Bonds as of June 30, 2017 are as presented below.

Year ending June 30	2014A Series Principal	2014A Series Interest	2014B Series Principal	2014B Series Interest
2018	$ 585,000	373,785	1,550,000	159,091
2019	620,000	343,950	1,575,000	128,540
2020	635,000	330,930	1,615,000	91,669
2021	670,000	298,545	1,655,000	48,194
2022	465,000	264,375	0	0
2023-2027	2,390,000	983,250	0	0
2028-2032	2,645,000	535,473	0	0
2033-2034	1,200,000	69,685	0	0
	$ 9,210,000	3,199,993	6,395,000	427,494

2014A Series Principal	$ 9,210,000
2014B Series Principal	6,395,000
Unamortized balances:	
Discounts and premiums	768,350
Total payable	$ 16,373,350

Utility Revenue Bonds – 2010 Series

On August 12, 2010, the county issued $13,085,000 in Utility Revenue bonds (2010 Series A, B, C, D). These are 20-year bonds and will be fully amortized on June 1, 2030. The Series A are tax-exempt bonds with an aggregate principal of $3,785,000. The Series B are taxable direct payment Build America bonds with an aggregate principal of $1,535,000. Series C are taxable direct payment Recovery Zone Economic Development bonds with an aggregate principal of $3,680,000. Series D are taxable bonds with an aggregate principal of $4,085,000. The bonds have various interest rates with a blended interest rate of 5.355%. The Build America and Recovery Zone Economic Development bonds both include a federal subsidy component, receipt of which is dependent on meeting federal reporting requirements. The total federal subsidy is $2,168,587 for the life of the bonds and is recorded as intergovernmental revenue when earned. The primary purpose of the bond issue was to enhance the County's Utility System by constructing a low flow turbine generator at the County's Abiquiu hydroelectric plant, constructing new and renovating existing electric distribution lines both in the overhead and underground systems, including but not limited to transformers, switchgear, protective devices and other appurtenances and equipment; and improving and renovating water distribution and transmission systems.

The scheduled annual maturity requirements of the 2010 Series A, B, C, and D Utility Revenue Bonds as of June 30, 2017 are as presented below.

Year ending June 30	2010 A Series Principal	2010 A Series Interest	2010 B Series Principal	2010 B Series Interest	2010 C Series Principal	2010 C Series Interest	2010 D Series Principal	2010 D Series Interest	Total
2018	480,000	98,950	0	84,364	0	222,167	185,000	180,868	1,251,349
2019	495,000	83,250	0	84,363	0	222,168	190,000	172,828	1,247,609
2020	510,000	63,900	0	84,364	0	222,167	200,000	164,191	1,244,622
2021	535,000	43,800	0	84,363	0	222,167	210,000	154,899	1,250,229
2022	560,000	22,400	0	84,364	0	222,167	220,000	144,932	1,253,863
2023-2027	0	0	1,535,000	155,812	1,570,000	1,042,246	1,285,000	528,800	6,116,858
2028-2030	0	0	0	0	2,110,000	259,008	970,000	120,080	3,459,088
	$ 2,580,000	312,300	1,535,000	577,630	3,680,000	2,412,090	3,260,000	1,466,598	15,823,618

2010A Series Principal	$ 2,580,000
2010B Series Principal	1,535,000
2010C Series Principal	3,680,000
2010D Series Principal	3,260,000
Unamortized balances:	
Discounts and premiums	62,044
Total payable	$ 11,117,044

D. Intergovernmental Notes Payable

Business-type Activities

Beginning in December 2005 through January 2013, the County entered into various agreements to borrow $22,095,998 from several State of New Mexico Agencies, to partially fund various projects. The purpose of each loan, the source of debt service payments, and other details are described below:

CWSRF 1438143: To partially fund the construction of a new wastewater treatment facility. The loan is to be repaid solely from the net revenues from the operation of only the Wastewater subfund, which is a part of the Joint Utility System Fund.

WTB 63: To construct a water line to transfer treated effluent water to County parks and ball fields. The loan is to be repaid from existing Utility system revenues. The agreement included a grant in the amount of $585,720.

PP 1898: To construct a solid waste transfer station. The loan is to be repaid from Municipal Environmental Services Gross Receipts Tax revenues.

WTB 89: To finance the costs of Phase II of the water conservation, treatment and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $319,648.

ARRA CWSRF 09: To finance the costs of Phase II of the effluent reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $150,000.

WTB 156: To finance the costs of Phase II of the water conservation, treatment, and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $590,000.

WTB 157: To finance the costs of environmental studies for a proposed collector well for water from the San Juan/Chama Diversion Project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $200,000.

WTB 220: To finance the costs of the project to upgrade public safety at the Los Alamos Canyon Dam. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $900,000.

WTB 221: To finance the costs of the water conservation treatment recycling or reuse project at the Los Alamos Canyon Reservoir. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $210,000.

WTB 318: To finance the total costs incurred for the Group 12 water tank rehabilitation project located on Arizona Avenue. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of $843,600.

WTB 340: To finance the costs of design and construction to replace the sole wastewater treatment plant pipeline from the Bayo booster station in Bayo Canyon up to the top of the North Mesa. The loan is to be repaid from existing water system revenues. The agreement included a grant in the amount of $273,000.

Loan terms and repayment schedules are shown on the following page.

	New Mexico Environment Department	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Environment Department Construction Programs Bureau	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	Totals
	CWSRF				ARRA							
Loan Number	1438143	WTB 63	PP 1898	WTB 89	CWSRF O9	WTB 156	WTB 157	WTB 220	WTB 221	WTB 318	WTB 340	
Date of agreement	Dec 2005	Apr 2007	May 2007	Nov 2008	Dec 2009	Jul 2010 (a)	Jul 2010 (b)	Nov 2011	Jan 2013	Jun-15	Mar-15	
Beginning principal	14,355,105	65,080	5,861,189	79,912	234,812	147,500	50,000	600,000	140,000	562,400	182,000	
Term of agrement, in years	20	20	27	20	20	20	20	20	20	20	20	
Interest rate	3%	-	4.06%	-	2.56%	-	-	-	-	-	-	
Administrative fee	-	0.25%	-	0.25%	0.44%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
Payable in year ending 6/30/2018:												
Principal	657,042	3,259	183,346	4,076	10,434	7,328	2,484	30,620	6,922	27,717	9,308	942,536
Interest and/or admin fee	307,846	82	178,300	113	5,349	241	82	1,089	264	1,274	428	495,068
Total	964,888	3,341	361,646	4,189	15,783	7,569	2,566	31,709	7,186	28,991	9,736	1,437,604
Payable in year ending 6/30/2019:												
Principal	676,753	3,267	190,533	4,087	10,747	7,347	2,490	30,694	6,938	27,785	9,331	969,972
Interest and/or admin fee	288,135	74	171,132	103	5,036	223	76	1,012	247	1,205	405	467,647
Total	964,888	3,341	361,665	4,190	15,783	7,570	2,566	31,706	7,185	28,990	9,736	1,437,619
Payable in year ending 6/30/2020:												
Principal	697,056	3,276	198,078	4,097	11,070	7,365	2,497	30,769	6,956	27,854	9,354	998,372
Interest and/or admin fee	267,832	66	163,606	93	4,713	205	70	936	230	1,135	381	439,267
Total	964,888	3,342	361,684	4,190	15,783	7,570	2,567	31,705	7,186	28,989	9,735	1,437,639
Payable in year ending 6/30/2021:												
Principal	717,967	3,284	205,981	4,107	11,402	7,383	2,503	30,843	6,973	27,924	9,377	1,027,744
Interest and/or admin fee	246,921	58	155,722	83	4,381	187	63	859	212	1,066	358	409,909
Total	964,888	3,342	361,703	4,190	15,783	7,570	2,566	31,702	7,185	28,990	9,735	1,437,653
Payable in year ending 6/30/2022:												
Principal	739,506	3,292	214,261	4,117	11,744	7,402	2,509	30,918	6,991	27,994	9,401	1,058,135
Interest and/or admin fee	225,382	50	147,462	73	4,039	168	57	781	195	996	334	379,537
Total	964,888	3,342	361,723	4,190	15,783	7,570	2,566	31,699	7,186	28,990	9,735	1,437,672
Payable in five years ending 6/30/2027:												
Principal	4,043,925	16,584	1,209,316	24,922	64,221	37,288	12,640	155,722	35,216	141,022	47,358	5,788,214
Interest and/or admin fee	780,518	124	599,647	219	14,694	564	191	2,744	710	3,926	1,319	1,404,656
Total	4,824,443	16,708	1,808,963	25,141	78,915	37,852	12,831	158,466	35,926	144,948	48,677	7,192,870
Payable in five years ending 6/30/2032:												
Principal	2,729,295	-	1,479,677	-	58,667	22,598	7,660	125,943	35,658	142,792	47,955	4,650,245
Interest and/or admin fee	165,372	-	329,963	-	4,465	113	38	788	268	2,154	724	503,885
Total	2,894,667	-	1,809,640	-	63,132	22,711	7,698	126,731	35,926	144,946	48,679	5,154,130
Payable in five years ending 6/30/2035:												
Principal	-	-	681,310	-	-	-	-	-	0	86,535	29,061	796,906
Interest and/or admin fee	-	-	42,769	-	-	-	-	-	0	433	145	43,347
Total	-	-	724,079	-	-	-	-	-	0	86,968	29,206	840,253
Total payable												
Principal	**10,261,544**	**32,962**	**4,362,502**	**45,406**	**178,285**	**96,711**	**32,783**	**435,509**	**105,654**	**509,623**	**171,145**	**16,232,124**
Interest and/or admin fee	**2,282,006**	**454**	**1,788,601**	**684**	**42,677**	**1,701**	**577**	**8,209**	**2,126**	**12,189**	**4,094**	**4,143,317**
Total	**12,543,550**	**33,416**	**6,151,103**	**46,090**	**220,962**	**98,412**	**33,360**	**443,718**	**107,780**	**521,812**	**175,239**	**20,375,441**

(10) POWER SUPPLY

The Public Service Company of New Mexico (PNM) adjusts its transmission rate annually using the Form 1 worksheet from the Federal Energy Regulatory Commission (FERC). This worksheet reflects PNM's actual financials for the previous year. For the year ended June 30, 2017, the Formula Rate adjustment resulted in a 12.25 percent increase.

In July 1987, the County entered a "life-of-plant" agreement with the City of Lincoln, Nebraska (Lincoln) for the long-term purchase of approximately 10 megawatts of capacity and energy from the Lincoln ownership interest in the Laramie River Station (LRS). The agreement requires the County to pay an annual fixed power cost of approximately $1,322,000, adjusted for certain items in accordance with the contract through August 2016. Additionally, the County is required to pay a share of Lincoln's costs and assessments resulting from Lincoln's ownership interest in Laramie River Station, including fuel, operation and maintenance costs, and costs of renewals, replacements, and capital improvements. For the year ended June 30, 2017, the County paid $2,754,741 under this agreement, which is included in purchased power expense. The original debt service for LRS has been paid off which saves the County approximately $1,320,000 annually. Arrears payments will be made for 18 months that are expected to be paid in full by December of 2017. In addition to the arrears payments, the County expects LRS to begin compliance with their State Implementation Plan (SIP) associated with the Best Available Retrofit Technology (BART) settlement of the Environmental Protection Agency (EPA), under which the County's estimated share of costs is approximately $2.5 million dollars to be expensed over a 2-year period. The energy from LRS is delivered to New Mexico over the Western Area Power Administration (WAPA) transmission path described below.

The County also has a firm transmission services agreement with the WAPA that requires monthly payments at a rate of approximately $14,825 plus ancillary services. Furthermore, the County has transmission service agreements with Jemez Mountain Electric Cooperative (Jemez), Tri-State Generation and Transmission Cooperative, PNM, and Northern Rio Arriba Electric Cooperative (NORA) for transmission of County hydroelectric power to the County service area. The County's contract with NORA includes a prepayment of $33,700 plus gross receipts taxes. Any remaining credit will be utilized in FY18. The payment to Jemez for FY 2017 was $44,237.

The County also has the following annual obligations to pay for water to power its hydroelectric plants: a minimum of $50,000 to pay the Middle Rio Grande Conservancy District for the El Vado Hydroelectric Plant; and approximately $180,000 to pay FERC for headwater benefits associated with the San Juan-Chama Diversion Project. FERC also collects approximately $94,000 annually in administrative and falling water fees.

(11) RESOURCE POOL

In 1985 the County and the U.S. Department of Energy (DOE) entered into an Electric Coordination Agreement (ECA) to create a Resource Pool (Pool) to which each party contributes the capacity and energy of their individual electric supply and transmission resources to meet their combined requirements. The County's major contributions to the Pool consist of energy from its San Juan Unit 4 Interest, the El Vado Hydroelectric Project, the Abiquiu Hydroelectric Project, the Laramie River Station, the WAPA entitlement, the PNM Network Integration Transmission Service Agreement (NITSA), and various transmission service agreements. The County received $22,535,491 for fiscal year 2017 from DOE, which is included in utility sales and services, as a result of this contract.

The ECA was renewed in fiscal year 2014 with a five-year base term and five one-year options. In FY 2015 the agreement was amended with a fixed expiration date of June 30, 2025.

(12) SPECIAL CLOSURE COSTS

A. Landfill (Environmental Services Fund)

During the year ended June 30, 2012, the County closed a landfill site, which is owned by the U.S. Department of Energy (DOE) and is located in the County. State and federal laws require the County to monitor and maintain the landfill site for thirty years after it is closed, and to provide financial assurance to fund those activities. The County recognized the closure and post-closure care costs during the periods that the Landfill was in operation. The amount recognized each year was based on the total estimated cost of closure and post-closure care, the amount of the liability that had been recognized in previous years and the estimated time that the landfill would remain open.

In May 2007, the New Mexico Environment Department (NMED) approved the County's landfill closure plan, which had a total cost estimate of $3,366,269. In April 2009, the County began operating its new solid waste transfer station, and the Landfill began limiting the types of waste that it would accept. During the year ended June 30, 2011, estimated capacity at the landfill reached 100%. During the year ended June 30, 2012, the Landfill was closed, capped, and the County began to install a field of solar panels over the capped landfill.

The total cost estimate for landfill closure increased in fiscal year 2012 because the original closure plan had to be enhanced to accommodate the solar panels. In fiscal years 2015 and 2016, the liability was increased to take care of drainage and methane accumulation issues. In fiscal year 2017, the liability was increased for the methane extraction system construction costs. The new total cost estimate is $5,558,069, and expenditures to date are $4,369,528.

As of June 30, 2017, the landfill closure liability is estimated to be $1,188,540 ($861,893 to complete the landfill closure, $276,269 for 30-year post-closure costs, and $50,378 for transfer station decommissioning). The liability is funded at 100% and there are restricted assets in the Environmental Services Fund equal to the closure liability amount.

The estimated cost of landfill and Transfer Station closure is subject to changes resulting from inflation, deflation, or changes in technology or applicable laws or regulations.

B. San Juan Generating Station (Electric Utility Fund)

The County owns a 7.2 percent undivided interest in Unit 4 of the San Juan Electric Generating Station, which is operated by the Public Service Company of New Mexico (PNM). The station consists of four pulverized coal-fired generating units. Unit 4, built in 1982, will exceed its planned useful life by the year 2022, however PNM has engaged a consultant to evaluate extension of the life of Unit 4 until the year 2052. Units 2 and 3 are scheduled for closure by December 31, 2017, under the State Implementation Plan (discussed in Note 10), but Unit 4 remains operational.

In 1992, an engineering firm conducted a decommissioning study that estimated the County's portion of the decommissioning costs to be $2,932,770. In June 2003, an updated demolition study was conducted on the generating station, which materially agreed to the previous estimate. In January 2012 another updated study was performed which estimated the County's portion of decommissioning costs to be $3,388,233 with deductions for potential sales of scrap materials, or $5,478,503 without deductions. After the 1992 study the County began accumulating a decommissioning reserve fund to accumulate

sufficient funds for the anticipated decommissioning and demolition costs, using an assumed 4 percent inflation factor. During fiscal year 2005, in conjunction with the refinancing of the 1994 bond issue, $403,507 of the decommissioning reserves was applied to reduce the face amount of the 2004A refunding bonds. In fiscal year 2017, $188,400 was set aside for this San Juan decommissioning. As of June 30, 2017, $4,911,606 was invested for this purpose.
Using the 2012 updated study and the inflation factor of 4 percent, the County would incur an actual decommissioning cost of $5.2 million in 2022 or $7.1 million in 2030 (with scrap deductions), and should have accumulated over $4 million as of June 30, 2016. Actual inflation has not been over 4 percent since 1991, and has averaged approximately 2.5 percent in that time, so the County believes the accumulated reserve is adequate as of June 30, 2017, but will periodically review the assumptions to determine whether more or less should be set aside each year.

Benefits received from the San Juan Restructuring
To meet the EPA's Best Available Retrofit Technology (BART) ruling on regional haze, the participants negotiated an equitable settlement allowing four of the owners to exit the plant early with the shutdown of units 2 and 3 and the installation of Selective Non-Catalytic Reduction (SNCR) on units 1 and 4. A demand charge was established for the departing owners to reimburse the remaining owners for continued use of the plant through December 31, 2017. The amount due to Los Alamos County is $1,376,400. On March 1, 2016, Los Alamos County received $622,657.17 which represents payments from July 2014 through January 2016; and will receive $32,771.43 per month through December 2017. There was also a restructuring fee paid by the departing owners to the remaining owners as consideration for allowing the early exit. The intent was to cover the costs of negotiating and executing the restructuring for the remaining parties. The total amount received by Los Alamos County was $1,953,600.00, which was received on March 1, 2016.

It is the County's position that this fee is strictly related to ownership of the plant, which resides with Los Alamos County and therefore will be excluded from the power pool.

C. Coal mine Reclamation (Electric Utility Fund)

The County is required under the San Juan Generation Project Participation Agreement (PPA) to fund its share of reclamation costs for the San Juan surface coal mine. The total final cost will be dependent on the eventual closure date of the San Juan Generating Station, because coal ash from continued operations of the station provides material for the fill. The surface mine itself has been out of service for several years. While there is no current consensus on potential operations of the plant, for estimating purposes a closure date in 2038 was initially assumed. Under the terms of the mine reclamation agreement, the closure date and cost estimates are periodically reviewed and adjusted. As of June 30, 2017, a closure date of June 30, 2022, is assumed, coinciding with the expiration of the current plant participation agreement, and resulting in revised reclamation cost estimates of $174,491,866, with Los Alamos' share being $3,465,816. In fiscal year 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2017, the balance in this trust is $2,032,145 with another $1,790,433 in a pooled reserve account with the County. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated. The owners are currently evaluating projected closure dates and funding requirements. The County will adjust funding to the trust as estimates are updated.

A new Mine Reclamation Cost Study was completed and the revised cost estimates were adopted by the Mine Reclamation Oversight Committee on September 30, 2016. The total reclamation cost estimate increased to $237,324,793, with Los Alamos' share increasing to $5,070,185. The majority of the increase is related to additional excavator, trucking, and earthworks costs, additional reclamation bond costs, and additional taxes and royalties.

D. Laramie River (Electric Utility Fund)

The County is required under the Laramie River Station Participation Power Sales Agreement (LRS-PPA) to fund its proportionate share of future costs for the Laramie River decommissioning. The Laramie River Station is estimated for closure between 2040 and 2042. Under the terms of the agreement, the current estimate of costs is $90 million of which $550,000 is Los Alamos County's share. In fiscal year 2015, the County began funding a trust account as required for its share of the cost. As of June 30, 2017, the balance in this trust is $740,275. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated.

(13) RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In fiscal year 1993, the County created an internal service fund to account for its risk management programs. All funds of the County participate in the programs and make payments to the Risk Management Fund. The County purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. The table on the following page displays a summary of the County's major commercial insurance coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The claims liability of $3,033,192 reported in the Risk Management Fund at June 30, 2017 is based on the requirements of GASB Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims payable also includes an estimate for claims incurred but not reported.

FY 2017 Insurance coverage summary:

Insurance Coverage	Deductible	Insurance Liability Limits
General and Automotive Liability, and Medical Malpractice	$25,000	$400,000 per person and $750,000 per occurrence for bodily injury $100,000 per occurrence, fire legal liability damage $300,000 for all past and & future medical/medically-related expenses per occurrence $200,000 per Kegakky Described Real Property for Physical Damage or Distruction (PD) $750,000 per occurrence for physical property damage or destruction to multiple real properties and related bodily injury to multiple individuals arising out of a single occurrence $4,000,000 annual aggregate per policy
Law Enforcement Liability	$25,000	$1,000,000 per occurrence, $2,000,000 per year in aggregate
Emergency Medical Malpractice	$25,000	Subject to tort claims limits
Public Officials Errors and Omissions	$25,000	$1,000,000 per occurrence, $2,000,000 per year in aggregate
Buildings and Property	$25,000	Limited by individual property's insured value
Earthquake and Flood	$100,000	Limited by individual property's insured value
Inland Marine (Large Equipment)	$5,000	Limited by individual property's insured value
Boiler Machinery	$2,500	Limited by individual property's insured value
Crime and Fraud	$10,000	$500,000 Employee dishonesty blanket coverage $50,000 Depositors' forgery $50,000 Theft of money/securities

Changes in the Risk Management Fund's claims liability amount in fiscal year 2016 and 2017 are summarized below.

		Group Insurance (Dental)	Medical Insurance	Unemployment Compensation	Workers Compensation	General Liability	Total
Claims liability, June 30, 2015	$	13,990	602,774	0	3,253,680	103,882	3,974,326
Current year claims, insurance, and changes in estimates		635,704	5,932,847	51,299	(52,430)	988,097	7,555,517
Claims and insurance payments		(632,798)	(5,944,699)	(51,299)	(745,617)	(989,713)	(8,364,126)
Claims liability, June 30, 2016	$	16,896	590,922	0	2,455,633	102,266	3,165,717
Current year claims, insurance, and changes in estimates		632,746	5,551,312	51,299	574,735	1,044,171	7,854,264
Claims and insurance payments		(631,248)	(5,591,543)	(51,299)	(699,984)	(1,012,714)	(7,986,789)
Claims liability, June 30, 2017	$	18,394	550,691	0	2,330,384	133,723	3,033,192

Employee Group Insurance

The County offers all regular and limited-term employees, the choice of two medical insurance options, which are HMO and Preferred Provider, both provided through Blue Cross Blue Shield of New Mexico (BCBS). The County pays 80 percent of the premium for full-time employees, 60 percent for three-quarter-time employees, and 40 percent for half-time employees. Under these medical plans, the County was neither self-insured nor retaining risk prior to January 1, 2013. Beginning January 1, 2013, the County changed the structure of the insurance program to be self-insured. The plans and contribution percentages are updated periodically. Since January 1, 2013, the County has accounted for contributions as revenue and paid BCBS for actual claims and claims processing. The County has reinsurance should claims for an individual participant exceed $100,000 in a claim year. As of June 30, 2017 the estimated claims liability was $550,691. The County also offers dental and vision insurance. The County pays actual dental claims, which are capped based on the individual procedure. The County chose this method as the premiums were much more expensive than paying the actual claims. Claims are paid monthly with one month prepaid. Claims liability is recorded for the amount by which the estimated claims exceeds the prepaid balance.

Retiree Health Care (Post-employment benefit)

The County retains no self-insurance, nor any risk in connection with its participation in the New Mexico Retiree Health Care plan. Therefore, the County has no claims liability for post-employment benefits as of June 30, 2017. Please see Note (8) for a discussion of the New Mexico Retiree Health Care plan.

Unemployment Compensation

The County makes reimbursable prepayments to the New Mexico Department of Labor for unemployment compensation claims, which are processed through the Department. Accordingly, no liability is reported for those claims.

Worker Compensation/General Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico Self-Insurer's Fund (NMSIF), a public entity risk pool currently operating as a common risk management insurance program for its members. The County pays a premium to NMSIF for its general and worker's compensation insurance coverage. Additionally, the County reimburses the NMSIF for sums paid by NMSIF on the County's behalf, which fall within the County's selected deductible amounts. The NMSIF reinsures through commercial insurance for claims in excess of deductible amounts.

(14) FINANCIAL ASSISTANCE

The County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a cooperative agreement with the National Nuclear Security Administration (NNSA), an agency of the U.S. Department of Energy (DOE). During FY 2017, the County recognized intergovernmental revenue of approximately $18.4 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately $3.4 million were recorded in the Transit Fund for Federal Transit Administration and state grant funds. The County receives financial assistance from numerous other federal and state grantors as detailed in the Schedule of Expenditures of State Awards and the Schedule of Expenditures of Federal Awards, Exhibits 7 and 8 in the Other Information section of this report.

(15) COMMITMENTS AND CONTINGENCIES

A. Joint Utility System – Natural Gas Purchase Agreement

In November 2009, the County entered into a 30-year natural gas purchase arrangement with the New Mexico Municipal Energy Acquisition Authority (NMMEAA) for approximately 80 percent of its historical requirements. Under this arrangement the County will purchase gas at the index price less a discount. The discount is derived from a prepaid gas arrangement between NMMEAA and the Royal Bank of Canada (RBC). The County's only obligation is to purchase gas from NMMEAA. The County has no obligation to purchase gas that is not needed, no exposure to any bond risk associated with the transaction between NMMEAA and RBC, and no exposure to paying greater than index price for gas.

Under the agreement with RBC, changes in bank regulatory requirements can result in restructuring of the agreement. In October 2013, RBC notified NMMEAA that certain regulatory requirements becoming effective in calendar 2014 could make the agreement uneconomical. A restructuring agreement was entered into in fiscal year 2014. This new agreement provides for a fixed discount for the life of the agreement, with an option to continue, renegotiate, or terminate at the end of the initial five-year period. The discount for the initial term is fixed at $0.2894 per MCF (thousand cubic feet) of gas purchased.

B. Fire Cooperative Agreement with NNSA

As described in Note (14), the County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a cooperative agreement with the NNSA.

Under the cooperative agreement that began October 1, 2013 the County's share is 20-25% of the incurred expenses for the Department, with NNSA paying the remainder. As established by County Council, the assignment of fund balance for potential uncollectible amounts under this cooperative agreement is calculated as 1% of the cooperative agreement, life-to-date expenses.

C. Encumbrances

The County uses an encumbrance system as an extension of normal budgetary accounting for all funds as the County's budgetary basis includes encumbrances. Under this system, purchase orders, contracts and commitments for expenditures are recorded to reserve that portion of applicable appropriations. In governmental funds, encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balance depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at fiscal year-end are re-appropriated for the following year. Encumbrances outstanding by fund at June 30, 2017 are as follows:

Major Governmental Funds:	
General Fund	$ 394,752
Economic Development	311,912
Emergency Declarations	409,443
Capital Improvement Projects	3,895,973
Other Governmental	455,904
Total Governmental Funds	5,467,984
Major Proprietary Funds:	
Joint Utility System	4,933,343
Environmental Services	185,365
Transit	583,263
Fire	321,159
Airport	203,515
Total Proprietary Funds	6,226,645
Internal Service Funds:	
Total Internal Service Funds	132
Outstanding Encumbrances at June 30, 2017	$ 11,694,761

D. Litigation

The County is subject to various other legal proceedings, claims, and liabilities, which arise in the ordinary course of the County's business. In the opinion of the County's management and in-house legal counsel, the ultimate resolution of the above matters will not have a material adverse effect on the financial position or results of operations of the County.

E. Operating Leases

The County leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriation and as such are cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2017 was $853,367.

The future minimum lease payments under operating leases as of June 30, 2017, are approximately as follows:

Year ending June 30*	Amount
2018	744,504
2019	667,336
2020	657,886
2021	657,326
2022	594,411
2023-2025	29,190
	$ 3,350,653

(16) ECONOMIC DEPENDENCY

The County has significant economic dependence upon LANL. It is the County's largest employer, and it is estimated that LANL's expenditures provide, either directly or indirectly, over 90% of the County's economic activity. For the year ended June 30, 2017, an estimated 75-80% of GRT revenues relate directly to LANL operations.

Required Supplementary Information

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL GENERAL DIVISION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
County proportion of the net pension liability	3.0931	3.0997%	3.125
County proportionate share of the net pension liability	$ 49,423,456	$ 31,604,127	$ 24,378,354
County covered-employee payroll	28,183,333	25,894,321	25,267,986
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.4%	122.1%	96.5%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	81.5%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered-employee payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL GENERAL DIVISION

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
Actuarial determined contribution	$ 2,534,844	$ 2,579,007	$ 2,517,567
Contributions in relation to contractually required contributions	2,534,844	2,579,007	2,517,567
Contribution deficiency	$ 0	$ 0	$ 0
County covered-employee payroll	$ 26,542,869	$ 27,005,309	$ 26,361,958
Contributions as a percentage of covered-employee payroll	9.55%	9.55%	9.55%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL POLICE DIVISION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
County proportion of the net pension liability	1.0753%	1.0245%	1.0533%
County proportionate share of the net pension liability	$ 7,927,902	$ 4,926,451	$ 3,433,643
County covered-employee payroll	2,325,631	2,007,757	2,050,627
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	340.9%	245.4%	167.4%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	78.3%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered-employee payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL POLICE DIVISION

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
Actuarial determined contribution	$ 405,149	$ 404,404	$ 387,569
Contributions in relation to contractually required contributions	405,149	404,404	387,569
Contribution deficiency	$ 0	$ 0	$ 0
County covered-employee payroll	$ 2,143,646	$ 2,139,704	$ 2,050,630
Contributions as a percentage of covered-employee payroll	18.9%	18.9%	18.9%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL FIRE DIVISION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
County proportion of the net pension liability	7.6203%	7.8438%	7.7878%
County proportionate share of the net pension liability	$ 50,835,148	$ 40,483,279	$ 35,506,227
County covered-employee payroll	9,097,485	8,935,025	8,832,796
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	558.8%	453.1%	402.0%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	81.5%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered-employee payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL FIRE DIVISION

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

LAST TEN FISCAL YEARS [a]

	FY2017	FY2016	FY2015
Actuarial determined contribution	$ 1,920,956	$ 1,932,454	$ 1,904,387
Contributions in relation to contractually required contributions	1,920,956	1,932,454	1,904,387
Contribution deficiency	$ 0	$ 0	$ 0
County covered-employee payroll	$ 8,872,776	$ 8,925,885	$ 8,796,245
Contributions as a percentage of covered-employee payroll	21.65%	21.65%	21.65%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
Year ended June 30, 2017

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY16 audit available at http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf.

Changes of assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2016-PERA-Valuation-Report-FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “the total actuarial loss due to the investment experience of the total PERA Fund is $14.2 million. The gain on non-investment related items totaled $154.6 million. The net gain due to the plan’s experience was $140.4 million. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

Other (nonmajor) Governmental Funds

State Shared Revenues Fund 110 - this special revenue fund accounts for the receipt and expenditure of certain State Shared revenues. These include gasoline tax, arterial, cooperative, school bus route, and motor vehicle revenues, all of which provide funding for the general control and management of the County's roads, highways, and bridges. (7-1-6.9 NMSA 1978)

Lodgers' Tax Fund 121 - this special revenue fund accounts for the proceeds of the lodgers' tax which are required to be used for promotional activities and for the acquisition of certain facilities as provided in the Los Alamos County Code Chapter 4.04. (3-38-21 NMSA 1978)

State Grants/Other Fund 140 - this special revenue fund accounts for the receipt and expenditure of certain State grants and other grant awards. These include Law Enforcement Protection, Local DWI, Fire Marshal, Fire EMS, and Drug Enforcement Agency asset forfeiture funds. (29-13-6 NMSA 1978, 59A-53-5 NMSA 978, Civil Asset Forfeiture Reform Act of 2000)

Indigent Health Care Fund 151 - this special revenue fund accounts for the revenues and expenditures associated with the administration of the Indigent Health Care Program. (25-5-7 NMSA 1978)

Other Special Revenues Fund 180 - this special revenue fund accounts for the expenditures and revenues associated with the following activities: Property Tax Valuation funds; Clerk Recording and Equipment funds; Aquatic Center Gift funds; Library Gift funds; and Bench Warrant funds. This special revenue fund was established by County Council.

Gross Receipts Tax Revenue Bond Debt Service 231 - this debt service fund accounts for amounts to be accumulated for payment of principal and interest on gross receipts tax revenue bonds issued for the construction of specific capital projects. Debt service is financed by a portion of the gross receipts tax imposed and collected by the State and distributed to the County.

INCORPORATED COUNTY OF LOS ALAMOS
Other Governmental Funds
Combining Balance Sheet
June 30, 2017

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	TOTAL
ASSETS							
Equity in pooled cash and investments	$ 0	232,602	513,705	30,848	709,310	0	1,486,465
Investments	0	0	0	0	12,300	0	12,300
Receivables, net of allowance for uncollectibles							
Accounts	0	28,567	0	2,820	233	0	31,620
Interest	0	0	0	0	17	0	17
Due from other governments	124,387	0	0	554,644	0	0	679,031
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	555,038	555,038
TOTAL ASSETS	$ **124,387**	**261,169**	**513,705**	**603,762**	**721,860**	**555,038**	**2,779,921**
LIABILITIES							
Accounts payable	$ 0	14,334	44,702	10,046	5,977	0	75,059
Accrued salaries and benefits payable	0	0	1,892	726	3,918	0	6,536
Due to other funds	26,109	0	0	0	0	268,568	294,677
TOTAL LIABILITIES	26,109	14,334	46,594	10,772	9,895	268,568	376,272
FUND BALANCE							
Restricted for							
Clerk records and files (State law)	0	0	0	0	62,852	0	62,852
Debt service (Bond and loan agreements)	0	0	0	0	0	286,470	286,470
Grants (Granting entities)	0	0	467,111	0	0	0	467,111
Library operations (contributors)	0	0	0	0	14,766	0	14,766
Lodgers' tax (State law)	0	246,835	0	0	0	0	246,835
Indigent health care claims (State law)	0	0	0	592,990	0	0	592,990
Property tax valuation (State law)	0	0	0	0	599,011	0	599,011
Recreation (County code and contributors)	0	0	0	0	35,336	0	35,336
Major street maintenance (State law)	98,278	0	0	0	0	0	98,278
TOTAL FUND BALANCE	98,278	246,835	467,111	592,990	711,965	286,470	2,403,649
TOTAL LIABILITIES AND FUND BALANCE	$ **124,387**	**261,169**	**513,705**	**603,762**	**721,860**	**555,038**	**2,779,921**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Other Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2017

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	TOTAL
REVENUES							
Taxes							
Gross receipts taxes	$ 0	0	0	1,588,792	0	0	1,588,792
Lodgers' tax	0	281,820	0	0	0	0	281,820
	0	**281,820**	**0**	**1,588,792**	**0**	**0**	**1,870,612**
Intergovernmental							
State grants-fire	0	0	558,322	0	0	0	558,322
State grants-police	0	0	90,579	0	0	0	90,579
State shared revenues	585,612	0	0	0	0	0	585,612
	585,612	**0**	**648,901**	**0**	**0**	**0**	**1,234,513**
Fines and forfeits							
Court ordered reimbursements	**0**	**0**	**0**	**0**	**2,093**	**0**	**2,093**
Charges for services							
Clerk fee	0	0	0	0	27,646	0	27,646
Finance/treasurer fees	0	0	0	0	172,364	0	172,364
	0	**0**	**0**	**0**	**200,010**	**0**	**200,010**
Miscellaneous revenue							
Investment income	0	9,254	25,384	20,896	1,327	9,346	66,207
Buildings rental	0	0	0	6,118	0	0	6,118
Land rental	0	0	0	33,888	0	0	33,888
Donations	0	0	0	0	450	0	450
	0	**9,254**	**25,384**	**60,902**	**1,777**	**9,346**	**106,663**
TOTAL REVENUES	**585,612**	**291,074**	**674,285**	**1,649,694**	**203,880**	**9,346**	**3,413,891**
EXPENDITURES							
General government							
Municipal Court	0	0	0	0	17,093	0	17,093
County Assessor	0	0	0	0	146,934	0	146,934
County Clerk	0	0	0	0	15,557	0	15,557
	0	**0**	**0**	**0**	**179,584**	**0**	**179,584**
Public safety							
Fire marshal	0	0	76,998	0	0	0	76,998
Fire-E.M.S. grant	0	0	11,923	0	0	0	11,923
Police	0	0	12,583	0	0	0	12,583
	0	**0**	**101,504**	**0**	**0**	**0**	**101,504**
Physical and economic environment							
County Manager	**0**	**253,631**	**0**	**0**	**0**	**0**	**253,631**

Community and Economic Development	0	0	71,261	0	0	0	71,261
Health and welfare							
Community Services-Social Services	**0**	**0**	**0**	**2,076,788**	**0**	**0**	**2,076,788**
Culture and recreation							
Community Services-Library	0	0	0	0	750	0	750
Community Services-Recreation	0	0	0	0	1,916	0	1,916
	0	**0**	**0**	**0**	**2,666**	**0**	**2,666**
Capital outlay:							
Public Safety							
Fire	0	0	679,472	0	0	0	679,472
Police	0	0	27,050	0	0	0	27,050
Debt service:							
Principal	0	0	0	0	0	4,175,000	4,175,000
Interest	0	0	0	0	0	2,089,646	2,089,646
	0	**0**	**0**	**0**	**0**	**6,264,646**	**6,264,646**
TOTAL EXPENDITURES	**0**	**253,631**	**879,287**	**2,076,788**	**182,250**	**6,264,646**	**9,656,602**
EXCESS REVENUES OVER (UNDER) EXPENDITURES	**585,612**	**37,443**	**(205,002)**	**(427,094)**	**21,630**	**(6,255,300)**	**(6,242,711)**
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	29,000	317,000	15,000	6,264,646	6,625,646
Transfers out	(580,000)	0	0	0	0	0	(580,000)
	(580,000)	**0**	**29,000**	**317,000**	**15,000**	**6,264,646**	**6,045,646**
NET CHANGE IN FUND BALANCE	**5,612**	**37,443**	**(176,002)**	**(110,094)**	**36,630**	**9,346**	**(197,065)**
FUND BALANCE							
Beginning of fiscal year	92,666	209,392	643,113	703,084	675,335	277,124	2,600,714
FUND BALANCE - END OF FISCAL YEAR	**$ 98,278**	**246,835**	**467,111**	**592,990**	**711,965**	**286,470**	**2,403,649**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
STATE SHARED REVENUES FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
State shared revenues	$ 580,000	580,000	585,612	5,612
EXPENDITURES AND ENCUMBRANCES				
TOTAL EXPENDITURES AND ENCUMBRANCES	**0**	**0**	**0**	**0**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**580,000**	**580,000**	**585,612**	**5,612**
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Project Fund	(580,000)	(580,000)	(580,000)	0
NET CHANGE IN FUND BALANCE	$ **0**	**0**	**5,612**	**5,612**
FUND BALANCE				
Beginning of fiscal year			92,666	
FUND BALANCE - END OF FISCAL YEAR			$ **98,278**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
LODGERS' TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Selective gross receipt taxes	$ 265,000	265,000	281,820	16,820
Miscellaneous revenues				
Investment income	2,000	2,000	9,254	7,254
TOTAL REVENUES	**267,000**	**267,000**	**291,074**	**24,074**
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	275,000	275,000	250,412	24,588
Intrafund/interfund services	3,219	3,219	3,219	0
TOTAL EXPENDITURES AND ENCUMBRANCES	**278,219**	**278,219**	**253,631**	**24,588**
NET CHANGE IN FUND BALANCE	$ **(11,219)**	**(11,219)**	**37,443**	**48,662**
FUND BALANCE				
Beginning of fiscal year			209,392	
FUND BALANCE - END OF FISCAL YEAR			$ **246,835**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
STATE GRANTS/OTHER FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
State grants-fire	$ 511,200	1,070,044	558,322	(511,722)
State grants-police	116,200	177,000	90,579	(86,421)
Miscellaneous revenues				
Investment income	0	0	25,385	25,385
TOTAL REVENUES	**627,400**	**1,247,044**	**674,286**	**(572,758)**
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social services				
Police - DWI local grant	77,000	77,000	71,261	5,739
Fire				
Grants and contracts				
Fire - Fire marshal grant	500,000	1,189,261	1,189,066	195
Fire - Emergency medical services grant	11,200	12,449	11,923	526
	511,200	1,201,710	1,200,989	721
Police				
Grants and contracts				
Police - Law enforcement protection grant	39,200	40,049	39,633	416
	39,200	40,049	39,633	416
TOTAL EXPENDITURES AND ENCUMBRANCES	**627,400**	**1,318,759**	**1,311,883**	**6,876**
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	0	29,000	29,000	0
NET CHANGE IN FUND BALANCE	$ **0**	**(42,715)**	**(608,597)**	**(565,882)**
ADJUSTMENTS TO GAAP				
Encumbrances			432,595	
GAAP BASIS			**(176,002)**	
FUND BALANCE				
Beginning of fiscal year			643,113	
FUND BALANCE - END OF FISCAL YEAR			$ **467,111**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
HEALTH CARE ASSISTANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
General gross receipts taxes	$ 1,717,000	1,717,000	1,588,792	(128,208)
Miscellaneous revenues				
Investment income	6,000	6,000	20,896	14,896
Buildings rental	39,000	39,000	6,118	(32,882)
Land rental	0	0	33,888	33,888
TOTAL REVENUES	**1,762,000**	**1,762,000**	**1,649,694**	**(112,306)**
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social Services				
Employee salaries and benefits	67,510	67,510	45,006	22,504
Outside services	1,988,409	2,061,409	2,031,430	29,979
Materials and supplies	13,000	13,000	352	12,648
TOTAL EXPENDITURES AND ENCUMBRANCES	**2,068,919**	**2,141,919**	**2,076,788**	**65,131**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**(306,919)**	**(379,919)**	**(427,094)**	**(47,175)**
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	250,000	317,000	317,000	0
NET CHANGE IN FUND BALANCE	$ **(56,919)**	**(62,919)**	**(110,094)**	**(47,175)**
FUND BALANCE				
Beginning of fiscal year			703,084	
FUND BALANCE - END OF FISCAL YEAR			**$ 592,990**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
OTHER SPECIAL REVENUES
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Fines and Forfeits				
Court ordered reimbursements	$ 4,000	4,000	2,093	(1,907)
Charges for Services				
Clerk fee	20,000	20,000	27,646	7,646
Finance/treasurer fees	170,000	170,000	172,364	2,364
	190,000	190,000	200,010	10,010
Miscellaneous revenues				
Investment income	1,000	1,000	1,327	327
Donations	3,000	3,000	450	(2,550)
	4,000	4,000	1,777	(2,223)
TOTAL REVENUES	**198,000**	**198,000**	**203,880**	**5,880**
EXPENDITURES AND ENCUMBRANCES				
Municipal Court				
Bench warrant	19,740	19,740	17,093	2,647
County Assessor				
Property tax valuation	167,970	167,970	146,934	21,036
County Clerk				
Recording and equipment	28,550	28,550	15,557	12,993
Community Services				
Aquatic center gift	3,000	3,000	1,916	1,084
Library gift	3,200	3,200	750	2,450
TOTAL EXPENDITURES AND ENCUMBRANCES	**222,460**	**222,460**	**182,250**	**40,210**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**(24,460)**	**(24,460)**	**21,630**	**46,090**

OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	15,000	15,000	15,000	0
NET CHANGE IN FUND BALANCE	$ **(9,460)**	**(9,460)**	**36,630**	**46,090**
FUND BALANCE				
Beginning of fiscal year			675,335	
FUND BALANCE - END OF FISCAL YEAR			**$ 711,965**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX REVENUE BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous revenues				
Investment income	$ 7,000	7,000	9,346	2,346
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Principal payment on debt	4,175,000	4,175,000	4,175,000	0
Interest payment on debt	2,089,647	2,089,647	2,089,646	1
	6,264,647	**6,264,647**	**6,264,646**	**1**
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**(6,257,647)**	**(6,257,647)**	**(6,255,300)**	**2,347**
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	6,264,647	6,264,647	6,264,646	(1)
NET CHANGE IN FUND BALANCE	$ **7,000**	**7,000**	**9,346**	**2,346**
FUND BALANCE				
Beginning of fiscal year			277,124	
FUND BALANCE - END OF FISCAL YEAR			$ **286,470**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL PROJECTS PERMANENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous revenues				
Investment income	$ 1,850,000	1,850,000	3,739,948	1,889,948
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Projects Fund	(1,230,000)	(1,230,000)	(1,218,942)	11,058
NET CHANGE IN FUND BALANCE	$ **620,000**	**620,000**	**2,521,006**	**1,901,006**
FUND BALANCE				
Beginning of fiscal year			25,652,137	
FUND BALANCE - END OF FISCAL YEAR			$ **28,173,143**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Year ended June 30, 2017

CAPITAL IMPROVEMENT PROJECTS	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2016	UNEXPENDED AS OF JUNE 30, 2016	ENCUMBRANCES AS OF JUNE 30, 2016	REMAINING BALANCE AS OF JUNE 30, 2016
Information Technology (continuing)	$ 603,849	0	0	0	603,849	339,109	264,740
Visual Desktop Infrastructure (residual)	21,817	0	0	0	21,817	0	21,817
Finance Enterprise Resource Planning (ERP)	4,411,444	0	0	0	4,411,444	2,376,402	2,035,042
Municipal Building Replacement (residual)	261,336	0	0	0	261,336	32,872	228,464
Golf Course Clubhouse (residual)	162	0	0	0	162	162	0
White Rock Civic Center	4,731,194	0	958,149	958,149	3,773,045	2,691,241	1,081,804
Bond Issue Concept Design	1,000,000	0	0	0	1,000,000	486,427	513,573
Street CIP	504,642	0	0	0	504,642	0	504,642
Canyon Rim Trail	2,427,585	143,880	291,524	435,404	1,992,181	1,746,451	245,730
NM 502 Knecht to Tewa (residual)	271,111	0	257,478	257,478	13,633	0	13,633
Western Area Road Replacement (continuing)	3,322,985	0	1,249,713	1,249,713	2,073,272	1,795,618	277,654
Oppenheimer/Trinity Signal Replacement	350,000	0	0	0	350,000	0	350,000
Ice Rink Parking Lot	13,389	0	0	0	13,389	0	13,389
Central Avenue Improvement	98,696	0	23,904	23,904	74,792	0	74,792
Sherwood Boulevard Reconstruction	1,647,157	0	0	0	1,647,157	891,654	755,503
20th Street Reconstruction	33,112	0	0	0	33,112	0	33,112
Pavement Condition Index Road Survey	225,000	0	0	0	225,000	11,101	213,899
Knecht Street Drainage	253,250	0	34,182	34,182	219,068	197,297	21,771
Canyon Rim Trail West	1,000,000	0	0	0	1,000,000	0	1,000,000
Public Art (continuing)	522,781	0	0	0	522,781	41,336	481,445
Parks Small Capital Projects (continuing)	628,494	0	0	0	628,494	11,729	616,764
Teen Center	161,890	0	0	0	161,890	47,191	114,699
Nature Center	135,315	0	0	0	135,315	0	135,315
Parajito Mountain Bike	500,000	0	0	0	500,000	0	500,000
	23,125,210	143,880	2,814,951	2,958,831	20,166,379	10,668,590	9,497,789
PROJECTS COMPLETED IN FY 2017							
Information Technology	1,203,854	170,894	1,032,960	1,203,854	0	0	0
Visual Desktop Infrastructure	22,929	0	22,929	22,929	0	0	0
Finance Enterprise Resource Planning (ERP)	36,523	0	36,523	36,523	0	0	0
Municipal Building Replacement	29,226	0	29,226	29,226	0	0	0
Golf Course Clubhouse	252,855	0	252,855	252,855	0	0	0
White Rock Civic Center	5,452,500	4,999,300	453,200	5,452,500	0	0	0
Western Area Road Replacement (continuing)	1,259,024	1,259,024	0	1,259,024	0	0	0
Ice Rink Parking Lot	230,611	0	230,611	230,611	0	0	0
Pavement Condition Index Road Survey	203,417	0	203,417	203,417	0	0	0
Sherwood Boulevard Reconstruction	1,188,649	42,123	1,146,526	1,188,649	0	0	0
20th Street Reconstruction	913,780	360	913,420	913,780	0	0	0
20th Street Safety Improvement	5,972	0	5,972	5,972	0	0	0
Deacon Street Improvement	6,188	0	6,188	6,188	0	0	0
Public Art (continuing)	372,307	0	372,307	372,307	0	0	0
Parks Small Capital Projects (continuing)	142,939	0	142,939	142,939	0	0	0
White Rock Gateway Structure	32,941	32,941	0	32,941	0	0	0
Ice Rink Improvements	181,000	180,835	0	180,835	165	0	165
Teen Center	4,148,507	2,946,988	1,201,519	4,148,507	0	0	0
Nature Center	85,452	0	85,452	85,452	0	0	0
TOTAL PROJECTS COMPLETED IN FY 2017	15,768,673	9,632,465	6,136,044	15,768,508	165	0	165
PROJECT TOTALS FY 2017	$ 38,893,883	9,776,344	8,950,995	18,727,339	20,166,544	10,668,590	9,497,954

Joint Utility System Subfunds

The Joint Utility System is presented as a major fund. This section provides combining schedules for the individual utility subfunds and industry format financial schedules.

Electric Utility Subfund 510 - accounts for the provision of electric utility services to the county.

Gas Utility Subfund 531 - accounts for the provision of gas utility services to the county.

Water Utility Subfund 540 - accounts for the provision of water utility services to the county.

Wastewater Utility Subfund 551 - accounts for the provision of wastewater utility services to the county.

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF NET POSITION
June 30, 2017

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL JOINT UTILITY SYSTEM
ASSETS					
CURRENT ASSETS					
Equity (deficit) in pooled cash and investments	$ (373,949)	5,677,382	9,297,111	(611,144)	13,989,400
Receivables, net of allowance for uncollectibles					
Accounts	2,873,916	137,353	453,970	342,738	3,807,977
Unbilled	635,894	98,873	340,302	219,330	1,294,399
Due from other subfunds (not included in total column)	0	0	145,912	0	0
Inventories and prepayments					
Inventories	628,932	32,524	210,068	13,417	884,941
Power plant inventories	712,569	0	0	0	712,569
Prepayments	726,967	0	96,428	0	823,395
	5,204,329	5,946,132	10,543,791	(35,659)	21,512,681
RESTRICTED ASSETS					
Cash and cash equivalents					
Debt reserves and debt service	3,324,079	0	206,176	964,889	4,495,144
Operations and maintenance	9,474,459	0	0	717,755	10,192,214
Investments					
Debt reserves and debt service	6,704,247	0	0	0	6,704,247
	19,502,785	0	206,176	1,682,644	21,391,605
PROPERTY, PLANT AND EQUIPMENT					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	170,636,544	16,041,104	85,984,402	42,971,675	315,633,725
Machinery and equipment	3,086,291	179,710	878,609	285,717	4,430,327
Less accumulated depreciation	(106,110,010)	(4,837,819)	(27,397,956)	(11,793,388)	(150,139,173)
Construction in progress	10,512,100	447,939	1,944,395	125,417	13,029,851
	78,124,925	11,830,934	61,409,450	34,548,749	185,914,058
OTHER ASSETS					
Advances to other subfunds (not included in total column)	0	0	1,096,729	0	0
TOTAL ASSETS	**102,832,039**	**17,777,066**	**73,256,146**	**36,195,734**	**228,818,344**
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts from refunding of debt (debits)	537,575	0	0	0	537,575
Deferred pensions	2,170,517	546,759	303,443	271,335	3,292,054
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**2,708,092**	**546,759**	**303,443**	**271,335**	**3,829,629**

LIABILITIES

CURRENT LIABILITIES					
Accounts payable	4,956,471	105,411	202,206	17,587	5,281,675
Accrued salaries including benefits payable	169,800	25,145	38,428	28,301	261,674
Accrued compensated absences	439,134	119,645	47,471	40,345	646,595
Customer deposits payable	63,437	47,351	47,887	0	158,675
Due to other governments	66,253	10,114	24,051	20,863	121,281
Due to other subfunds (not included in total column)	0	0	0	145,912	0
Donations held in trust	27,366	0	0	0	27,366
	5,722,461	307,666	360,043	253,008	6,497,266
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Current portion of revenue bonds payable	2,753,296	0	46,704	0	2,800,000
Contracts and intergovernmental debt payable	0	0	98,886	660,301	759,187
Interest payable on debt	86,494	0	8,796	70,853	166,143
	2,839,790	0	154,386	731,154	3,725,330
NON-CURRENT LIABILITIES					
Revenue bonds payable	23,208,237	0	1,482,156	0	24,690,393
Special closure costs	9,474,459	0	0	0	9,474,459
Accrued compensated absences	171,123	86,498	42,193	22,010	321,824
Advances from other subfunds (not included in total column)	0	0	0	1,096,729	0
Contracts and intergovernmental debt payable	0	0	1,476,228	9,634,207	11,110,435
Net pension liability	7,368,105	1,854,391	1,044,135	905,655	11,172,286
	40,221,924	1,940,889	4,044,712	11,658,601	56,769,397
TOTAL LIABILITIES	**48,784,175**	**2,248,555**	**4,559,141**	**12,642,763**	**66,991,993**
DEFERRED INFLOWS OF RESOURCES:					
Deferred pensions	(214,647)	(55,052)	(21,642)	(36,014)	(327,355)
TOTAL DEFERRED INFLOWS OF RESOURCES	**(214,647)**	**(55,052)**	**(21,642)**	**(36,014)**	**(327,355)**
NET POSITION					
Net investment in capital assets	52,700,967	11,830,934	58,305,476	24,254,241	147,091,618
Restricted assets for, net of related liabilities:					
Debt service	9,941,832	0	197,380	1,611,791	11,751,003
Unrestricted	(5,672,196)	4,299,388	10,519,234	(2,005,712)	7,140,714
TOTAL NET POSITION	$ **56,970,603**	**16,130,322**	**69,022,090**	**23,860,320**	**165,983,335**

See accompanying notes to financial statements

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2017

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL JOINT UTILITY SYSTEM
OPERATING REVENUES					
Utility sales and service	$ 40,630,824	4,492,871	5,287,912	4,950,622	55,362,229
Rentals	22,262	0	0	0	22,262
Miscellaneous operating revenue	1,948	9,759	17,972	11,593	41,272
	40,655,034	**4,502,630**	**5,305,884**	**4,962,215**	**55,425,763**
OPERATING EXPENSES					
Employee salaries and benefits	5,880,430	527,391	1,607,530	1,318,787	9,334,138
Contractual services	27,243,597	3,544,280	2,679,534	1,424,187	34,891,598
Materials and supplies	381,762	71,824	131,606	169,348	754,540
Depreciation and amortization	4,878,480	369,399	1,955,835	837,241	8,040,955
Special closure costs	1,311,576	0	0	0	1,311,576
Other	10,931	1,891	1,168	3,574	17,564
	39,706,776	**4,514,785**	**6,375,673**	**3,753,137**	**54,350,371**
OPERATING INCOME (LOSS)	**948,258**	**(12,155)**	**(1,069,789)**	**1,209,078**	**1,075,392**
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposition of capital assets	(398,973)	(17,757)	(736,829)	(59,692)	(1,213,251)
Investment income (loss)	172,029	194,127	324,105	30,206	720,467
Interest on long-term debt	(1,058,250)	0	(88,931)	(322,669)	(1,469,850)
Interest on intra-subfund debt	0	0	41,657	(41,657)	0
Inventory adjustment	13,303	(8,500)	(2,774)	(41)	1,988
	(1,271,891)	**167,870**	**(462,772)**	**(393,853)**	**(1,960,646)**
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	**(323,633)**	**155,715**	**(1,532,561)**	**815,225**	**(885,254)**
TRANSFERS AND CONTRIBUTIONS					
Transfers out	(594,681)	(226,475)	(15,000)	0	(836,156)
Intergovernmental - capital grants	94,893	0	259,179	0	354,072
Contributed capital assets- governmental activities	48,000	23,346	99,308	23,346	194,000
NET INCOME (LOSS)	**(775,421)**	**(47,414)**	**(1,189,074)**	**838,571**	**(1,173,338)**
NET POSITION					
Beginning of fiscal year	57,746,024	16,177,736	70,211,164	23,021,749	167,156,673
NET POSITION - END OF FISCAL YEAR	**$ 56,970,603**	**16,130,322**	**69,022,090**	**23,860,320**	**165,983,335**

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2017

		ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
CASH FLOWS - OPERATING ACTIVITIES						
Cash received from customers and users	$	40,768,870	4,548,427	5,303,301	4,939,219	55,559,817
Cash paid to suppliers for goods and services		(27,290,462)	(3,557,521)	(2,800,314)	(1,637,267)	(35,285,564)
Cash paid to employees		(5,359,895)	(374,609)	(1,566,290)	(1,268,095)	(8,568,889)
Taxes received from customers and users		922,738	312,931	277,008	244,978	1,757,655
Taxes remitted to State (from customers and users)		(921,299)	(317,382)	(275,321)	(243,519)	(1,757,521)
NET CASH FLOWS - OPERATING ACTIVITIES		**8,119,952**	**611,846**	**938,384**	**2,035,316**	**11,705,498**
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds		(594,681)	(226,475)	(15,000)	0	(836,156)
Cash received from short-term intra subfund loans		0	0	187,569	0	187,569
Cash paid for short-term intra subfund loans		0	0	0	(187,569)	(187,569)
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES		**(594,681)**	**(226,475)**	**172,569**	**(187,569)**	**(836,156)**
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES						
Cash received from capital grants		94,893	0	319,363	0	414,256
Proceeds received from loans		0	0	180,428	0	180,428
Principal repaid		(2,685,242)	0	(143,123)	(641,156)	(3,469,521)
Interest and other debt service paid		(1,108,508)	0	(92,095)	(327,074)	(1,527,677)
Cash paid for acquisition of capital assets		(5,111,989)	(1,299,579)	(3,307,979)	(662,008)	(10,381,555)
Proceeds from sale of capital assets		48,357	0	0	0	48,357
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES		**(8,762,489)**	**(1,299,579)**	**(3,043,406)**	**(1,630,238)**	**(14,735,712)**
CASH FLOWS - INVESTING ACTIVITIES						
Proceeds from sale of investment securities		2,284,998	0	0	0	2,284,998
Interest received on investments		172,029	194,127	324,105	30,206	720,467
Purchase of investment securities		(87,629)	0	0	0	(87,629)
NET CASH FLOWS - INVESTING ACTIVITIES		**2,369,398**	**194,127**	**324,105**	**30,206**	**2,917,836**
NET INCREASE (DECREASE) IN CASH		**1,132,180**	**(720,081)**	**(1,608,348)**	**247,715**	**(948,534)**
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR		11,292,409	6,397,463	11,111,635	823,785	29,625,292
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	$	**12,424,589**	**5,677,382**	**9,503,287**	**1,071,500**	**28,676,758**

(Joint Utility System Fund and Environmental Services Fund cash balances are shown in both Equity in Pooled Cash and Investments and Restricted Cash on the Proprietary Funds Statement of Net Position)

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	$ 948,258	(12,155)	(1,069,789)	1,209,078	1,075,392
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES					
Depreciation and amortization expense	4,878,480	369,399	1,955,835	837,241	8,040,955
Amortization of special closure costs	1,311,576	0	0	0	1,311,576
Provision for uncollectible accounts receivable	4,249	1,891	1,168	3,574	10,882
Change in assets and liabilities:					
Accounts and other receivables	122,287	52,132	4,265	(22,996)	155,688
Inventories	296,964	1,695	(3,801)	6,719	301,577
Prepayments and other	8,626	0	20,236	0	28,862
Accounts and retentions payable	35,988	56,890	(5,609)	(50,450)	36,819
Salaries and benefits payable	520,536	152,780	41,240	50,691	765,247
Other current liabilities	(8,451)	(6,335)	(6,848)	0	(21,634)
Due to other governments	1,439	(4,451)	1,687	1,459	134
Total adjustments	**7,171,694**	**624,001**	**2,008,173**	**826,238**	**10,630,106**
NET CASH FLOWS - OPERATING ACTIVITIES	$ **8,119,952**	**611,846**	**938,384**	**2,035,316**	**11,705,498**

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Contributed capital assets - governmental activities	48,000	23,346	99,308	23,346	194,000
TOTAL NON CASH TRANSACTIONS	$ **48,000**	**23,346**	**99,308**	**23,346**	**194,000**

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

		ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Intergovernmental	$	671,976	671,976	354,072	(317,904)
Charges for services		65,497,368	65,497,368	55,384,491	(10,112,877)
Miscellaneous revenues		315,511	315,511	949,305	633,794
TOTAL REVENUES		**66,484,855**	**66,484,855**	**56,687,868**	**(9,796,987)**
EXPENSES AND ENCUMBRANCES					
Department of Public Utilities					
Electric Subfund		46,843,389	52,565,970	43,145,254	9,420,716
Gas Subfund		5,304,078	6,347,461	5,366,710	980,751
Water Subfund		13,746,936	16,419,686	11,340,745	5,078,941
Wastewater Subfund		5,501,226	6,899,081	4,655,701	2,243,380
TOTAL EXPENSES AND ENCUMBRANCES		**71,395,629**	**82,232,198**	**64,508,410**	**17,723,788**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES		**(4,910,774)**	**(15,747,343)**	**(7,820,542)**	**7,926,801**
OTHER FINANCING SOURCES (USES)					
Transfers in		2,000,000	2,000,000	0	(2,000,000)
Transfers out		(909,110)	(924,110)	(836,156)	87,954
Proceeds from long-term debt		33,984	33,984	0	(33,984)
TOTAL OTHER FINANCING SOURCES (USES)		**1,124,874**	**1,109,874**	**(836,156)**	**(1,946,030)**
NET CHANGE IN FUND BALANCE	$	**(3,785,900)**	**(14,637,469)**	**(8,656,698)**	**5,980,771**
ADJUSTMENTS TO GAAP					
Encumbrances				4,933,342	
Changes in compensated absences				(45,935)	
Bad debt adjustment				(10,882)	
Depreciation and amortization				(8,040,955)	
Adjustments to inventory				1,988	
Special closure costs				(1,311,576)	

Net book value of disposed capital assets		(1,213,251)
Contributed capital assets - governmental activities		194,000
Capital outlay capitalized		9,773,918
Capital projects capitalized (budgeted by line item)		559,639
Pension expense		(680,537)
Principal on debt service		3,615,433
		7,775,184
GAAP BASIS		**(881,514)**
NET POSITION		
Beginning of fiscal year		167,156,673
NET POSITION - END OF FISCAL YEAR	$	**166,275,159**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
ELECTRIC SUBFUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal subsidy	$ 0	0	94,893	94,893
Charges for services				
Residential	15,088,911	15,088,911	6,949,869	(8,139,042)
Commercial and industrial	0	0	4,535,052	4,535,052
Public street and highway lighting	0	0	68,043	68,043
Municipal	0	0	1,673,078	1,673,078
Educational	0	0	531,812	531,812
Wholesale	31,385,877	31,385,877	26,577,782	(4,808,095)
Rent from utility properties	0	0	22,262	22,262
Miscellaneous services	150,000	150,000	295,188	145,188
	46,624,788	46,624,788	40,653,086	(5,971,702)
Miscellaneous revenues				
Interest income (loss)	(158,000)	(158,000)	143,315	301,315
Gain (loss) on investments	0	0	(1,084)	(1,084)
Interest charges-delinquent accounts	0	0	29,798	29,798
Sales of scrap and junk	0	0	1,947	1,947
Interfund loans (principal)	67,942	67,942	0	(67,942)
	(90,058)	(90,058)	173,976	264,034
TOTAL REVENUES	**46,534,730**	**46,534,730**	**40,921,955**	**(5,612,775)**
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric production				
Employee salaries and benefits	1,450,027	1,450,027	1,579,312	(129,285)
Outside services	33,107,581	34,642,278	29,079,669	5,562,609
Materials and supplies	68,600	74,133	163,383	(89,250)
Intrafund/interfund services	1,210,065	1,210,065	1,049,102	160,963
Capital outlay	19,050	19,050	0	19,050
Debt and fiscal charges	2,529,392	2,529,392	2,498,743	30,649
	38,384,715	39,924,945	34,370,209	5,554,736
Electric distribution				
Employee salaries and benefits	1,432,400	1,432,400	1,695,312	(262,912)
Outside services	3,975,512	7,971,173	3,758,599	4,212,574
Materials and supplies	196,900	281,645	904,257	(622,612)

Intrafund/interfund services	1,556,329	1,556,329	1,164,892	391,437
Capital outlay	32,525	32,525	0	32,525
Debt and fiscal charges	1,264,358	1,264,358	1,248,750	15,608
	8,458,024	12,538,430	8,771,810	3,766,620
General and administrative				
Employee salaries and benefits	3,000,519	3,000,519	2,622,177	378,342
Outside services	980,987	1,077,450	549,233	528,217
Materials and supplies	212,080	212,080	49,838	162,242
Intrafund/interfund services	(4,227,936)	(4,227,936)	(3,226,178)	(1,001,758)
Capital outlay	35,000	40,482	5,482	35,000
Debt and fiscal charges	0	0	2,683	(2,683)
	650	102,595	3,235	99,360
TOTAL EXPENSES AND ENCUMBRANCES	**46,843,389**	**52,565,970**	**43,145,254**	**9,420,716**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**(308,659)**	**(6,031,240)**	**(2,223,299)**	**3,807,941**
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	(648,823)	(648,823)	(594,681)	54,142
Proceeds from issuance of long-term debt				
Revenue bonds	33,984	33,984	0	(33,984)
NET CHANGE IN FUND BALANCE	$ **(923,498)**	**(6,646,079)**	**(2,817,980)**	**3,828,099**
ADJUSTMENTS TO GAAP				
Encumbrances			1,325,983	
Changes in compensated absences			(52,047)	
Bad debt adjustment			(4,249)	
Depreciation and amortization			(4,878,480)	
Adjustments to inventory			13,303	
Special closure costs			(1,311,576)	
Net book value of disposed capital assets			(398,973)	
Contributed capital assets - governmental activities			48,000	
Pension expense			(448,633)	
Principal on debt service			2,685,242	
			(3,021,430)	
GAAP BASIS			**(5,839,410)**	
NET POSITION				
Beginning of fiscal year			57,746,024	
NET POSITION - END OF FISCAL YEAR			$ **51,906,614**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GAS SUBFUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Residential	$ 5,573,587	5,573,587	3,549,664	(2,023,923)
Commercial and industrial	0	0	593,836	593,836
Municipal	0	0	165,999	165,999
Educational	0	0	163,585	163,585
Miscellaneous services	25,000	25,000	19,787	(5,213)
	5,598,587	5,598,587	4,492,871	(1,105,716)
Miscellaneous revenues				
Interest income	82,000	82,000	194,126	112,126
Interest charges-delinquent accounts	0	0	9,759	9,759
	82,000	82,000	203,885	121,885
TOTAL REVENUES	**5,680,587**	**5,680,587**	**4,696,756**	**(983,831)**
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Gas				
Employee salaries and benefits	471,070	471,070	451,097	19,973
Outside services	3,584,767	4,628,132	3,775,146	852,986
Materials and supplies	129,500	129,518	123,731	5,787
Intrafund/interfund services	1,118,741	1,118,741	1,016,736	102,005
TOTAL EXPENSES AND ENCUMBRANCES	**5,304,078**	**6,347,461**	**5,366,710**	**980,751**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**376,509**	**(666,874)**	**(669,954)**	**(3,080)**

OTHER FINANCING SOURCES (USES)				
Transfer out to:				
General Fund	**(260,287)**	**(260,287)**	**(226,475)**	**33,812**
NET CHANGE IN FUND BALANCE	$ **116,222**	**(927,161)**	**(896,429)**	**30,732**
ADJUSTMENTS TO GAAP				
Encumbrances			57,317	
Changes in compensated absences			(20,621)	
Bad debt adjustment			(1,891)	
Depreciation and amortization			(369,399)	
Adjustments to inventory			(8,500)	
Net book value of disposed capital assets			(17,757)	
Contributed capital assets - governmental activities			23,346	
Capital outlay capitalized			1,299,580	
Pension expense			(113,060)	
			849,015	
GAAP BASIS			**(47,414)**	
NET POSITION				
Beginning of fiscal year			16,177,736	
NET POSITION - END OF FISCAL YEAR			$ **16,130,322**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
WATER SUBFUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal subsidy	$ 0	0	25,673	25,673
State grants-other	671,976	671,976	233,506	(438,470)
Charges for services				
Residential	4,456,250	4,456,250	3,488,643	(967,607)
Commercial and industrial	0	0	457,438	457,438
Municipal	76,572	76,572	296,166	219,594
Educational	0	0	138,134	138,134
Wholesale	1,186,450	1,186,450	858,738	(327,712)
Miscellaneous services	2,379,000	2,379,000	48,793	(2,330,207)
	8,098,272	8,098,272	5,287,912	(2,810,360)
Miscellaneous revenues				
Interest income	300,569	300,569	324,104	23,535
Interest charges-delinquent accounts	0	0	8,966	8,966
Sales of scrap and junk	0	0	9,006	9,006
Interfund loan repayment	0	0	187,569	187,569
	300,569	300,569	529,645	229,076
TOTAL REVENUES	**9,070,817**	**9,070,817**	**6,076,736**	**(2,994,081)**
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Water distribution				
Employee salaries and benefits	682,021	682,021	695,468	(13,447)
Outside services	165,500	945,514	1,805,245	(859,731)
Materials and supplies	444,500	444,581	335,015	109,566
Intrafund/interfund services	863,707	863,707	703,241	160,466
Capital outlay	7,500	8,573	1,073	7,500
	2,163,228	2,944,396	3,540,042	(595,646)
Water production				
Employee salaries and benefits	827,049	827,049	1,011,364	(184,315)
Outside services	8,342,200	10,233,782	4,972,430	5,261,352
Materials and supplies	228,400	228,400	122,292	106,108
Intrafund/interfund services	1,772,812	1,772,812	1,462,564	310,248

Capital outlay	159,065	159,065	0	159,065
Debt and fiscal charges	254,182	254,182	232,053	22,129
	11,583,708	13,475,290	7,800,703	5,674,587
TOTAL EXPENSES AND ENCUMBRANCES	**13,746,936**	**16,419,686**	**11,340,745**	**5,078,941**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**(4,676,119)**	**(7,348,869)**	**(5,264,009)**	**2,084,860**
OTHER FINANCING SOURCES (USES)				
Economic Development	2,000,000	2,000,000	0	(2,000,000)
Transfer out to:				
Emergency Declarations Fund	0	(15,000)	(15,000)	0
Proceeds from issuance of long-term debt:				
NET CHANGE IN FUND BALANCE	$ **(2,676,119)**	**(5,363,869)**	**(5,279,009)**	**84,860**
ADJUSTMENTS TO GAAP				
Encumbrances			3,430,620	
Changes in compensated absences			13,729	
Bad debt adjustment			(1,168)	
Depreciation and amortization			(1,955,835)	
Adjustments to inventory			(2,774)	
Net book value of disposed capital assets			(736,829)	
Contributed capital assets - governmental activities			99,308	
Capital outlay capitalized			3,307,980	
Principal on interfund loans			(145,912)	
Pension expense			(62,307)	
Principal on debt service			143,123	
			4,089,935	
GAAP BASIS			**(1,189,074)**	
NET POSITION				
Beginning of fiscal year			70,211,164	
NET POSITION - END OF FISCAL YEAR			$ **69,022,090**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
WASTEWATER SUBFUND

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

		ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Charges for services					
Wastewater collection	$	5,174,221	5,174,221	4,950,212	(224,009)
Miscellaneous services		1,500	1,500	410	(1,090)
		5,175,721	5,175,721	4,950,622	(225,099)
Miscellaneous revenues					
Interest income		23,000	23,000	30,206	7,206
Interest charges-deliquent accounts		0	0	11,593	11,593
		23,000	23,000	41,799	18,799
TOTAL REVENUES		**5,198,721**	**5,198,721**	**4,992,421**	**(206,300)**
EXPENSES AND ENCUMBRANCES					
Department of Public Utilities					
Wastewater					
Employee salaries and benefits		1,371,806	1,371,806	1,301,605	70,201
Outside services		1,264,400	2,656,581	791,894	1,864,687
Materials and supplies		218,100	223,774	169,368	54,406
Intrafund/interfund services		1,368,921	1,368,921	1,284,983	83,938
Capital outlay		122,200	122,200	102,369	19,831
Debt and fiscal charges		1,155,799	1,155,799	1,005,482	150,317
TOTAL EXPENSES AND ENCUMBRANCES		**5,501,226**	**6,899,081**	**4,655,701**	**2,243,380**
NET CHANGE IN FUND BALANCE	$	**(302,505)**	**(1,700,360)**	**336,720**	**2,037,080**

ADJUSTMENTS TO GAAP		
Encumbrances		119,422
Changes in compensated absences		13,004
Bad debt adjustment		(3,574)
Depreciation and amortization		(837,241)
Adjustments to inventory		(41)
Net book value of disposed capital assets		(59,692)
Contributed capital assets - governmental activities		23,346
Capital outlay capitalized		102,369
Capital projects capitalized (budgeted by line item)		559,639
Principal on interfund loans		(145,912)
Pension expense		(56,537)
Principal on debt service		787,068
		501,851
GAAP BASIS		**838,571**
NET POSITION		
Beginning of fiscal year		23,021,749
NET POSITION - END OF FISCAL YEAR	$	**23,860,320**

See accompanying notes to financial statements

LOS ALAMOS

where discoveries are made

Enterprise Funds

Enterprise Funds account for activities financed and operated in a manner similar to private business enterprises. These activities generally provide goods or services to the public on a continuing basis and are financed primarily through charges to users.

Other Enterprise Funds:

Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Transit Fund 651 - accounts for the operation of the Atomic City Transit (ACT) public transportation system.

Fire Fund 660 - accounts for fire protection services provided to Los Alamos National Laboratory and the community through a cooperative agreement with the National Nuclear Security Administration.

Airport Fund 681 - accounts for the operation and maintenance of the Los Alamos Airport.

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
ENVIRONMENTAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Selective gross receipt taxes	$ 863,000	863,000	794,419	(68,581)
Charges for services				
Sales of food or merchandise (trash bags)	0	0	4,774	4,774
Residential	1,913,520	1,913,520	1,896,280	(17,240)
Commercial and industrial	618,000	618,000	653,747	35,747
Other charges for services	500,000	500,000	449,142	(50,858)
	3,031,520	3,031,520	3,003,943	(27,577)
Interfund/interdepartmental charges				
Interdepartmental services	0	0	61,033	61,033
Miscellaneous revenues				
Interest income	39,000	39,000	75,011	36,011
Other	120,000	120,000	115,880	(4,120)
	159,000	159,000	190,891	31,891
TOTAL REVENUES	**4,053,520**	**4,053,520**	**4,050,286**	**(3,234)**
EXPENSES AND ENCUMBRANCES				
Public Works				
Environmental Services				
Employee salaries and benefits	1,181,432	1,181,432	1,241,551	(60,119)
Outside services	1,347,217	1,449,217	1,266,458	182,759
Materials and supplies	169,470	170,263	145,442	24,821
Intrafund/interfund services	982,811	982,811	984,698	(1,887)
Capital outlay	0	0	380	(380)
Debt and fiscal charges	361,629	361,629	361,217	412
TOTAL EXPENSES AND ENCUMBRANCES	**4,042,559**	**4,145,352**	**3,999,746**	**145,606**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**10,961**	**(91,832)**	**50,540**	**142,372**

OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Emergency Declarations Fund	0	(25,015)	(25,015)	0
NET CHANGE IN FUND BALANCE	$ **10,961**	**(116,847)**	**25,525**	**142,372**
ADJUSTMENTS TO GAAP				
Encumbrances			185,365	
Changes in compensated absences			9,087	
Bad debt adjustment			(2,472)	
Depreciation and amortization			(194,371)	
Special closure costs			(698,216)	
Principal on debt service			176,515	
Pension expense			(76,859)	
			(600,951)	
GAAP BASIS			**(575,426)**	
NET POSITION				
Beginning of fiscal year			3,298,668	
NET POSITION - END OF FISCAL YEAR			$ **2,723,242**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovermental				
Federal direct	$ 166,219	447,574	167,660	(279,914)
Federal indirect	2,088,272	5,016,195	1,847,514	(3,168,681)
State grants-other	0	0	34,271	34,271
Other intergovernmental (NCRTD)	1,361,820	1,361,820	1,353,509	(8,311)
	3,616,311	6,825,589	3,402,954	(3,422,635)
Miscellaneous revenues				
Interest income	39,000	39,000	53,262	14,262
Other	0	34,271	0	(34,271)
TOTAL REVENUES	**3,655,311**	**6,898,860**	**3,467,917**	**(3,430,943)**
EXPENSES AND ENCUMBRANCES				
Public Works				
Transit (Atomic City Transit)				
Employee salaries and benefits	2,685,887	2,685,887	2,301,708	384,179
Outside services	109,972	116,776	103,176	13,600
Materials and supplies	110,780	122,135	89,365	32,770
Intrafund/interfund services	1,268,034	1,268,034	1,268,412	(378)
Capital outlay	62,720	1,219,354	1,038,183	181,171
TOTAL EXPENSES AND ENCUMBRANCES	**4,237,393**	**5,412,186**	**4,800,844**	**611,342**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**(582,082)**	**1,486,674**	**(1,332,927)**	**(2,819,601)**
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	**1,000,000**	**1,000,000**	**1,000,000**	**0**
Transfers out to:				
NET CHANGE IN FUND BALANCE	$ **417,918**	**2,486,674**	**(332,927)**	**(2,819,601)**

ADJUSTMENTS TO GAAP		
Encumbrances		583,263
Changes in compensated absences		3,246
Depreciation and amortization		(150,371)
Capital outlay capitalized		483,252
Assets transferred - proprietary funds		(388,868)
Pension expense		(155,330)
		375,192
GAAP BASIS		**42,265**
NET POSITION		
Beginning of fiscal year		1,004,955
NET POSITION - END OF FISCAL YEAR	**$**	**1,047,220**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
FIRE FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Fire excise tax	$ 1,717,000	1,717,000	1,588,063	(128,937)
Intergovernmental revenue				
Federal direct - NNSA cooperative agreement	18,806,809	18,806,809	18,448,491	(358,318)
Charges for services				
Ambulance services	400,000	400,000	696,163	296,163
Interfund/interdepartmental charges				
County share of fire services	4,829,176	4,829,176	4,717,302	(111,874)
Miscellaneous revenues				
Other	0	0	2,153	2,153
TOTAL REVENUES	**25,752,985**	**25,752,985**	**25,452,172**	**(300,813)**
EXPENSES AND ENCUMBRANCES				
Fire Department				
Operations				
Employee salaries and benefits	15,489,504	15,489,504	15,023,877	465,627
Outside services	191,225	191,225	282,680	(91,455)
Materials and supplies	619,048	709,899	758,361	(48,462)
	16,299,777	16,390,628	16,064,918	325,710
Life Safety				
Employee salaries and benefits	0	0	544	(544)
Outside services	15,000	15,000	17,608	(2,608)
Materials and supplies	33,540	33,540	30,109	3,431
	48,540	48,540	48,261	279
Training				
Employee salaries and benefits	0	0	120	(120)
Outside services	354,621	355,075	351,328	3,747
Materials and supplies	39,700	47,525	33,992	13,533
	394,321	402,600	385,440	17,160

Emergency Medical Services				
Outside services	197,085	197,626	128,662	68,964
Materials and supplies	189,451	193,343	133,578	59,765
	386,536	390,969	262,240	128,729
Administration				
Employee salaries and benefits	2,500,708	2,500,708	2,483,351	17,357
Outside services	351,456	351,456	350,286	1,170
Materials and supplies	96,800	96,800	63,886	32,914
Intrafund/interfund services	3,957,847	3,957,847	4,272,419	(314,572)
	6,906,811	6,906,811	7,169,942	(263,131)
TOTAL EXPENSES AND ENCUMBRANCES	**24,035,985**	**24,139,548**	**23,930,801**	**208,747**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**1,717,000**	**1,613,437**	**1,521,371**	**(92,066)**
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	**(1,725,000)**	**(1,725,000)**	**(1,352,154)**	(372,846)
NET CHANGE IN FUND BALANCE	**$ (8,000)**	**(111,563)**	**169,217**	**(464,912)**
ADJUSTMENTS TO GAAP				
Encumbrances			303,569	
Changes in compensated absences			46,719	
Bad debt expense			(131,226)	
Depreciation and amortization			(488,872)	
Pension expense			(4,825,522)	
			(5,095,332)	
GAAP BASIS			**(4,926,115)**	
NET POSITION				
Beginning of fiscal year			(21,654,889)	
NET POSITION - END OF FISCAL YEAR			**$ (26,581,004)**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Licenses and permits				
Intergovernmental				
Federal direct	621,000	1,681,705	532,183	(1,149,522)
State grants-other	84,250	127,711	34,254	(93,457)
	705,250	1,809,416	566,437	(1,242,979)
Charges for services				
Airport fees	62,550	62,550	42,814	(19,736)
Miscellaneous revenues				
Interest income	13,000	13,000	38,240	25,240
Tie down rental	36,500	36,500	38,896	2,396
Facilities rental	0	0	8,500	8,500
	49,500	49,500	85,636	36,136
TOTAL REVENUES	**817,300**	**1,921,466**	**694,887**	**(1,226,579)**
EXPENSES AND ENCUMBRANCES				
Public Works				
Airport operations				
Employee salaries and benefits	134,262	134,262	129,462	4,800
Outside services	834,850	2,305,118	784,149	1,520,969
Materials and supplies	21,050	21,050	9,021	12,029
Intrafund/interfund services	164,124	164,124	158,307	5,817
Capital outlay	30,000	30,000	0	30,000
Debt and fiscal charges	500	500	573	(73)
TOTAL EXPENSES AND ENCUMBRANCES	**1,184,786**	**2,655,054**	**1,081,512**	**1,573,542**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**(367,486)**	**(733,588)**	**(386,625)**	**346,963**

OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	396,486	396,486	396,489	3
	396,486	**396,486**	**396,489**	**3**
NET CHANGE IN FUND BALANCE	$ **29,000**	**(337,102)**	**9,864**	**346,966**
ADJUSTMENTS TO GAAP				
Encumbrances			203,515	
Changes in compensated absences			2,392	
Depreciation and amortization			(741,372)	
Pension expense			(11,523)	
			(546,988)	
GAAP BASIS			**(537,124)**	
NET POSITION				
Beginning of fiscal year			14,816,927	
NET POSITION - END OF FISCAL YEAR			$ **14,279,803**	

See accompanying notes to financial statements

LOS ALAMOS

where discoveries are made

Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of a government on a cost-reimbursement basis. The County's internal service funds primarily serve the business-type activities of the County.

Equipment Fund 720 - accounts for the maintenance and replacement of the County's central equipment pool.

Risk Management Fund 730 - accounts for the County's insurance for health, workers compensation, unemployment, retiree health care, property and general liability.

Agency Fund

Agency Fund 871 - accounts for the collection and payment to the State and local School District of property taxes billed and collected by the County. The Schedule of Changes in Assets and Liabilities is the only required fund financial statement for the Agency Fund, and is presented immediately following the Internal Service Funds financial statements.

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2017

		EQUIPMENT	RISK MANAGEMENT	TOTAL
ASSETS				
CURRENT ASSETS				
Equity in pooled cash and investments	$	6,063,033	10,190,743	16,253,776
Receivables, net of allowance for uncollectibles				
Accounts		60,993	3,029	64,022
Inventories and prepayments				
Prepayments		0	26,900	26,900
		6,124,026	10,220,672	16,344,698
PROPERTY, PLANT AND EQUIPMENT				
Machinery and equipment		25,670,973	0	25,670,973
Less accumulated depreciation		(14,910,866)	0	(14,910,866)
		10,760,107	0	10,760,107
TOTAL ASSETS		**16,884,133**	**10,220,672**	**27,104,805**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions		303,341	91,635	394,976
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable		81,560	142,402	223,962
Claims and judgments payable		0	1,929,328	1,929,328
Accrued salaries including benefits payable		22,913	247,123	270,036
Accrued compensated absences		63,265	20,874	84,139
		167,738	2,339,727	2,507,465
NONCURRENT LIABILITIES				
Accrued compensated absences		40,334	3,900	44,234
Claims and judgments payable		0	1,103,864	1,103,864
Net pension liability		1,022,276	310,788	1,333,064
		1,062,610	1,418,552	2,481,162
TOTAL LIABILITIES		**1,230,348**	**3,758,279**	**4,988,627**
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions		(34,435)	(9,227)	(43,662)
NET POSITION				
Invested in capital assets, net of related debt		10,760,107	0	10,760,107
Unrestricted		5,231,454	6,563,255	11,794,709
TOTAL NET POSITION	$	**15,991,561**	**6,563,255**	**22,554,816**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2017

		EQUIPMENT	RISK MANAGEMENT	TOTAL
OPERATING REVENUES				
Interfund charges for services	$	3,408,607	317	3,408,924
Insurance and pension contributions				
County		0	8,436,057	8,436,057
Employees and retirees		0	1,721,880	1,721,880
Miscellaneous operating revenue		106,346	1,634	107,980
		3,514,953	**10,159,888**	**13,674,841**
OPERATING EXPENSES				
Employee salaries and benefits		935,071	335,671	1,270,742
Contractual services		722,229	8,610,746	9,332,975
Materials and supplies		1,469,600	3,454	1,473,054
Depreciation and amortization		2,128,793	0	2,128,793
		5,255,693	**8,949,871**	**14,205,564**
			(9,076,961)	
OPERATING INCOME (LOSS)		**(1,740,740)**	**1,210,017**	**(530,723)**
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on disposition of fixed assets		(5,516)	0	(5,516)
Investment income		228,028	295,654	523,682
		222,512	**295,654**	518,166
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS		**(1,518,228)**	**1,505,671**	**(12,557)**
TRANSFERS AND CONTRIBUTIONS				
Transfers in		389,248	0	389,248
Intergovernmental - capital grants		41,200	0	41,200
Contributed capital assets - governmental activities		571,280	0	571,280
		1,001,728	**0**	**1,001,728**
NET INCOME (LOSS)		**(516,500)**	**1,505,671**	**989,171**
NET POSITION				
Beginning of fiscal year		16,508,061	5,057,584	21,565,645
NET POSITION - END OF FISCAL YEAR	$	**15,991,561**	**$ 6,563,255**	**22,554,816**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2017

		EQUIPMENT	RISK MANAGEMENT	TOTAL
CASH FLOWS - OPERATING ACTIVITIES				
Cash received from customers and users	$	3,529,492	3,585	3,533,077
Cash received from contributions-employer and employees		0	10,157,937	10,157,937
Cash paid to suppliers for goods and services		(2,166,221)	(8,829,615)	(10,995,836)
Cash paid to employees		(867,585)	(115,404)	(982,989)
NET CASH FLOWS - OPERATING ACTIVITIES		**495,686**	**1,216,503**	**1,712,189**
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received from grants		41,200	0	41,200
Cash paid for acquisition of capital assets		(1,634,383)	0	(1,634,383)
Proceeds from sale of capital assets		40,675	0	40,675
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES		**(1,552,508)**	**0**	**(1,552,508)**
CASH FLOWS - INVESTING ACTIVITIES				
Interest received on investments		**228,028**	**295,654**	**523,682**
NET INCREASE (DECREASE) IN CASH		**(828,794)**	**1,512,157**	**683,363**
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR		6,891,827	8,678,586	15,570,413
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	$	**6,063,033**	**10,190,743**	**16,253,776**

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	$ (1,740,740)	1,210,017	(530,723)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES			
Depreciation and amortization expense	2,128,793	0	2,128,793
Change in assets and liabilities:			
Accounts and other receivables	14,539	1,634	16,173
Accounts payable	25,608	(82,890)	(57,282)
Salaries and benefits payable	67,486	220,267	287,753
Claims and judgments payable	0	(132,525)	(132,525)
Total adjustments	**2,236,426**	**6,486**	**2,242,912**
NET CASH FLOWS - OPERATING ACTIVITIES	$ **495,686**	**1,216,503**	**1,712,189**

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:			
Asset transfers - proprietary funds	$ 389,248	0	389,248
Contributed capital assets - governmental activities	571,280	0	571,280
TOTAL NON CASH CAPITAL ACQUISITIONS	$ **960,528**	**0**	**960,528**

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovermental				
State grants-other	$ 0	41,200	41,200	0
Interfund/interdepartmental charges				
Charges for special services	3,300,733	3,300,733	3,408,607	107,874
Miscellaneous revenues				
Investment income	155,000	155,000	228,028	73,028
Other	240,000	240,000	106,346	(133,654)
	395,000	395,000	334,374	(60,626)
TOTAL REVENUES	**3,695,733**	**3,736,933**	**3,784,181**	**47,248**
EXPENSES AND ENCUMBRANCES				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	891,809	891,809	873,124	18,685
Outside services	113,396	113,396	151,850	(38,454)
Materials and supplies	1,295,168	1,421,298	1,452,034	(30,736)
Intrafund/interfund services	568,741	568,741	570,379	(1,638)
	2,869,114	2,995,244	3,047,387	(52,143)
Fleet management-equipment replacement				
Materials and supplies	0	0	17,566	(17,566)
Capital outlay	1,948,000	1,972,165	1,634,383	337,782
	1,948,000	1,972,165	1,651,949	320,216
TOTAL EXPENSES AND ENCUMBRANCES	**4,817,114**	**4,967,409**	**4,699,336**	**268,073**
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	**(1,121,381)**	**(1,230,476)**	**(915,155)**	**315,321**

OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Proceeds from sale of capital assets	100,000	100,000	(5,516)	(105,516)
NET CHANGE IN NET POSITION	$ **(1,021,381)**	**(1,130,476)**	**(920,671)**	**209,805**
ADJUSTMENTS TO GAAP				
Encumbrances				
Changes in compensated absenses			**971**	
Depreciation and amortization			(2,128,793)	
Capital outlay capitalized			1,634,383	
Asset transfers - proprietary funds			389,248	
Contributed capital assets - governmental activities			571,280	
Pension expense			(62,918)	
			404,171	
GAAP BASIS			**(516,500)**	
NET POSITION				
Beginning of fiscal year			16,508,061	
NET POSITION - END OF FISCAL YEAR			$ **15,991,561**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2017

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Administrative charges for services	$ 0	0	317	317
Interfund/interdepartmental charges				
County insurance contributions	8,877,199	8,877,199	8,436,057	(441,142)
Miscellaneous revenues				
Investment income	163,000	163,000	295,654	132,654
Group insurance contributions				
Employees	1,821,400	1,821,400	1,700,722	(120,678)
Retirees and others	0	0	21,158	21,158
	1,984,400	1,984,400	2,017,534	33,134
TOTAL REVENUES	**10,861,599**	**10,861,599**	**10,453,908**	**(407,691)**
EXPENSES AND ENCUMBRANCES				
Administrative Services - Human Resources				
Group insurance				
Outside services	674,900	674,900	662,274	12,626
Intrafund/interfund services	(51,200)	(51,200)	(31,026)	(20,174)
	623,700	623,700	631,248	(7,548)
Medical Insurance				
Outside services	7,255,053	7,125,053	6,262,617	862,436
Intrafund/interfund services				
Unemployment insurance				
Outside services	70,000	70,000	62,728	7,272
Workers' compensation insurance				
Outside services	700,000	700,000	699,984	16
Administration and other insurance				
Employee salaries and benefits	282,445	282,445	330,236	(47,791)
Outside services	984,382	1,114,382	1,052,651	61,731
Materials and supplies	12,500	12,500	3,454	9,046
Intrafund/interfund services	54,217	54,217	34,043	20,174
	1,333,544	1,463,544	1,420,384	43,160
TOTAL EXPENSES AND ENCUMBRANCES	**9,982,297**	**9,982,297**	**9,076,961**	**905,336**

NET CHANGE IN NET POSITION	$ 879,302	879,302	**1,376,947**	**497,645**
ADJUSTMENTS TO GAAP				
Changes in compensated absenses			13,512	
Bad debt expense			1,634	
Incurred but not reported claims adjustment			132,525	
Pension expense			(18,947)	
			128,724	
GAAP BASIS			**1,505,671**	
NET POSITION				
Beginning of fiscal year			5,057,584	
NET POSITION - END OF FISCAL YEAR			$ **6,563,255**	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended June 30, 2017

		BALANCE JUNE 30, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
ASSETS					
Equity in pooled cash and investments	$	463,450	18,983,565	18,974,067	472,948
Receivables					
Property taxes		231,625	17,187,454	17,212,954	206,125
Other		2,768	15,410	15,440	2,738
TOTAL ASSETS	$	**697,843**	**36,186,429**	**36,202,461**	**681,811**
LIABILITIES					
Due to other governments	$	681,845	17,764,701	17,780,358	666,188
Donations held in trust		15,998	6,529	6,904	15,623
TOTAL LIABILITIES	$	**697,843**	**17,771,230**	**17,787,262**	**681,811**

See accompanying notes to financial statements.

Statistical Section

This section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the County's overall financial health. This section is presented in five general categories as described below.

Financial trends information is intended to assist readers in understanding and assessing how the County's financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the County's ability to generate its "own-source revenues". Own-source revenues are revenues that are generated by the County itself. The County's largest own-source revenues are Joint Utility System charges, thus there are several required tables showing the Joint Utility Fund customer base, charge rates, and revenues by customer category. **Additional tables, although not required, show gross receipts tax revenue history and information about property taxes.**

Debt capacity information is intended to assist readers in understanding and assessing the County's debt burden and its ability to issue additional debt.

Demographic and economic information is intended (1) to assist readers in understanding the socioeconomic environment within which the County operates and (2) to provide information that facilitates comparisons of financial information over time and among governments.

Operating information is intended to provide contextual information about the County's operations and resources to assist readers in using financial statement information to understand and assess the County's economic condition.

INCORPORATED COUNTY OF LOS ALAMOS
NET POSITION BY COMPONENT (ACCRUAL BASIS OF ACCOUNTING)

Table 1

LAST TEN FISCAL YEARS

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Governmental activities										
Net investment in capital assets	$ 169,397,461	183,000,699	178,334,145	192,752,416	208,576,888	237,826,582	239,254,295	250,108,256	252,531,286	259,802,145
Restricted	26,998,503	28,017,885	28,325,491	35,352,438	33,651,944	35,537,750	34,988,485	34,249,549	33,470,637	36,167,912
Unrestricted	92,425,436	89,765,352	103,506,637	105,766,930	88,201,894	64,512,993	65,417,024	24,828,055 [b]	23,440,469	11,708,367
Total governmental activities net position [a]	$ 288,821,400	300,783,936	310,166,273	333,871,784	330,430,726	337,877,325	339,659,804	309,185,860	309,442,392	307,678,424
Business-type activities										
Net investment in capital assets	$ 115,346,140	142,618,564	158,548,491	161,529,616	167,570,211	167,060,666	181,756,242	179,372,871	184,426,198	188,228,999
Restricted	21,313,740	18,360,797	18,666,972	20,160,305	21,139,074	22,202,599	22,978,409	18,360,915	14,083,223	12,158,471
Unrestricted	38,716,522	40,619,953	34,379,861	39,092,391	37,641,839	35,292,581	32,720,327	-13,031,536 [b]	-11,155,982	-19,209,288
Total business-type activities net position [a]	$ 175,376,402	201,599,314	211,595,324	220,782,312	226,351,124	224,555,846	237,454,978	184,702,250	187,353,439	181,178,182
Primary government										
Net investment in capital assets	$ 284,743,601	325,619,263	336,882,636	354,282,032	376,147,099	404,887,248	421,010,537	429,481,127	436,957,484	448,031,144
Restricted	48,312,243	46,378,682	46,992,463	55,512,743	54,791,018	57,740,349	57,966,894	52,610,464	47,553,860	48,326,383
Unrestricted	131,141,958	130,385,305	137,886,498	144,859,321	125,843,733	99,805,574	98,137,351	11,796,519 [b]	12,284,487	-7,500,921
Total primary government net position [a]	$ 464,197,802	502,383,250	521,761,597	554,654,096	556,781,850	562,433,171	577,114,782	493,888,110	496,795,831	488,856,606

Source: Los Alamos County CAFRs

Notes:

[a] The County implemented GASB 63 during FY2013 in which formerly titled "Net Assets" are now named "Net Position".

[b] The County implemented GASB 68 during FY2015 which includes net pension liablity. The reduction of net position is related to the recording of pension expense and the associated deferred inflows and outflows of resources.

INCORPORATED COUNTY OF LOS ALAMOS
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Table 2

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Expenses										
Governmental activities:										
General government	$ 14,426,791	15,392,748	19,020,307	19,354,103	18,663,752	14,217,521	14,792,046	15,786,864	15,346,876	15,742,286
Public safety	7,029,949	9,657,214	11,307,944	12,360,479	12,763,626	14,126,300	13,888,177	12,144,576	13,360,596	16,408,125
Cerro Grande fire recovery	365,197	94,245 [b]	0	0	0	0	0	0	0	0
Physical and economic environment	1,685,895	2,017,455	1,545,719	2,099,635	3,900,321	1,820,183	1,704,968	1,625,567	2,958,513	3,153,938
Transportation	12,409,532	11,250,407	10,050,217	8,666,590	11,979,692	10,597,589	11,592,103	10,612,552	11,818,676	11,961,231
Health and welfare	1,892,186	1,860,474	2,068,607	2,154,670	2,671,201	2,812,257	2,413,003	3,454,239	3,365,393	3,875,543
Culture and recreation	9,120,096	8,682,314	8,865,528	9,053,137	9,327,340	8,630,805	8,539,264	8,499,131	9,048,935	10,887,483
Interest on long-term debt	96,932	2,672,018	3,699,791	3,595,170	3,476,881	3,651,044	3,143,244	3,089,731	2,918,556	2,729,727
Total governmental activities expenses	47,026,578	51,626,875	56,558,113	57,283,784	62,782,813	55,855,699	56,072,805	55,212,660	58,817,545	64,758,333
Business-type activities:										
Joint Utilities										
Electric	45,217,104	34,387,216	41,164,227	41,736,839	41,719,538	47,133,456	43,960,638	47,510,797	40,530,631	41,151,605
Gas	8,434,435	6,365,053	6,896,901	5,350,868	4,311,995	4,782,055	6,075,188	4,442,941	3,917,505	4,541,525
Water	5,419,693	5,377,817	5,877,689	5,949,329	5,551,378	6,743,730	6,663,350	7,037,166	7,476,966	7,204,526
Wastewater	2,870,251	3,654,838	3,137,595	4,159,837	3,771,483	4,013,751	3,943,016	4,294,289	4,013,980	4,136,049
Environmental Services	3,097,723	3,221,222	4,399,102	4,220,409	4,549,617	3,670,408	4,225,768	3,984,802	3,669,075	4,601,666
Golf	1,044,012	1,150,136	1,140,056	1,277,202	1,254,690	1,194,242	0 [c]	0	0	0
Transit (Atomic City Transit)	1,544,871 [a]	2,144,194 [a]	3,165,043	3,416,977	3,567,829	4,200,697	3,993,193	4,050,193	3,665,719	4,038,842
Fire	15,090,781	18,411,656	19,127,418	19,412,022	21,002,769	20,470,142	22,908,775	23,455,765	25,081,899	29,027,727
Airport	446,171	767,161	944,379	999,589	1,108,878	1,737,767	1,537,667	1,251,229	1,777,165	1,628,521
Total business-type activities expenses	83,165,041	75,479,293	85,852,410	86,523,072	86,838,177	93,946,248	93,307,595	96,027,182	90,132,940	96,330,461
Total primary government expenses	$ 130,191,619	127,106,168	142,410,523	143,806,856	149,620,990	149,801,947	149,380,400	151,239,842	148,950,485	161,088,794
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	$ 879,593	909,928	1,096,043	1,227,575	1,020,736	1,079,196	957,045	1,038,897	1,271,004	1,316,695
Public safety	92,377	70,792	84,106	72,192	39,254	30,892	10,075	27,970	21,186	33,262
Transportation	0	0	0	0	0	58,997	0	0	0	0
Physical and economic environment	296,965	274,041	696,216	281,256	229,336	278,557	297,164	285,865	267,346	350,571
Culture and recreation	574,193	604,296	608,966	558,720	500,258	485,245	1,095,508	1,054,444	1,049,593	1,002,205
Operating grants and contributions	1,901,447	3,368,035	1,896,905	1,710,444	2,188,367	2,944,958	3,193,079	1,686,315	2,215,748	2,775,875
Capital grants and contributions	2,921,918	579,715	2,582,496	5,678,971	462,299	1,254,628	710,953	895,715	702,911	2,937,044
Total governmental activities program revenues	6,666,493	5,806,807	6,964,732	9,529,158	4,440,250	6,132,473	6,263,824	4,989,206	5,527,788	8,415,652
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	42,521,330	40,793,945	40,668,122	42,894,754	44,840,758	49,066,724	46,479,599	41,641,654	45,701,692	40,655,034
Gas	8,836,735	8,261,673	7,954,116	6,239,881	5,453,744	5,496,085	6,714,276	5,383,259	4,910,279	4,502,630
Water	4,781,273	4,618,583	4,816,679	5,403,940	5,667,415	5,768,598	4,913,083	4,614,815	4,901,704	5,305,884
Wastewater	3,334,040	3,316,698	3,542,805	3,696,644	4,147,134	3,998,295	4,019,962	4,286,041	4,643,528	4,962,215
Environmental Services	3,150,748	3,121,708	3,126,334	3,250,412	2,827,628	2,701,807	3,096,701	2,719,249	2,951,773	3,180,855
Golf	661,826	636,358	641,433	584,432	521,004	505,080	0 [c]	0	0	0
Transit (Atomic City Transit)	332 [a]	14,180 [a]	18,548	68,944	39,132	150,092	150,000	0	0	11,701
Fire	14,781,394	7,232,513	3,813,047	3,980,920	4,111,381	4,485,389	4,702,845	4,399,490	4,829,236	5,415,618
Airport	94,267	84,429	82,883	86,784	88,933	85,324	100,434	88,639	87,389	90,208

Operating grants and contributions	772,110	11,172,077	16,456,680	16,941,411	18,545,761	18,639,957	20,631,902	20,167,450	20,747,128	22,035,279
Capital grants and contributions	283,738	15,468,551	7,230,200	5,764,144	1,734,061	1,863,427	11,953,592	2,484,713	1,577,799	777,875
Total business-type activities program revenues	79,217,793	94,720,715	88,350,847	88,912,266	87,976,951	92,760,778	102,762,394	85,785,310	90,350,528	86,937,299
Total primary government program revenues	$ 85,884,286	100,527,522	95,315,579	98,441,424	92,417,201	98,893,251	109,026,218	90,774,516	95,878,316	95,352,951
Net (Expenses)/Revenues										
Governmental activities	$ (40,360,085)	(45,820,068)	(49,593,381)	(47,754,626)	(58,342,563)	(49,723,226)	(49,808,981)	(50,223,454)	(53,289,757)	(56,342,681)
Business-type activities	(3,947,248)	19,241,422	2,498,437	2,389,194	1,138,774	(1,185,470)	9,454,799	(10,241,872)	217,588	(9,393,162)
Total primary government net expense	$ (44,307,333)	(26,578,646)	(47,094,944)	(45,365,432)	(57,203,789)	(50,908,696)	(40,354,182)	(60,465,326)	(53,072,169)	(65,735,843)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts taxes	$ 25,943,927	32,912,239	28,948,180	32,669,923	29,348,286	24,328,784	22,376,156	22,340,980	25,455,540	24,315,050
Property taxes	5,962,093	6,268,614	6,585,887	5,082,288	5,181,012	5,266,033	5,328,528	5,336,098	6,974,747	7,020,492
Franchise taxes	491,631	469,347	451,423	445,786	470,897	464,719	481,665	472,261	512,974	566,033
Grants and contribution not restricted to specific programs	821,381	872,736	797,199	846,484	654,647	523,589	1,451,287	817,545	1,392,069	847,665
State shared tax revenue not restricted to specific programs	17,172,099	22,164,216	19,284,774	21,792,159	19,562,710	16,273,672	14,979,816	14,911,175	17,009,401	16,816,686
Unrestricted investment earnings	2,377,360	(2,619,223)	6,619,681	9,357,730	310,908	6,423,031	8,321,837	1,359,032	55,063	4,961,233
Gain on exchange of capital assets	0	0	0	4,267,857	0	0	0	337,133	0	0
Transfers	(12,078,691)	(2,285,325)	(3,711,426)	(3,002,090)	(626,955)	3,889,997	(807,895)	347,887	2,146,495	51,556
Total governmental activities	40,689,800	57,782,604	58,975,718	71,460,137	54,901,505	57,169,825	52,131,394	45,922,111	53,546,289	54,578,715
Business-type activities:										
Gross receipts taxes	2,557,319	3,242,150	2,841,265	3,212,873	2,884,446	2,392,659	2,197,573	2,190,204	2,498,560	2,382,482
Grants and contribution not restricted to specific programs	0	0	0	18,000	7,500	0	0	0	0	0
Unrestricted investment earnings	2,440,479	1,454,015	944,882	564,831	911,137	887,530	898,846	157,053	127,936	886,979
Gain on restructuring of San Juan ownership agreement	0	0	0	0	0	0	0	0 [e]	1,953,600	0
Transfers	12,078,691	2,285,325	3,711,426	3,002,090	626,955	(3,889,997)	807,895	(347,887)	(2,146,495)	(51,556)
Total business-type activities	17,076,489	6,981,490	7,497,573	6,797,794	4,430,038	(609,808)	3,904,314	1,999,370	2,433,601	3,217,905
Total primary government	$ 57,766,289	64,764,094	66,473,291	78,257,931	59,331,543	56,560,017	56,035,708	47,921,481	55,979,890	57,796,620
Change in Net Position										
Governmental activities	$ 329,715	11,962,536	9,382,337	23,705,511	(3,441,058)	7,446,599	2,322,413	(4,301,343)	256,532	(1,763,966)
Business-type activities	13,129,241	26,222,912	9,996,010	9,186,988	5,568,812	(1,795,278)	13,359,113	(8,242,502)	2,651,189	(6,175,257)
Total primary government net expense	$ 13,458,956	38,185,448	19,378,347	32,892,499	2,127,754	5,651,321	15,681,526	(12,543,845) [d]	2,907,721	(7,939,223)

Source: Los Alamos County CAFRs

Notes:

[a] The County began operating the Atomic City Transit operation in FY2008. This activity is recorded in an enterprise fund.

[b] The Cerro Grande Fire Fund was closed in FY2009 as all amounts were recovered.

[c] The Golf Course Fund was closed at the end of FY2013 and reclassified from an enterprise fund. The Golf Course became a division of the General Fund beginning July 1, 2014.

[d] The County implemented GASB Statement No. 68 in FY2015 which included restated beginning balances of ($70.68M) related to the net effect of deferred inflows and outflows relative to net pension liabilities.

[e] The owners of the San Juan generating station restructured ownership agreement when some owners withdrew. The result was a gain for the other owners. This gain was recorded in the Joint Utility System Fund and appears in the business-type activities.

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)
LAST TEN FISCAL YEARS

Table 3

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 [e]	FY2016	FY2017
General Fund										
Reserved	6,357,698	7,322,571	7,454,198	0	0	0	0	0	0	0
Unreserved	28,476,946	34,373,979	31,678,425	0	0	0	0	0	0	0
Nonspendable	0	0	0	1,266,859	1,304,638	2,082,306	2,370,466	2,086,644	1,543,084	1,495,689
Restricted	0	0	0	4,414,738	4,573,909	4,704,218	4,578,105	4,662,147	4,725,850	4,817,028
Committed	0	0	0	12,761,219	4,879,110	10,576,477	11,216,517	0	0	0
Assigned	0	0	0	0	0	0	0	2,735,989	2,552,924	1,441,333
Unassigned	0	0	0	13,570,673	11,947,812	11,020,219	10,946,134	16,030,633	10,988,354	10,122,214
Total General Fund	34,834,644	41,696,550	39,132,623	32,013,489	22,705,469	28,383,220	29,111,222	25,515,413	19,810,212	17,876,264
All Other Governmental Funds										
Reserved	53,828,212	100,153,224	38,926,491	0	0	0	0	0	0	0
Unreserved, reported in:										
Special revenue funds	8,747,551	6,026,702	8,400,370	0	0	0	0	0	0	0
Debt service funds	0	6,424,030 [b]	6,424,030	0	0	0	0	0	0	0
Capital projects funds	23,643,713	1,235,010	38,276,395	0	0	0	0	0	0	0
Permanent funds [a]	0	0	1,498,489	0	0	0	0	0	0	0
Nonspendable	0	0	0	24,492,490	24,982,806	25,214,071	25,177,558	25,472,184	24,580,311	24,958,847
Restricted	0	0	0	7,512,658	4,808,769	6,169,905	5,377,454	4,153,960	3,426,972	5,617,945
Committed	0	0	0	80,339,764	72,140,568	43,106,108	43,694,827	787,738	522,781	509,644
Assigned	0	0	0	0	0	0	0	31,376,364	36,492,709	28,601,685
Unassigned	0	0	0	0	0	(605,171) [c]	(2,733,870) [d]	0	0	0
Total All Other Governmental Funds	86,219,476	113,838,966	93,525,775	112,344,912	101,932,143	73,884,913	71,515,969	61,790,246	65,022,773	59,688,121

Source: Los Alamos County CAFRs

Notes:

[a] Amount by which undistributed balance exceeds required amount of maintained principal balance.

[b] The County issued gross receipts tax revenue bonds in FY2009.

[c] The Unassigned fund balance deficit relates to the individual Las Conchas Fire Fund incurring reimbursable expenditures which were not received within the County's period of availability for accrual (60 days).

[d] The Unassigned fund balance deficit relates to the individual Emergency Declarations Fund, formerly Las Conchas Fire Fund, incurring reimbursable expenditures which were not received within the County's period of availability for accrual (60 days).

[e] The County made policy changes and restructured its fund blances, making many fund balances that were previously reported as committed as either assigned or unrestricted.

INCORPORATED COUNTY OF LOS ALAMOS

Table 4

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Revenues:										
Taxes and special assessments	$ 32,587,924	39,867,881	36,289,316	38,466,493	35,288,631	30,353,771	28,507,405	28,494,458	33,406,693	32,370,821
Licenses and permits	223,071	216,234	409,123	240,507	182,160	232,506	274,320	252,091	241,250	282,417
Intergovernmental	21,408,769	25,780,683	22,143,759	26,095,049	21,714,390	19,420,500	17,067,419	19,881,600	21,218,380	21,429,688
Fines forfeitures and penalties	255,665	203,514	194,532	174,671	160,777	171,567	167,241	154,697	185,658	208,610
Charges for services	1,053,068	1,045,629	1,201,023	1,115,663	939,550	1,014,457	1,230,420	1,204,594	1,217,041	1,282,751
Interfund/Interdepartmental charges	3,988,710	4,835,634	4,526,696	4,069,297	4,172,734	6,436,301	7,493,187	6,602,030	6,301,361	7,190,007
Investment Income	2,377,360	(2,619,223) [b]	6,619,681 [a]	9,357,730	310,908 [b]	6,423,031	8,321,837	1,359,032	55,063 [b]	4,961,233 [a]
Other revenues	493,595	872,244	1,161,464	1,092,145	820,470	706,646	1,286,404	1,482,134	1,613,461	1,043,009
Total revenues	62,388,162	70,202,596	72,545,594	80,611,555	63,589,620	64,758,779	64,348,233	59,430,636	64,238,907	68,768,536
Expenditures										
General government	16,743,522	18,480,346	18,344,495	19,843,062	19,187,027	18,639,060	18,478,112	19,795,338	19,716,655	18,962,346
Public safety	7,043,313	9,689,061	11,526,276	11,651,434	12,157,139	13,510,694	13,365,914	11,897,415	13,083,180	15,115,676
Cerro Grande fire recovery [a]	4,284,892	165,171	0	0	0	0	0	0	0	0
Physical and economic environment	1,650,347	2,594,303	1,421,757	2,089,260	3,895,739	1,723,777	1,714,917	1,660,995	3,006,055	3,011,403
Transportation	3,531,475	4,056,407	4,478,447	3,068,034	4,889,279	4,511,094	4,613,400	3,737,857	4,296,240	3,749,900
Health and welfare	1,892,186	1,860,474	2,068,607	2,154,210	2,671,161	2,811,364	2,414,606	3,461,538	3,371,456	3,855,380
Culture and recreation	7,758,322	8,181,407	8,216,827	8,278,223	8,508,258	7,840,837	7,788,712	7,805,286	7,947,403	8,477,156
Capital Projects/Outlay	10,268,206	59,440,424	42,337,887	11,341,861	24,432,329	24,017,766	11,688,570	18,701,900	10,508,740	17,417,464
Debt service										
Principal	592,494	3,605,686	3,090,000	3,215,000	3,345,000	9,794,887 [d]	3,615,000	3,795,000	3,970,000	4,175,000
Interest	100,933	2,459,841	3,821,638	3,698,038	3,569,438	3,442,225	2,542,740	2,475,396	2,299,109	2,089,646
Bond issuance costs	0	0	0	0	0	375,113 [d]	0	0	0	0
Total expenditures	53,865,690	110,533,120	95,305,934	65,339,122	82,655,370	86,666,817	66,221,971	73,330,725	68,198,838	76,853,971
Excess of revenues over (under) expenditures	8,522,472	(40,330,524)	(22,760,340)	15,272,433	(19,065,750)	(21,908,038)	(1,873,738)	(13,900,089)	(3,959,931)	(8,085,435)
Other Financial Sources (Uses)										
Transfers in	27,763,838	26,836,139	28,158,656	35,599,850	27,418,134	15,264,237	21,359,159	17,779,053	25,518,449	15,751,408
Transfers out	(25,564,782)	(27,700,509)	(28,275,434)	(38,574,878)	(28,073,173)	(15,725,678)	(21,126,363)	(17,200,496)	(24,031,192)	(14,934,572)
Issuance of long-term debt	0	75,676,290 [c]	0	0	0	43,413,930 [e]	0	0	0	0
Payment to escrow - refunding debt	0	0	0	0	0	(43,413,930)	0	0	0	0
Loss on disposal of asset held for resale	0	0	0	(597,402)	0	0	0	0	0	0
Total other financial sources (uses)	2,199,056	74,811,920	(116,778)	(3,572,430)	(655,039)	(461,441)	232,796	578,557	1,487,257	816,836
Net change in fund balance	$ 10,721,528	34,481,396	(22,877,118)	11,700,003	(19,720,789)	(22,369,479)	(1,640,942)	(13,321,532)	(2,472,674)	(7,268,599)
Debt service as a percentage of non-capital expenditures	1.59%	11.87%	13.05%	12.80%	11.88%	21.13%	11.29%	11.48%	10.87%	10.54%

Source: Los Alamos County CAFRs

Notes:

[a] The increase in investment income reflects higher cash and investment balances and higher returns in the overall market.

[b] The decrease in investment income reflects lower cash and investment balances and lower returns in the overall market.

[c] Proceeds from issuance of 2008 GRT Revenue Bonds are shown here net of premiums, discounts, and issuance costs.

[d] The County refunded a portion of the 2008 GRT Revenue Bonds with Series 2013 GRT Refunding Revenue Bonds, and contributed $6.7M to defray future debt service payments.

[e] Proceeds from issuance of 2013 GRT Refunding Revenue Bonds are shown here net of premiums and discounts.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM CUSTOMER BASE

Table 5

LAST TEN FISCAL YEARS

	Number of customer accounts			
Fiscal Year	**Electric**	**Gas**	**Water**	**Wastewater**
2008	8,877	7,675	7,185	6,945
2009	8,734	7,605	7,073	6,734
2010	8,733	7,573	7,074	6,716
2011	8,610	7,439	6,949	6,646
2012	8,964	7,756	7,229	7,094
2013	8,714	7,537	7,044	6,768
2014	8,900	7,544	7,064	6,765
2015	8,647	7,439	6,984	6,696
2016	8,796	7,584	7,042	6,694
2017	8,830	7,553	7,095	6,986

Source: Utility Department operating records (average customer accounts per consumption report)

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE AND SALES

Table 6

LAST TEN FISCAL YEARS

	ELECTRIC		GAS		WATER		Wastewater	Joint Utility System
Fiscal Year	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]	Revenue	Revenue
2008	42,521,330	536,548,803	8,836,735	8,726,004	4,781,273	800,273	3,334,040	59,473,378
2009	40,793,945	544,023,884	8,261,673	8,434,678	4,618,583	1,156,924	3,316,698	56,990,899
2010	40,668,122	541,039,995	7,954,116	9,578,556	4,816,679	1,350,961	3,542,805	56,981,722
2011	42,894,754	559,500,638	6,239,881	8,528,456	5,403,940	1,225,571	3,696,644	58,235,219
2012	44,954,861	592,737,868	5,482,076	8,284,857	5,672,022	1,288,143	4,147,134	60,256,093
2013	49,206,543	570,882,779	5,507,228	8,385,907	5,780,760	1,254,647	4,006,563	64,501,094
2014	46,574,314	531,795,566	6,714,276	9,030,531	4,938,708	1,029,057	4,019,962	62,247,260
2015	41,736,139	514,619,427	5,383,259	8,085,720	4,640,379	964,069	4,286,041	56,045,818
2016	45,701,692	566,018,259	4,910,279	8,416,085	4,901,704	974,848	4,643,528	60,157,203
2017	40,655,034	572,259,534	4,502,630	7,649,471	5,305,884	1,035,300	4,962,215	55,425,763

Sources: All operating revenue - Joint Utility System audited financial statements

Sales - Electric, Gas, Water and Wastewater Quantity Report; UB709 Report; Department of Public Utilities Annual Report

Notes:

[a] Water sales include wholesale water and Mgal sales.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS

Table 7

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Type of Customer:										
Electric Utility										
Residential	$ 5,346,566	5,230,565	5,730,319	5,594,525	5,878,664	5,744,107	5,801,691	6,203,978	7,113,594	6,949,869
Commercial and industrial	3,506,293	3,523,646	3,606,847	3,557,480	3,858,918	3,822,367	3,888,005	4,286,822	4,780,023	4,535,052
Public street and highway lighting	58,060	61,221	65,567	56,135	69,953	63,467	66,035	67,436	67,941	68,043
Municipal	1,273,241	1,381,168	1,313,543	1,728,801	1,554,427	1,683,615	1,444,776	1,402,431	1,563,086	1,673,078
Educational	341,237	349,934	357,528	359,585	425,151	447,456	473,886	469,886	530,129	531,812
Wholesale	31,496,210	29,954,906	29,325,387	31,406,424	32,888,233	36,932,693	34,425,200	29,056,585	31,402,138	26,577,782
Miscellaneous	499,723	292,505	268,931	191,804	279,515	512,838	474,721	249,001	244,781	319,398
Total electric utility	42,521,330	40,793,945	40,668,122	42,894,754	44,954,861	49,206,543	46,574,314	41,736,139	45,701,692	40,655,034
Gas Utility										
Residential	6,634,477	6,207,224	5,986,586	4,728,730	4,230,259	4,288,747	5,068,656	4,150,914	3,825,203	3,549,664
Commercial and industrial	1,412,365	1,284,447	1,245,762	926,796	783,425	782,496	879,141	786,424	704,292	593,836
Municipal	378,729	426,102	400,936	326,138	215,625	216,626	322,610	228,955	196,661	165,999
Educational	305,086	297,291	265,683	203,497	193,036	189,857	227,578	177,991	161,799	163,585
Miscellaneous	106,078	46,609	55,149	54,720	59,731	29,502	216,291	38,975	22,324	29,546
Total gas utility	8,836,735	8,261,673	7,954,116	6,239,881	5,482,076	5,507,228	6,714,276	5,383,259	4,910,279	4,502,630
Water Utility										
Residential	2,948,789	2,706,312	2,893,771	3,327,626	3,512,646	3,559,699	3,112,239	3,010,161	3,114,535	3,488,643
Commercial and industrial	453,342	436,167	375,903	475,727	515,633	479,456	418,078	459,150	431,565	457,437
Municipal	371,081 [a]	327,690	355,465	384,581	413,283	379,986	310,255	259,569	303,355	296,167
Educational	135,963	112,101	96,981	119,391	157,613	139,435	122,780	115,167	123,883	138,134
Wholesale	806,247	983,763	1,025,587	1,048,609	1,017,619	1,163,816	898,229	734,950	850,800	858,738
Miscellaneous	65,851	52,550	68,972	48,006	55,228	58,368	77,127	61,382	77,566	66,765
Total water utility	4,781,273	4,618,583	4,816,679	5,403,940	5,672,022	5,780,760	4,938,708	4,640,379	4,901,704	5,305,884
Wastewater Utility										
Wastewater collection	3,311,657	3,304,507	3,529,619	3,685,168	4,136,291	3,997,167	4,008,411	4,274,921	4,632,768	4,950,622
Municipal (non-potable water)	0 [a]	0	0	0	0	0	0	0	0	0
Miscellaneous	22,383	12,191	13,186	11,476	10,843	9,396	11,551	11,120	10,760	11,593
Total wastewater utility	3,334,040	3,316,698	3,542,805	3,696,644	4,147,134	4,006,563	4,019,962	4,286,041	4,643,528	4,962,215
Total operating revenues- Joint Utility System	$ 59,473,378	56,990,899	56,981,722	58,235,219	60,256,093	64,501,094	62,247,260	56,045,818	60,157,203	55,425,763

Source: CAFRs, Budget to Actual Statements

[a] Non-potable water sales are included in the municipal Water Sub-fund revenues starting in FY2008. Prior to FY2008 they were accounted for in the Wastewater Sub-fund.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM RATE STRUCTURE
LAST TEN FISCAL YEARS

Table 8

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Electric Utility										
Residential										
Rate per kilowatt hour	$0.0815	$0.0907	$0.0907	$0.0952	$0.0952	$0.0952	$0.1028	$0.1152	$0.1152	$0.1152
Monthly flat service fee	$5.67	$5.67	$5.67	$5.95	$5.95	$5.95	$6.43	$12.00	$12.00	$12.00
Commercial										
Rate per kilowatt hour	$.0553 - .0772	$0.058 - 0.0859	$0.058 - 0.0859	$0.0613 - 0.902	$0.0613 - 0.902	$0.0613 - 0.902	$0.0662 - .09074	$0.0821-0.1111	$0.0821-0.1111	$0.0821-0.1111
Monthly flat service fee	$15.20 -16.00	$15.20 -16.00	$15.20 -16.00	$15.96 -16.80	$15.96 -16.80	$15.96 -16.80	$17.24 -18.14	$22.00 - 65.00	$22.00 - 65.00	$22.00 - 65.00
Demand Rate	$7.60 - 8.00	$8.50 - 8.91	$8.50 - 8.91	$8.93 - 9.35	$8.93 - 9.35	$8.93 - 9.35	$9.644 - 10.10	$10.50 - 11.00	$10.50 - 11.00	$10.50 - 11.00
Gas Utility										
Residential										
Rate per therm	$0.92	$0.92	$0.70	$0.55	$0.55	$0.55	$0.28 - $0.77	$0.29 - $0.82	$0.30 - $0.70	$0.19 - $0.58
Monthly flat service fee	$6.43	$6.43	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50
Commercial										
Rate per therm	$0.92	$0.92	$0.70	$0.55	$0.55	$0.55	$0.28 - $0.77	$0.29 - $0.82	$0.30 - $0.70	$0.19 - $0.58
Monthly flat service fee	$6.43 - 19.46	$6.43 - 19.46	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50	$9.50 - 28.50
Water Utility										
Residential										
Rate per 1000 Gallons	$3.72	$3.72	$3.95	$3.95	$4.19	$4.19	$4.19	$4.19 - $5.32	$4.19 - $5.32	$4.61 - $5.85
Monthly flat service fee	$7.02	$7.02	$7.50	$7.50	$7.55	$7.55	$7.55 - $8.80	$7.93	$7.93	$8.72
Commercial										
Rate per 1000 Gallons	$3.72	$3.72	$3.95	$3.95	$4.19	$4.19	$4.19	$4.19	$4.19	$4.61
Monthly flat service fee	$7.02 - $41.81	$7.02 - $41.81	$7.50 - $150.00	$7.50 - $150.00	$7.55 - $275	$7.55 - $275	$7.55 - $275	$7.93 - $439.50	$7.93 - $439.50	$8.72 - $483.45
Wastewater Utility										
Residential										
Rate per 1000 Gallons	$4.85	$4.85	$5.35	$5.35	$5.89	$0.00	$0.00	$0.00	$0.00	$0.00
Monthly flat service fees	$12.00	$12.00	$13.20	$13.20	$14.52	$30.33 - $34.89	$30.33 - $34.89	$32.75 - $37.68	$35.37 - $40.69	$38.19 - $43.94
Commercial										
Rate per 1000 Gallons	$4.85	$4.85	$5.35	$5.35	$5.89	$11.91	$12.86	$13.89	$15.00	$16.20
Monthly flat service fee	$12.00	$12.00	$13.20	$13.20	$14.52	$7.00	$7.56	$8.16	$8.81	$9.51

Source: Utility rates approved by County Council

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
TAXABLE GROSS RECEIPTS BY BUSINESS SECTOR (in $1,000s)

Table 9

LAST TEN FISCAL YEARS

Business Sector	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 [b]	FY2015	FY2016	FY2017
Services [a]	$ 1,190,803	1,526,945	1,283,609	1,531,617	1,350,135	1,047,653	962,997	1,117,023	1,136,727	1,268,313
Construction	97,351	81,169	97,497	58,993	67,311	80,273	61,625	34,176	38,096	45,778
Retail & Food Service	57,987	68,459	64,603	62,959	59,933	64,501	58,195	79,997	74,711	74,780
Telecommunications	10,865	11,260	21,388	22,778	28,445	26,983	27,875	25,406	24,434	26,868
Manufacturing	3,939	6,770	2,883	4,727	3,706	5,471	6,042	5,370	4,935	5,205
Wholesale	7,165	9,387	6,418	4,397	6,195	2,944	1,555	2,121	2,280	2,263
Financial Services	8,808	9,253	10,036	10,088	11,456	8,962	9,594	12,240	12,050	13,571
Agriculture	29	38	0	0	0	0	9	47	99	86
Mining	105	0	0	0	0	4	0	0	0	1,722
Public Administration	0	1,046	0	0	0	0	0	0	15	0
Other	20,477	15,218	17,533	15,175	14,991	14,805	17,822	18,406	20,292	21,703
Totals	$ 1,397,529	1,729,545	1,503,967	1,710,734	1,542,172	1,251,596	1,145,714	1,294,786	1,313,639	1,460,289

Source: Taxable Gross Receipts (from State of New Mexico Taxation and Revenue Department - monthly and quarterly report NM_FR003-500 Local Government Distribution) - in $1,000s

Notes:

General Notes: The State will not distribute information on individual taxpayers; thus, the County cannot disclose information on the largest individual taxpayers.

[a] Services include professional services, health care, education, administration and support, and waste management and remediation services

[b] Lower receipts overall in FY 2014 are due to the Federal Government shutdown in October 2013. Los Alamos County's taxable receipts are highly dependent on the Federal Government and it contractors.

INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX (GRT) REVENUES AND RATES

Table 10

LAST TEN FISCAL YEARS

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
GRT Revenues										
General Fund - Local - Municipal	$ 17,197,172	24,010,373	21,079,046	23,835,717	21,399,137	17,750,645	16,303,296	16,248,652	18,536,296	17,678,062
General Fund - Local - County	1,697,918	6,472,762 [g]	5,682,530	6,425,679	5,768,820	4,785,252	4,395,075	4,380,342	4,997,049	4,766,376
General Fund - State Shared	17,172,099	21,806,633	19,149,417	21,653,702	19,440,165	16,125,672	14,810,815	14,761,175	16,839,401	16,064,280
General Fund - subtotal	36,067,189	52,289,768	45,910,993	51,915,098	46,608,122	38,661,569	35,509,186	35,390,169	40,372,746	38,508,718
Fire Protection Excise Tax	1,703,782 [e]	2,157,587	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,063
Health Care Assistance Fund	1,697,918	2,157,587	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,792
Capital Improvement Projects (CIP) Fund	5,093,755	0	0	0	0	0	0	0	0	0
Refuse Fund	853,537	1,084,563	947,088	1,070,980	961,506	797,575	732,548	730,090	832,877	794,419
Total GRT Revenues	**$ 45,416,181**	**57,689,505**	**50,646,435**	**57,269,864**	**51,415,508**	**42,649,312**	**39,171,784**	**39,040,487**	**44,536,989**	**42,479,992**
Total GRT Revenues - Own source (excludes State Shared)	$ 28,244,082	35,882,872	31,497,018	35,616,162	31,975,343	26,523,640	24,360,969	24,279,312	27,697,588	26,415,712
GRT Rates by Imposing Authority										
State Imposed Rate	5.0000%	5.0000%	5.0000%	5.1250% [a]	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%
Locally Imposed Options:										
Municipal:										
Municipal - General	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%
Municipal - Environmental - Refuse	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County:										
County - General - 1st 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - IHC - 2nd 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - General - 3rd 1/8th - CIP	0.1250% [b]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - Correctional - CIP	0.0625% [c]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Correctional - CIP	0.0625% [c]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Fire Protection Excise Tax	0.1250% [d]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
North-Central Regional Transit District (NCRTD):										
Regional Transit 1/8th		0.1250% [e]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
Subtotal - Local options:	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**	**2.0625%**
Total GRT Rates	**7.0625%**	**7.1875%**	**7.1875%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**
GRT Rates by Recipient										
State Revenue	3.7750%	3.7750%	3.7750%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%
NCRTD		0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County Revenue - State Shared	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%
County Revenue - Own Source, locally imposed	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
Total County Revenue	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%
Total GRT Rates	**7.0625%**	**7.1875%**	**7.1875%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**	**7.3125%**

Sources: Los Alamos County CAFRs and Adopted Budgets

Notes:

[a] State Rate Changed July 1, 2010

[b] Third 1/8 of the County Gross Receipts Tax effective July 1, 2006

[c] County Correctional effective July 1, 2006

[d] County Fire Protection Excise Tax effective July 1, 2007

[e] Regional Transit increment effective July 1, 2009

INCORPORATED COUNTY OF LOS ALAMOS
PROPERTY TAX LEVIES AND COLLECTIONS

Table 11

LAST TEN TAX YEARS

TAX YEAR [a]	ORIGINAL LEVY	ADJUSTMENTS	ADJUSTED LEVY	COLLECTED IN FIRST PERIOD		COLLECTIONS IN SUBSEQUENT PERIODS	TOTAL COLLECTIONS	
				AMOUNT	PERCENTAGE OF ORIGINAL LEVY		AMOUNT	PERCENTAGE OF ADJUSTED LEVY
2007	12,446,784	(14,663)	12,432,121	12,116,160	97.34%	318,949	12,435,109	100.02%
2008	12,934,268	(41,558)	12,892,710	12,384,692	95.75%	519,515	12,904,207	100.09%
2009	16,841,850	17,213	16,859,063	16,365,480	97.17%	492,219	16,857,699	99.99%
2010	15,347,068	(1,459)	15,345,609	14,954,165	97.44%	391,532	15,345,697	100.00%
2011	15,508,620	189,520	15,698,140	15,015,951	96.82%	681,771	15,697,722	100.00%
2012	15,602,806	198,642	15,801,448	15,272,274	97.88%	506,379	15,778,653	99.86%
2013	15,574,631	193,977	15,768,608	15,188,194	97.52%	535,464	15,723,658	99.71%
2014	15,368,081	201,079	15,569,160	15,018,695	97.73%	259,582	15,278,277	98.13%
2015	16,969,275	214,699	17,183,974	16,690,916	98.36%	228,950	16,919,866	98.46%
2016	17,187,454	221,040	17,408,494	16,834,904	97.95%	365,501	17,200,404	98.80%

Sources: Tax rolls, collection reports

Notes:

[a] Tax Year 20XX corresponds to the fiscal year ended on June 30, 20XX+1. For example, taxes levied for Tax Year 2012 were collected during the fiscal year ended June 30, 2013.

INCORPORATED COUNTY OF LOS ALAMOS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Table 12

LAST TEN TAX YEARS

	ASSESSED VALUE [a]						
TAX YEAR [b]	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]	EXEMPTIONS	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]
2007	715,440,480	12,183,030	7,556,300	(8,151,920)	727,027,890	2,205,539,430	1.712%
2008	724,658,990	11,300,110	8,046,650	(8,147,160)	735,858,590	2,232,017,250	1.758%
2009	700,878,040	10,531,960	5,973,100	(8,291,310)	709,091,790	2,152,149,300	2.375%
2010	682,140,660	10,955,750	7,027,020	(8,405,180)	691,718,250	2,100,370,290	2.219%
2011	692,219,200	11,563,780	7,300,910	(8,732,840)	702,351,050	2,133,251,670	2.208%
2012	693,444,690	9,321,500	6,051,950	(9,111,190)	699,706,950	2,126,454,420	2.230%
2013	687,495,870	8,850,630	5,478,780	(9,042,360)	692,782,920	2,105,475,840	2.248%
2014	661,177,270	9,403,680	5,601,990	(8,884,910)	667,298,030	2,028,548,820	2.303%
2015	675,527,010	9,742,600	5,762,060	(8,944,770)	682,086,900	2,073,095,010	2.488%
2016	685,091,450	9,612,180	6,165,250	(8,743,650)	692,125,230	2,102,606,640	2.483%

Source: Tax rolls

Notes:

[a] Assessed valuation is one third of estimated actual value for all ten years.

[b] Tax Year 20XX corresponds to the fiscal year ended on June 30, 20XX+1. For example, taxes levied for Tax Year 2012 were collected during the fiscal year ended June 30, 20:

[c] Personal property Includes mobile homes and livestock.

[d] Assessed value of communications, pipeline and gas, public utility, airline, mineral, and certain construction property within the County is determined by the New Mexico State Property Tax Division. A breakdown of real and personal property is not available.

[e] Weighted average rate applied to assessed value

INCORPORATED COUNTY OF LOS ALAMOS
PROPERTY TAX RATES AND TAX LEVIES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Table 13

LAST TEN TAX YEARS

TAX YEAR		STATE OF NEW MEXICO	CITY AND COUNTY OF LOS ALAMOS	LOS ALAMOS SCHOOL DISTRICT	UNIVERSITY OF NEW MEXICO LOS ALAMOS	TOTAL
		Tax Rates per $1000 of Assessed Valuation				
2007	Residential	1.221	7.721	6.760	0.788	16.490
	Non-Residential	1.221	11.856	6.945	0.873	20.895
2008	Residential	1.250	8.051	6.772	0.822	16.895
	Non-Residential	1.250	12.591	6.969	0.927	21.737
2009	Residential	1.150	8.741	12.253	0.892	23.036
	Non-Residential	1.150	13.788	12.467	1.000	28.405
2010	Residential	1.530	6.915	12.267	0.924	21.636
	Non-Residential	1.530	10.598	12.471	1.000	25.599
2011	Residential	1.362	6.975	12.272	0.935	21.544
	Non-Residential	1.362	10.598	12.473	1.000	25.433
2012	Residential	1.360	7.166	12.316	0.969	21.811
	Non-Residential	1.360	10.598	12.506	1.000	25.464
2013	Residential	1.360	7.347	12.307	1.000	22.014
	Non-Residential	1.360	10.598	12.487	1.000	25.445
2014	Residential	1.360	7.690	12.534	1.000	22.584
	Non-Residential	1.360	10.598	12.694	1.000	25.652
2015	Residential	1.360	9.942	12.128	1.000	24.430
	Non-Residential	1.360	12.848	12.288	1.000	27.496
2016	Residential	1.360	9.823	12.203	0.988	24.374
	Non-Residential	1.360	12.848	12.367	1.000	27.575

Source: Adopted rates

INCORPORATED COUNTY OF LOS ALAMOS
TEN PRINCIPAL PROPERTY TAXPAYERS

June 30, 2017

Table 14

TAXPAYER	TYPE OF BUSINESS	FY 2017 TAX YEAR 2016 ASSESSED VALUATION	FY 2017 RANK	FY 2017 PERCENTAGE OF TOTAL ASSESSED VALUATION	FY 2008 TAX YEAR 2007 ASSESSED VALUATION	FY 2008 RANK	FY 2008 PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-LOS ALAMOS INC	Medical Services	$ 8,514,440	1	1.23%	$ 10,300,490	1	1.42%
Central Park Square LLC	Real Estate	5,593,710	2	0.81%			
Topvalco, Inc.	Food & Drug	4,678,530	3	0.68%			
Los Alamos Commerce and Development Corp	Real Estate	3,775,760	4	0.55%	4,500,000	4	0.62%
Los Alamos National Bank	Banking	3,566,660	5	0.52%	5,251,240	2	0.72%
Qwest Corp.	Telephone Utility	3,320,460	6	0.48%	5,189,000	3	0.71%
Oppenheimer Place Condo Assoc Inc	Real Estate	3,217,150	7	0.46%	3,692,660	7	0.51%
Canyon Village Housing Solutions	Apartments	2,800,000	8	0.40%			
Smith's Food & Drug Centers, Inc.	Food & Drug	2,202,820	9	0.32%			
NMC Holdings LLC	Scientific	2,177,450	10	0.31%			
CC&F Los Alamos Invest Co.	Real Estate	-	-	-	2,176,070	10	0.30%
Shannon Corporation	Real Estate	-	-	-	2,532,420	8	0.35%
Netuschil Development Corporation	Real Estate	-	-	-	4,362,880	5	0.60%
Housing Solutions LLC	Real Estate	-	-	-	4,080,670	6	0.56%
Developers Diversified Realty	Real Estate	-	-	-			
Los Alamos Medical Center C/O PVS	Medical Services	-			2,399,610	9	0.33%
Total assessed valuation of ten principal taxpayers		39,846,980		5.76%	44,485,040		6.12%
Total assessed valuation of other taxpayers		652,278,250		94.24%	682,542,850		93.88%
Total assessed valuation		$ 692,125,230		100.00%	$ 727,027,890		100.00%

Source: Tax rolls book

INCORPORATED COUNTY OF LOS ALAMOS
RATIOS OF OUTSTANDING DEBT BY TYPE

Table 15

LAST TEN FISCAL YEARS

	Governmental Activities			Business-type Activities				
Fiscal Year	General Obligation Bonds	Gross Receipts Tax Revenue Bonds	State Loans	Joint Utility System Revenue Bonds	State Loans	Total Primary Government	Percentage of Personal Income	Per Capita
2008	0	0	1,760,686	59,514,641	18,086,801 [a]	79,362,128	8%	4,172
2009	0	73,734,775 [b]	0 [c]	53,605,077	18,486,512	145,826,364	14%	8,043
2010	0	70,533,228	0	47,405,513	19,955,942	137,894,683	13%	7,598
2011	0	67,226,077	0	54,145,925 [d]	19,695,479	141,067,481	13%	7,859
2012	0	63,799,121	0	47,310,039	19,182,482	130,291,642	12%	7,234
2013	0	53,956,841 [e]	0	39,879,153	18,784,979	112,620,973	10%	6,199
2014	0	59,912,216 [f]	0	32,822,680 [f]	18,113,022	110,847,918	10%	6,211
2015	0	56,056,683	0	33,137,373 [g]	17,284,068	106,478,124	10%	6,010
2016	0	52,034,028	0	30,339,868	16,967,732	99,341,628	8%	5,586
2017	0	47,827,556	0	27,490,394	16,232,121	91,550,071	8%	5,045

[a] Additional draws on NMED loan for Wastewater Treatment Facility and new loan from New Mexico Finance Authority for Solid Waste Transfer Station.
[b] Addition of 2008 Series Gross Receipts Tax Revenue Bonds.
[c] Early retirement of NMED Bayo Canyon effluent line and NMFA deferred maintenance project loans.
[d] 2010 Series revenue bonds issued for approximately $13.2 million.
[e] Includes the 2013 Series refunding revenue bonds issued for approximately $38.5 million.
[f] Includes reclassifications due to implementation of GASB 65 of $9,653,817 to GRT revenue bonds and $1,458,826 to Joint Utility revenue bonds.
[g] Includes the 2014 Series refunding revenue bonds issued for approximately $21.6 million.

INCORPORATED COUNTY OF LOS ALAMOS

Table 16

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION [a]	ASSESSED VALUE [b]	GROSS BONDED DEBT	NET DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2008	19,022	727,027,898	0	0	0	0.00%	0
2009	18,130	735,858,590	0	0	0	0.00%	0
2010	18,150	735,858,590	0	0	0	0.00%	0
2011	17,950	691,383,880	0	0	0	0.00%	0
2012	18,012	702,351,050	0	0	0	0.00%	0
2013	18,168	699,706,950	0	0	0	0.00%	0
2014	17,848	667,298,030	0	0	0	0.00%	0
2015	17,718	665,525,266	0	0	0	0.00%	0
2016	17,785	682,086,900	0	0	0	0.00%	0
2017	18,147	692,125,230	0	0	0	0.00%	0

Sources: [a] Community Development Department estimates and http//eire.census.gov/popest/estimates.php

[b] Assessed valuation is obtained from the County Assessor - tax year responds to corresponding fiscal year (i.e. the 2014 tax year corresponds to FY2015)

INCORPORATED COUNTY OF LOS ALAMOS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

Table 17

June 30, 2017

NAME OF GOVERNMENTAL UNIT	2016 CALENDAR YEAR ASSESSED VALUATION	DEBT OUTSTANDING	PERCENT APPLICABLE TO GOVERNMENT	COUNTY OF LOS ALAMOS SHARE OF DEBT
Direct County of Los Alamos Debt				
General Obligation Bonds	$ 692,125,230	$ 0	100.00%	$ 0
GRT Revenue Bonds	692,125,230	53,034,028	100.00%	53,034,028
Overlapping Debt [a]				
State of New Mexico	58,791,482,397	326,755,000	1.18%	3,846,737
Los Alamos School District	692,125,230	35,565,016	100.00%	35,565,016
University of New Mexico - Los Alamos	692,125,230	0	100.00%	0
Total overlapping debt				**39,411,753**
Total direct and overlapping debt				**$ 92,445,781**

Ratio of estimated direct and overlapping debt to 2016 assessed valuation: 13.36

Ratio of direct general obligation debt to 2016 assessed valuation: .00%

Per capita direct and overlapping debt: $5,094

Per capita direct G.O. debt: $0

County population - 2017 estimate: 18,147

Sources: Tax rolls, New Mexico Department of Finance and Administration, Los Alamos Public Schools, and University of New Mexico

[a] Overlapping debt is calculated by dividing the total Governmental Unit assessed valuation by the County's assessed valuation and applying that percentage to the debt outstanding of each Governmental Unit.

INCORPORATED COUNTY OF LOS ALAMOS
COMPUTATION OF LEGAL DEBT MARGIN

Table 18

June 30, 2017

Assessed valuation, tax year 2016 (One third of full valuation)	$ 692,125,230
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	27,685,009
Less: Debt applicable to limitation (general obligation debt)	0
Legal debt margin	$ 27,685,009

Note:
State Constitution Article IX, Section 13, limits the amount of indebtedness for a county, city, town, or village to 4% of the assessed valuation. The State Statute is silent regarding the limitation that applies to a Class H (city/county) government such as Los Alamos County. The New Mexico State Department of Finance and Administration, Local Government Division, indicates that our limit is 4%.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM REVENUE BOND COVERAGE

Table 19

LAST TEN FISCAL YEARS

FISCAL YEAR	GROSS REVENUES[a]	EXPENSES[b]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS [c] PRINCIPAL	INTEREST	TOTAL	DEBT SERVICE COVERAGE RATIO
ELECTRIC UTILITY							
2008	43,875,165	31,806,080	12,069,085	6,270,000	3,070,628	9,340,628	1.29
2009	42,308,373	31,665,784	10,642,589	6,560,000	2,759,288	9,319,288	1.14
2010	40,861,275	32,563,238	8,298,037	6,865,000	2,443,770	9,308,770	0.89
2011	42,549,827	32,531,701	10,018,126	7,180,000	2,592,193	9,772,193	1.03
2012	45,657,933	32,835,190	12,822,743	7,544,581	2,355,424	9,900,005	1.30
2013	49,096,622	38,067,208	11,029,414	6,944,924	2,342,866	9,287,790	1.19
2014	46,466,503	34,898,486	11,568,017	7,317,756	1,896,007	9,213,763	1.26
2015	41,608,321	39,453,772	2,154,549	9,031,716	1,128,201	10,159,917	0.21
2016	47,708,456	34,784,838	12,923,618	2,635,728	1,116,794	3,752,522	3.44
2017	40,840,366	34,974,344	5,866,022	2,685,242	1,058,250	3,743,492	1.57
WATER UTILITY							
2007-2010	0	0	0	0	0	0	0
2012	5,791,200	3,726,613	2,064,587	1,253	35,118	36,371	56.76
2013	6,324,036	4,504,479	1,819,557	68,001	41,413	109,414	16.63
2014	5,506,428	4,457,978	1,048,450	76,278	90,049	166,327	6.30
2015	4,790,904	4,449,574	341,330	70,332	89,436	159,768	2.14
2016	4,987,177	4,822,815	164,362	44,272	80,816	125,088	1.31
2017	5,491,511	4,372,531	1,118,980	44,758	88,931	133,689	8.37

Source: CAFRs

Notes:

[a] Total operating and non-operating revenue, operating transfers in, and bond proceeds reserved for payment of debt service.

[b] Operating expenses and transfers out, excluding depreciation and interest expense.

[c] Payments are due July 1 each year. As such these amounts reflect the amounts due July 1, which would use the previous FY resources.

[d] 2010 Utility Bond Series had no principal debt service in FY2011.

INCORPORATED COUNTY OF LOS ALAMOS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 20

Fiscal Year	Population	Personal Income (In thousands)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2008	19,022	1,082,884	56,928	3,470	2.60%
2009	18,130	999,126	55,109	3,355	3.00%
2010	18,150	1,065,369	58,698	3,362	3.50%
2011	17,950	1,075,851	59,936	3,410	4.00%
2012	18,012	1,108,440	61,539	3,375	2.90%
2013	18,168	1,103,143	60,719	3,528	3.70%
2014	17,848	1,138,453	63,786	3,524	3.40%
2015	17,718	1,103,548	62,284	3,505	3.40%
2016	17,785	1,113,679	62,619	3,578	4.00%
2017	18,147	1,185,308	65,317	3,666	4.13%

Sources: School Enrollment is from the New Mexico Public Education Department website. Unemployment Rate is from the New Mexico Department of Workforce Solutions Economic Research and Analysis report. The 2011 population data is from the US 2010 Census. All other population estimates are from the University of New Mexico Bureau of Business and Economic Research website. Personal Income data is from NM Dept. of Workforce Solutions data for the most recent year available.

INCORPORATED COUNTY OF LOS ALAMOS

Table 21

LARGEST EMPLOYERS (representing greater than 50% of workforce)

June 30, 2017

		FY2017			FY2008		
EMPLOYER	**TYPE OF BUSINESS**	**NUMBER OF EMPLOYEES [a]**	**RANK**	**% of Total County Employment** [c]	**NUMBER OF EMPLOYEES**	**RANK**	**% of Total County Employment**
Los Alamos National Laboratory	Research and Development	10,900	1	68.43%	9,280	1	54.62%
Los Alamos Public Schools	Education	678	2	4.26%	700	3	4.12%
Los Alamos County	Government	668	3	4.19%	650	4	3.83%
Centerra-Los Alamos	Security	300	4	1.88%	-	-	-
Los Alamos Medical Center	Medical Services	299	5	1.88%	305	6	1.80%
Los Alamos National Bank	Banking	115	6	0.72%	271	7	1.60%
KSL Services, Inc.	Maintenance and Operations Servic	-	-	-	1,633	2	9.61%
Protection Technology Los Alamos	Security	-	-	-	606	5	3.57%
Plus Group	Business Services	-	-	-	255	8	1.50%
Butler Technical Group	Technical Services	-	-	-	165	9	0.97%
Comforce Technical	Engineering & Analysis Studies	-	-	-	165	9	0.97%
Weirich Technical Services	Engineering & Analysis Studies	-	-	-	140	10	0.82%
Other employers		2,968		18.63%	2,819		16.59%
Total workforce [b]		15,928		100.00%	16,989		100.00%

Sources: Individual Employers, New Mexico Department of Workforce

Notes:

[a] As of June 30, 2017

[b] Work force total based on estimates from New Mexico Department of Workforce Solutions.

[c] Top six employers shown, which collectively represent greater than 81.37% of total employment

INCORPORATED COUNTY OF LOS ALAMOS
CENSUS POPULATION BY AGE BRACKET, COUNTS, AND PERCENTAGES

Table 22

AGE BRACKET	1960		1970		1980		1990		2000		2010	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
0-4 years	1,901	14.6%	1302	8.6%	1,115	6.3%	1,090	6.0%	1,021	5.6%	960	5.3%
5-19 years	4,226	32.4%	5414	35.6%	4,874	27.7%	4,032	22.3%	4,050	22.1%	3,648	20.4%
20-24 years	375	2.9%	567	3.7%	805	4.6%	565	3.1%	463	2.5%	498	2.8%
25-34 years	2,260	17.3%	2061	13.6%	2,608	14.8%	3,126	17.3%	1,864	10.2%	1,713	9.5%
35-44 years	2,653	20.3%	2432	16.0%	3,155	17.9%	3,718	20.5%	3,217	17.5%	2,327	13.0%
45-54 years	1,107	8.5%	2269	14.9%	2,491	14.2%	3,171	17.5%	3,226	17.6%	3,347	18.6%
55-64 years	373	2.9%	839	5.5%	1,829	10.4%	1,909	10.5%	2,282	12.4%	2,771	15.4%
65 and over	142	1.1%	314	2.1%	722	4.1%	504	2.8%	2,220	12.1%	2,686	15.0%
Totals	13,037	100.0%	15,198	100.0%	17,599	100.0%	18,115	100.0%	18,343	100.0%	17,950	100.0%

Source: U.S. Census Bureau

INCORPORATED COUNTY OF LOS ALAMOS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM

Table 23

LAST TEN FISCAL YEARS

Function/Program	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Governmental activities										
General government										
County Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Courts	4.80	4.80	4.80	4.80	4.80	4.80	4.75	4.75	4.75	4.75
County Manager	13.50	12.00	13.23	11.00	11.50	22.00	20.00	19.00	21.00	21.00
County Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Clerk	6.72	6.70	6.70	6.70	6.70	6.69	6.69	7.56	7.94	8.16
County Sheriff	2.02	1.90	1.90	1.90	2.04	2.04	1.94	1.94	1.94	1.00
Administrative Services	54.75	55.25	58.25	60.22	59.76	50.00	50.00	47.76	48.01	46.01
Public Works [2]	47.17	12.14	12.00	12.00	12.00	10.00	11.46	11.46	42.46	41.18
Capital Projects & Facilities (new FY2009) [	0.00	38.50	37.00	37.00	37.00	39.00	37.00	32.00	0.00	6.00 [4]
Public Safety										
Police	75.57	77.53	76.54	77.54	77.98	77.99	78.02	76.00	75.00	73.00
Physical and economic environment	13.00	13.00	13.00	13.00	13.00	14.00	12.00	15.00	15.00	15.00
Transportation	27.53	27.41	27.37	26.87	26.62	26.60	26.23	24.50	25.00	24.00
Health and welfare	0	0	0	1.25	1.25	2.00	2.00	2.50	2.50	2.75
Culture and recreation [1]	86.31	86.67	88.36	86.88	86.26	85.58	97.92	96.20	91.99	91.15
Business-type activities										
Joint Utilities										
Electric	45.00	54.00	54.00	54.00	52.00	54.44	54.02	55.02	55.02	50.00
Gas	25.37	25.83	24.39	23.40	25.17	24.04	24.18	22.28	24.05	30.49
Water	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	9.25
Wastewater	10.13	9.13	9.13	9.13	9.00	9.00	9.00	9.00	9.00	8.00
Environmental Services	19.26	18.75	18.75	19.00	18.50	18.00	18.17	17.17	17.17	17.24
Golf [1]	12.79	13.60	13.02	12.48	12.20	12.09	0.00	0.00	0.00	0.00
Fire	141.00	148.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Airport	1.50	1.50	1.50	1.50	1.50	1.50	2.08	1.50	1.00	1.00
Transit (new FY2008)	22.00	24.00	31.50	31.75	32.00	40.00	39.37	37.45	36.20	36.13
Equipment-internal service	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Risk-internal service	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Totals	650.17	673.46	684.19	683.17	681.53	692.02	687.08	673.34	670.28	668.11

[1] The Golf Course Fund was closed at the end of FY2013. The Golf Course became a division of the General Fund beginning July 1, 2014.

[2] Community Development Department and Public Works reorganized in FY2016.

[3] In FY2009 Capital Projects & Facilities was new. Capital Projects and Facilities were included back in Public Works in FY2016.

[4] In FY2017, Capital Projects personnel are limited term relating to the implementation of a new Enterprise Resource Planning (ERP) system to replace the existing accounting, budget, human resources, payroll, utility billing, and operations management software systems. **Source:** Administrative Services Department

INCORPORATED COUNTY OF LOS ALAMOS
OPERATING INDICATORS BY FUNCTION/PROGRAM

Table 24

LAST TEN FISCAL YEARS

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
General Government										
Assessor-number of parcels by tax year	8,988	8,799	9,139	9,078	9,079	9,047	9,194	9,189	9,165	9,169
Clerk-number of elections managed	1	3	2	2	2	3	2	2	2	4
Sheriff-number of processes administered [b]	276	256	284	322	169	138	151	148	154	n/a
IT-Number of networked devices supported	1,535	1,537	1,567	1,569	1,585	1,592	1,453	1,480	1,770	1,514
IT-Number of virtual networked devices suppor	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	677
Public Safety										
Police-Part 1 UCR Offenses [a]	386	297	349	364	258	358	204	187	169	124
Police-number of service call responses	13,883	14,264	17,172	16,882	17,513	17,647	16,700	14,316	18,319	17,151
Police-number of reported traffic accidents	260	216	242	225	366	310	305	229	239	224
Police-number animal control cases	355	293	350	305	265	385	182	98	130	130
Police-number of processess administered [b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	125
Physical & Economic Devlopment										
Number of construction permits issued	113	92	94	108	96	578	681	579	697	801
Transportation										
Traffic-miles of lane lines striped	58	52	88	56	84	84	84	51	141	70
Culture and Recreation										
Library-Number of circulations	358,216	374,358	394,736	411,356	413,291	389,719	396,768	379,991	391,992	392,213
Number of park acres maintained	599	599	609	616	936	944	944	944	944	944
Number of cemetery internments	32	39	34	36	59	55	55	41	67	57
Number of aquatic center visits	86,843	90,275	99,759	85,658	91,972	134,143	135,916	193,398	194,946	164,366
Number of rink visits	23,451	20,731	27,443	28,663	22,817	28,286	30,150	30,805	27,228	23,016
Sr. Center-number of seniors served	2,348	2,410	3,800	4,040	3,790	2,787	3,732	3,898	4,047	4,695
Joint Utility System										
EP-Number of megawatt hrs supplied	550,623	567,821	559,542	563,109	589,362	570,883	531,796	514,619	566,018	572,260
ED-Number of electric utility customers	8,877	8,764	8,733	8,610	8,660	8,741	8,900	8,647	8,796	8,830
Gas-Number of therms delivered	9,389,368	8,396,000	9,761,560	8,754,903	8,475,984	8,711,200	9,389,410	8,446,420	8,580,270	7,649,471
WP-K gallons water produced	1,458,459	1,420,686	1,308,069	1,422,096	1,382,268	1,376,746	1,166,692	1,105,780	1,176,804	1,186,747
WD-K gallons of water sold	800,273	781,692	741,277	800,842	876,360	842,344	683,637	706,356	693,335	755,656
WW-K gallons sewage conveyed	441,351	451,640	447,516	445,685	479,870	429,117	421,319	437,938	408,234	426,898
Golf Course										
Number of golf rounds provided	29,221	29,553	27,844	25,841	24,249	22,186	27,284	29,359	29,733	24,455
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	not available	391,338	433,512	449,987	491,315	573,967	517,638	548,331	494,444	454,755
Number of miles of service provided	not available	430,180	516,013	627,309	675,157	785,697	714,815	721,357	704,072	617,566
Fire Protection Services										
Number of responses	2,022	1,956	2,001	2,110	1,951	1,841	1,838	1,766	1,804	2,252
Airport										
Number of takeoffs & landings	13,255	13,244	13,376	14,010	13,500	13,500	13,500	12,700	13,000	13,000

Sources: County departments.

[a] Only calendar year data available

[b] Responsibliity for process service was transferred by the County Council from the Sheriff's Office to the Police Department in June 2016.

[c] Beginning in FY2017, Information Management began reporting the virtual vs. physical networked devices supported.

INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Table 25

LAST TEN FISCAL YEARS

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	48	50	50	50	47	47	47	43	45	45
County owned fire stations	5	5	5	5	5	5	5	5	5	5
Dept. of Energy owned fire stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets, miles	106.0	106.0	106.6	106.6	106.5	106.5	106.5	106.5	106.5	106.5
Sidewalk, square yards	231,099	235,356	241,612	241,612	245,440	245,440	245,440	246,009	246,009	246,009
Street lights, county owned	1,167	1,204	1,292	1,292	1292	1292	1292	1292	1414	1466
Traffic signals	11	11	11	11	11	11	11	12	12	12
School and station flashers	10	10	10	10	10	10	10	10	10	10
Public Parking Lots	31	27	34	35	37	38	38	39	40	40
Culture and Recreation										
Senior centers	2	2	2	2	2	2	2	2	2	2
Public libraries	2	2	2	2	2	2	2	2	2	2
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Rinks	1	1	1	1	1	1	1	1	1	1
Parks and play lots	34	35	35	35	35	35	35	35	35	35
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer fields	7	7	7	7	7	7	7	7	7	7
Tennis courts	9	9	9	9	9	9	9	9	9	9
Joint Utility System										
Electric generating capacity, owned resources MW	60	60	60	61	61	61	62	62	62	62
Electric distribution line miles	142.0	142.0	143.0	143.0	143.0	143.0	144.0	144.0	144.0	144.0
Water production wells	12.0	12.0	12.0	12.0	12	12	12	12	12	12
Water distribution line miles	147.0	147.0	148.5	148.5	148.5	149.5	149.5	149.8	150.7	150.7
Gas distribution line miles	120.0	120.0	122.0	122.0	122.0	125.0	125.5	125.5	125.5	125.5
Wastewater collection line miles	117.0	117.0	118.0	118.0	118.0	118.0	118.9	118.9	118.9	118.9
Environmental Services										
Collection trucks	10	10	10	10	10	10	10	10	10	10
Golf Course										
Holes	18	18	18	18	18	18	18	18	18	18
Airport										
Tie down spaces	98	98	98	98	98	98	98	98	98	98

Sources: County departments

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM PROFIT TRANSFER AND IN LIEU PAYMENTS TO THE GENERAL FUND

Table 26

LAST TEN FISCAL YEARS

	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL
Fiscal Year	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	JOINT UTILITY SYSTEM
2008	210,508	174,613	237	114,181	31,363	414,925	420,184	**1,366,011**
2009	210,931	164,301	219	141,275	31,142	442,643	402,342	**1,392,853**
2010	221,476	157,979	902	200,748	54,811	437,711	374,584	**1,448,211**
2011	225,931	123,703	747	174,095	47,631	466,858	361,617	**1,400,582**
2012	235,444	108,900	2,474	181,565	49,922	457,600	282,776	**1,318,681**
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	**1,322,416**
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	**1,364,356**
2015	247,143	107,219	17,208	206,136	77,004	484,485	297,390	**1,436,585**
2016	279,200	97,940	100,338 [d]	231,536	81,666	524,540	246,867	**1,562,087**
2017	251,845	107,486	70,055	297,050	97,875	594,681	226,475	**1,645,467**

Sources: County financial records

Notes:

[a] Franchise Fees are 2% of all Electric Distribution and Gas revenue from all rate classes.

[b] In Lieu of Property Tax is the net book value of Electric and Gas fixed assets divided by three, times the Los Alamos County property tax rate.
In Lieu excludes San Juan, El Vado and Abiquiu assets located outside Los Alamos County.

[c] Profit Transfer is 5% of Electric Distribution and Gas retail revenues excluding sales to schools and the County.

[d] Began paying in lieu tax for solar assets

LOS ALAMOS

Other Supplementary Information

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF RECONCILIATION OF TAX RECEIPTS AND DISBURSEMENTS
Year ended June 30, 2017

PROPERTY TAX RECEIVABLE, JUNE 30, 2016	$	393,842
Net taxes charged to treasurer		17,187,454
Collections		(17,236,343)
Adjustments		15,279
PROPERTY TAX RECEIVABLE, JUNE 30, 2017	$	**360,232**

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2017, LISTED BY YEAR:	**TOTAL**	**INCORPORATED COUNTY OF LOS ALAMOS**	**STATE OF NEW MEXICO**	**UNIVERSITY OF NEW MEXICO**	**LOS ALAMOS PUBLIC SCHOOLS**
2007	1,373	704	92	62	515
2008	651	310	48	32	261
2009	1,306	504	64	50	688
2010	3,199	1,189	239	128	1,643
2011	2,529	938	157	104	1,330
2012	9,145	3,511	536	375	4,723
2013	11,621	4,457	694	482	5,988
2014	28,368	11,020	1,590	1,156	14,602
2015	93,950	41,795	4,902	3,573	43,680
2016	208,090	89,679	11,059	8,037	99,315
	$ **360,232**	**154,107**	**19,381**	**13,999**	**172,745**

DISTRIBUTION OF COLLECTED PROPERTY TAXES:		
Incorporated County of Los Alamos	$	7,113,246
State of New Mexico		945,023
University of New Mexico		687,373
Los Alamos Schools		8,490,701
	$	**17,236,343**

INCORPORATED COUNTY OF LOS ALAMOS
COUNTY TREASURER'S PROPERTY TAX SCHEDULE

Year ended June 30, 2017

Agency	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistibuted at Year End	Receivable at Year End
Incorporated County of Los Alamos:							
2007	6,036,556	80	6,035,852	80	6,035,852	0	704
2008	6,379,280	77	6,378,970	77	6,378,970	0	310
2009	6,683,060	82	6,682,556	82	6,682,556	0	503
2010	5,137,553	72	5,136,364	72	5,136,364	0	1,189
2011	5,312,399	143	5,311,461	143	5,311,461	0	938
2012	5,400,825	2,338	5,397,313	2,338	5,397,313	0	3,511
2013	5,459,664	5,884	5,455,207	5,884	5,455,207	0	4,457
2014	5,477,357	19,202	5,466,336	19,202	5,466,336	0	11,020
2015	7,159,520	72,982	7,117,724	72,982	7,117,724	0	41,795
2016	7,187,991	7,012,386	7,098,312	7,012,386	7,098,312	0	89,679
	60,234,204	**7,113,246**	**60,080,096**	**7,113,246**	**60,080,096**	**0**	**154,108**
State of New Mexico:							
2007	888,261	13	888,169	13	888,169	0	92
2008	917,955	12	917,907	12	917,907	0	48
2009	816,714	11	816,649	11	816,649	0	64
2010	1,059,021	16	1,058,782	16	1,058,782	0	239
2011	969,208	28	969,051	28	969,051	0	157
2012	964,685	392	964,150	392	964,150	0	535
2013	955,390	964	954,696	964	954,696	0	694
2014	920,215	2,970	918,625	2,952	918,607	18	1,590
2015	940,320	9,473	935,418	8,989	934,935	483	4,902
2016	954,094	931,144	943,036	922,959	934,851	8,185	11,058
	9,385,863	**945,023**	**9,366,482**	**936,336**	**9,357,796**	**8,687**	**19,381**

University of New Mexico:							
2007	581,293	8	581,231	8	581,231	0	62
2008	614,443	8	614,411	8	614,411	0	32
2009	643,309	8	643,259	8	643,259	0	50
2010	646,534	10	646,406	10	646,406	0	128
2011	671,318	19	671,214	19	671,214	0	104
2012	689,843	281	689,467	281	689,467	0	375
2013	702,028	704	701,545	704	701,545	0	482
2014	676,272	2,170	675,116	2,156	675,102	13	1,156
2015	690,998	6,909	687,425	6,559	687,075	350	3,573
2016	693,932	677,257	685,896	671,329	679,967	5,928	8,037
	6,609,969	**687,373**	**6,595,970**	**681,081**	**6,589,678**	**6,292**	**13,999**
Los Alamos Public Schools:							
2007	4,930,544	70	4,930,029	70	4,930,029	0	515
2008	4,993,341	65	4,993,080	65	4,993,080	0	261
2009	8,716,197	115	8,715,509	115	8,715,509	0	688
2010	8,506,069	128	8,504,426	128	8,504,426	0	1,643
2011	8,747,876	246	8,746,547	246	8,746,547	0	1,329
2012	8,748,844	3,561	8,744,121	3,561	8,744,121	0	4,723
2013	8,656,570	8,702	8,650,583	8,702	8,650,583	0	5,987
2014	8,491,618	27,332	8,477,015	27,164	8,476,847	168	14,603
2015	8,396,366	84,023	8,352,686	79,769	8,348,432	4,254	43,680
2016	8,572,477	8,366,460	8,473,161	8,293,213	8,399,914	73,247	99,316
	78,759,902	**8,490,701**	**78,587,157**	**8,413,032**	**78,509,488**	**77,669**	**172,745**
Grand Total	**$ 154,989,938**	**17,236,343**	**154,629,705**	**17,143,695**	**154,537,058**	**92,647**	**360,232**

EXHIBIT 3

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2017

		LOS ALAMOS NATIONAL BANK		FIRST NATIONAL OF SANTA FE / SUNFLOWER BANK		WELLS FARGO	TOTAL
TOTAL AMOUNT OF DEPOSITS (bank balances)	$	11,337,116		6,072,197		19,836	17,429,149
		0		0		0	0
Less: FDIC coverage		250,000		250,000		250,000	750,000
TOTAL UNINSURED PUBLIC FUNDS		**11,087,116**		**5,822,197**		**(230,164)**	**16,909,313**
COLLATERAL REQUIRED							
Deposits		5,543,558	[a]	2,911,099	[a]	(115,082)	8,339,574
		0		0		0	0
COLLATERAL							
Letters of Credit, Agencies,Municipal Bonds		18,850,718	[b]	6,064,692	[b]	0	24,915,410
OVER(UNDER) SECURED	$	**13,307,160**		**3,153,594**		**115,082**	**16,575,836**

Notes:

[a] Collateral requirement is 50% per New Mexico state law. County requirement is 100%.

[b] Letter of Credit - Federal Home Loan Bank of Dallas

INCORPORATED COUNTY OF LOS ALAMOS
DETAIL OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION

June 30, 2017

	ACQUISITION DATE	MATURITY DATE	CUSIP NUMBER	TYPE	PAR VALUE	BOOK/MARKET PER BANK
LOS ALAMOS NATIONAL BANK						
Agency Notes/Bonds	02/10/17	10/25/20	3137B6ZM6	FHMS	3,000,000	3,107,845
	12/19/16	10/25/20	3137B6ZM6	FHMS	5,000,000	5,179,741
	12/19/16	08/25/25	3137BLW95	FHMS	7,000,000	7,394,192
	05/31/16	08/25/25	3137BLW95	FHMS	3,000,000	3,168,940
					18,000,000	18,850,718
FIRST NATIONAL BANK OF SANTA FE/SUNFLOWER BANK	02/18/15	12/25/39	83164LU58	SBA - POOL# 509604	3,717,350	3,940,020
Agency Notes/Bonds	02/27/15	07/25/27	83165ASX3	SBA - POOL# 522134	1,974,878	2,124,672
					5,692,228	6,064,692
TOTAL PLEDGED COLLATERAL					$ **23,692,228**	**24,915,410**

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF DEPOSITORY ACCOUNTS
June 30, 2017

NAME OF DEPOSITORY	ACCOUNT NAME	TYPE OF ACCOUNT	TOTAL DEPOSITORY BALANCES
Alliance Benefits Group	L.A.C. Employee Pension Plan	Participant Investment	$ 46,663,853
Bank of Albuquerque	Los Alamos County	FHLB	3,996,760
Bank of Albuquerque	Los Alamos County	FHLMC	13,014,870
Bank of Albuquerque	Los Alamos County	FNMA	7,526,725
Bank of Albuquerque	Los Alamos County	T-Note	25,531,568
First National of Santa Fe	Los Alamos County	C.D.	6,072,197
Los Alamos National Bank	Library Gift Fund	C.D.	12,300
Los Alamos National Bank	Employee Fund	Checking	5,952
Los Alamos National Bank	Employee Fund	C.D.	9,670
Los Alamos National Bank	Flexible Spending Account	Checking	8,424
Los Alamos National Bank	General County	Checking	7,605,033
Los Alamos National Bank	GRT Bonds Debt Service	Checking	555,038
Los Alamos National Bank	Landfill Closure	Checking	357,954
Los Alamos National Bank	Municipal Court Bond	Checking	7,950
Los Alamos National Bank	Police Operations	Checking	790
Los Alamos National Bank	Small Purchase	Checking	6,369
Los Alamos National Bank	Manual Checks	Checking	20,001
Los Alamos National Bank	Utility Resource Pool	Checking	2,747,634
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	436,778
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	2,032,145
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	6,101,399
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	2,362,535
State Investment Council	Permanent Fund	Pool	22,733,560
State Investment Council	General Fund	Pool	14,921,561
State Investment Council	Cemetery Perpetual Care	Pool	820,338
NM Local Government Investment Pool	LGIP	Pool	4,500,000
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,770,568
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	19,836
Total Depository Balances			**169,841,808**
Reconciling items to Bank Reconciliation			(1,018,075)
Petty Cash and Change Funds			4,560
Total Deposits and Investments reported in financial statements			**$ 168,828,293**

INCORPORATED COUNTY OF LOS ALAMOS
SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2017

Incorporated County of Los Alamos (the County) and the New Mexico State Investment Council (SIC)

The parties entered into this agreement in order to establish a relationship between the County and the SIC. Under this agreement, the SIC will act as the investment manager for County funds deposited with the SIC, and invest County funds in accordance with the guidelines provided in the County's Investment Policy; providing however that the investment policies in the SIC Long-term Pooled Investment Funds Operations Manual shall be controlling in the event of a conflict between the policies therein and the County's Investment Policy.

This agreement was entered into October 3, 2000. There is no ending day specified in the agreement. Either party may terminate the agreement with thirty (30) days written notice to the other party.

As of June 30, 2017, the County had approximately $38.5 million invested with the SIC. The County paid approximately $98,000 in fees, which are netted in the investment gain. The County is responsible for all audits of its financial records. The Pooled Investment Funds are included in the SIC's annual fiscal year-end audit.

Incorporated County of Los Alamos (the County) and the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD)

The parties entered into this Joint Powers Agreement (JPA) to document NMEMNRD and the County's agreement and commitment to mutual wildland fire suppression and management assistance and cooperation. NMEMNRD is the designated state agency responsible for coordinating wildland fire suppression services among county and municipal fire departments, cooperating state agencies, and cooperating federal agencies. The County is responsible for wildland fire suppression on lands within the boundaries of its designated fire protection districts. The agreement addresses the County's role in the statewide Resource Mobilization Plan (RMP) and also defines non reimbursable and reimbursable assistance for initial or extended attack expenses. As such, the agreement establishes the County reimbursement rates and billing procedures for personnel and equipment.

This agreement does not obligate NMEMNRD or the County to expend money in excess of appropriations authorized by state or local laws. The terms of this agreement are contingent upon sufficient appropriation and authorization being granted by the New Mexico State Legislature and the County; otherwise, either party may terminate or suspend this agreement upon 90 days written notice. The agreement was entered into by the County on February 23, 2010 and supersedes JPA Agreement # 97-521-2300-0073 (Wildfire Suppression).

Incorporated County of Los Alamos (the County) and the City of Santa Fe, Santa Fe County, City of Espanola, Rio Arriba County, the Town of Taos, Taos County, Ohkay Owingeh, and Jemez Pueblo together known as "coalition members"

Members of the coalition entered into this Joint Powers Agreement (JPA) to memorialize a shared interest in assuring that LANL missions remain sustainable and diversified, while assuring protection of the environment, affecting federal and state government policy decisions that affect LANL, and promoting economic development throughout the region. This agreement establishes the Regional Coalition, a separate entity from coalition members, which will develop and implement plans and approaches for carrying out the purposes of the coalition. Governance of the Regional Coalition is stated in the agreement; the County of Los Alamos is the acting fiscal agent for implementation and administration of the agreement.

This agreement was entered into by Los Alamos County on May 18, 2011 and approved by the New Mexico Department of Finance and Administration and made effective on October 13, 2011. Ohkay Owingeh joined the coalition in October 2012; Jemez Pueblo joined the coalition in November 2014. The term of this agreement is perpetual unless terminated by mutual consent of the coalition members.

Incorporated County of Los Alamos (the County) and the North Central New Mexico Economic Development District (NCNMEDD), Santa Fe County, the City of Espanola, Rio Arriba County, Ohkay Owingeh, the Pueblo of Santa Clara, the Pueblo of Pojoaque, and the Pueblo of Tesuque.

This Joint Powers Agreement (JPA) is entered into by all parties for the management of the Redi Middle-Mile Broadband Network (REDI Net), a high-speed, open access broadband network deployed within the jurisdictional boundaries of all parties involved. NCNMEDD was awarded federal funding from the Broadband Technology Opportunities Program (BTOP), National Technology and Information Administration (NTIA), United States Department of Commerce, to implement the REDI Net project. The project has an estimated total cost of $13.4 million of which $10.6 million will be paid with federal funds, and the remaining $2.8 million is contributed by the various jurisdictional parties in the form of cash and in-kind contributions. REDI Net consists of approximately 150 miles of fiber optic cable and associated equipment and will be installed primarily on existing electric utility poles of all jurisdictional parties, subject to securing necessary easements and rights of way, for construction, permitting, and other construction-related activity. REDI Net will offer high-speed wholesale bandwidth to qualified service providers and anchor institutions that operate within the range of its network.

This agreement establishes a governance structure that includes a representative from each jurisdictional party on the Board of Directors and establishes powers and duties to oversee construction, implementation, and long-term management of the REDI Net project. This agreement obligates the County to contribute $400,000 into NCNMEDD's interest-bearing project account. This agreement was entered into by the County on November 9, 2011 and is effective for a period of 20 years thereafter. Amendments to this agreement shall be in writing and subject to approval by the New Mexico Department of Finance and Administration.

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2017

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2016	CASH RECEIVED	OTHER		FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2017
MAJOR FEDERAL FINANCIAL ASSISTANCE							
United States Department of Energy:							
National Nuclear Security Administration							
Fire protection, emergency medical and rescue services	81.140						
Cooperative Agreement begin October 1, 2013	DE-NA0002067/000	3,289,191	18,378,721	3,285,099	[1]	21,733,590	3,358,961
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	(1,104,918)	468,399	(1,338,679)	[2]	234,638	0
United States Department of Transportation-Federal Transit Administration							
Flow through the New Mexico Department of Transportation							
Nonurbanized Area Formula Grant Program Section 5311							
FY16 Contract MO1383	20.509	124,041	536,244	0		412,203	0
FY17 Contract MO1483	20.509	0	1,100,580	0		1,424,450	323,870
TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE		**2,308,314**	**20,483,944**	**1,946,420**		**23,804,881**	**3,682,831**
NONMAJOR FEDERAL FINANCIAL ASSISTANCE							
United States Department of Agriculture:	10-665						
United States National Forest Reserve	Public Law 106-393	0	1,609	0		1,609	0
United States Department of Homeland Security							
Flow through the New Mexico Department of Homeland Security and Emergency Management							
FEMA 4079, Flood Disaster Declaration, Public Assistance Program	97.036	(12,107)	0	0		0	(12,107)
FEMA 4152, Flood Disaster Declaration, Public Assistance Program	97.036	(1,109,368)	43,492	0		1,721,925	569,065
Emergency Management Performance Grant (FY17)	97.042	0	51,301	0		72,637	21,336
Emergency Management Performance Grant (FY16)	97.042	23,043	23,043	0		0	0
Emergency Management Performance Grant-Emergency Operations Plan	97.042	0	35,933	0		35,933	0
State Homeleand Security Grant-Software and Equipment	97.067	0	85,855	0		85,855	0
State Homeland Security Grant-LEPTA	97.067	0	63,824	0		229,752	165,928
State Homeland Security Grant-HAZMAT Training	20.703	0	0	0		6,400	6,400
FEMA, Region 6							
Assistance to Firefighters Grant	97.044	0	280,455	0		280,455	0
United States Department of Interior, Bureau of Land Management:	15.226						
Bureau of Land Management							
Section 1 Payment for Federal-Owned Entitlement Land	Public Law 100-343	0	88,768	0		88,768	0
National Park Service							
Cooperative Agreement for Bandelier National Park (FY17)	P12AC00524-0005-A001	0	166,219	(55,406)	[2]	110,813	0
Cooperative Agreement for Bandelier National Park (FY18)	P17AC00081	0	0	0		56,847	56,847
United States Department of Justice:							
Drug Enforcement Administration-Asset Forfeiture	16.xxx	(228)	0	7	[3]	0	(235)
Office of Justice-Bulletproof Vest Partnership	Public Law 106-517	1,232	1,632	0		1,122	722
Flow through New Mexico Crime Victims Reparation Commission							
STOP Violence Against Women Formula Grant Program (FY16)	16.588	2,695	2,695	0		0	0
STOP Violence Against Women Formula Grant Program (FY17)	16.588	0	3,672	0		3,672	0
Victims of Crime Assistance Formula Grant Program (FY17)	16.575	2,002	4,858	(593)	[2]	2,263	0
Victims of Crime Assistance Formula Grant Program (FY18)	16.575	0	4,044	0		4,044	0
NAVAA Grant (FY17)	16.582	0	4,594	0		4,594	0
United States Department of Transportation-Federal Aviation Administration							
Airport Rehabilitate Runway Seal Coat	20.106	0	532,183	0		532,183	0

United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
STEP/100 Days and Nights of Summer (17-ST-RF-056)	20.600	0	0	0	312	312
100 Days and Nights of Summer (16-DS-PT-056)	20.600	466	7,058	0	6,592	0
Federal AID Project-Canyon Rim Trail Phase 2	20.205	81,825	820,913	0	805,433	66,345
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5310						
FY15 Contract M01358	20.513	0	10,861	0	10,861	0
TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE		**(1,010,440)**	**2,233,009**	**(55,992)**	**4,062,070**	**874,613**
TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE		$ **1,297,874**	**22,716,953**	**1,890,428**	**27,866,951**	**4,557,444**

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:	
Atomic Energy Act 1954-Payments in Lieu	233,762
Change in deferred revenue - FEMA 4152	(677,553)
Change in dererred revenue - Other	(236,967)
Federal Subsidy Build America Bonds	120,566
Ambulance billing and other receipts DOE Cooperative Agreement for fire services	(415,800)
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000	(2,869,299)
North Central Regional Transit District revenues	1,353,509
INTERGOVERNMENTAL REVENUES - FEDERAL	**25,375,169**
INTERGOVERNMENTAL REVENUES - STATE	**18,867,673**
TOTAL INTERGOVERNMENTAL REVENUES	**$ 44,242,842**
INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:	
Governmental funds	$ 21,429,688
Proprietary funds	
Intergovernmental charges for services	18,448,491
Intergovernmental - non capital revenue	3,586,788
Other sources and uses - intergovernmental capital revenue	777,875
TOTAL INTERGOVERNMENTAL REVENUES	**$ 44,242,842**

Notes to Supplemental Schedule of Expenditures of Federal Awards

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Incorporated County of Los Alamos (County).

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note (1)D to the County's basic financial statements.
The amounts received from the federal government are recorded as intergovernmental revenues of the County.
There were no sub recipients of these grant awards.

Other Notes

[1] County's share of NNSA Cooperative agreement expenditures, ambulance billing and other receipts
[2] Prior Period Adjustment
[3] Interest earned on reserved fund balance

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year ended June 30, 2017

STATE GRANTOR /PROGRAM TITLE	PROGRAM OR AWARD AMOUNT	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2016	CASH RECEIVED	OTHER (SEE NOTES)	STATE PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2017
STATE OF NEW MEXICO:						
Fire Marshal's Office:						
Fire Protection Fund Distribution		(541,801)	447,383	25,378 [1]	566,136	(448,426)
Fire Protection Grant		(100,075)	100,000	0	190,334	(9,741)
Total Fire Marshal's Office		(641,876)	547,383	25,378	756,470	(458,167)
Children, Youth and Families Department						
Juvenile Justice Continuum (17-690-19795)		0	222,432	0	227,235	4,803
Juvenile Justice Continuum (16-690-18431)		9,049	9,049	0	0	0
Total Children, Youth and Families Department		9,049	231,481	0	227,235	4,803
Department of Finance and Administration:						
LDWI-Local Distribution (FY17)		0	50,779	0	50,779	0
DWI Grant (16-D-J-G-16)		26,815	26,815	0	0	0
Juvenile Adjudication Grant Fund (16-JAF-16)		7,877	7,877	0	0	0
Juvenile Adjudication Grant Fund (17-J-16)		0	12,782	0	16,524	3,742
Enhanced E911 (17-E-12)		0	0	121,454 [2]	128,914	7,460
Law Enforcement Protection Fund Distribution		(20)	39,800	0	39,633	(187)
Capital Grant Project-Jemez Mountains Regional Fire Protection		60,184	112,051	0	51,867	0
Total Department of Finance and Administration		94,856	250,104	121,454	287,717	11,015
Department of Health - Public Health Office						
Primary Care and EMS Distribution - Fire		(987)	10,939	0	11,923	(3)
Los Alamos Community Health Council Pass Through (FY17)		0	4,230	0	4,230	0
Total Department of Health		(987)	15,169	0	16,153	(3)

Transportation Department					
Cooperative Agreement, Local Government Road Funds (SP-5-16(181)	0	83,674	0	83,674	0
Cooperative Agreement, School Bus Route (SB-7803(100)16)	0	87,873	0	87,873	0
Cooperative Agreement, County Arterial Program (CAP-5-16(467))	0	24,255	0	24,255	0
Airport Maintenance Program (LAM-16-01)	0	6,763	0	6,763	0
Runway Crack Seal, Seal Coat and Remark Project (LAM-16-02)	466	27,957	0	27,491	0
Operation Buckledown/Click It or Ticket (FY16)	876	876	0	0	0
Community DWI Grant Program (FY17)	0	1,465	0	1,465	0
Nonurbanized Area Formula Grant Program Section 5310					
FY15 Contract M01358	0	34,271	0	34,271	0
CTAA Scholarship	0	1,935	(1,935) [3]	0	0
Total Transportation Department	1,342	269,069	(1,935)	265,792	0
Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA DR 4079	(781)	0	0	0	(781)
Disaster Assistance - FEMA DR 4152	(182,953)	7,294	0	286,987	96,740
Total Homeland Security Department	(183,734)	7,294	0	286,987	95,959
New Mexico Finance Authority					
Water Trust Board-Project Number 318	0	40,819	0	40,819	0
Water Trust Board-Project Number 340	0	140,820	0	140,820	0
	0	181,639	0	181,639	0
Aging and Long Term Services Department					
Capital Grant Project-White Rock Senior Center	30,950	268,092	0	237,142	0
Capital Grant Project-Betty Ehart Senior Center-Vehicles	0	41,200	0	41,200	0
	30,950	309,292	0	278,342	0
Administrative Office of the Courts					
Municipal Automation Fund	11,739	21,108	0	19,832	10,463
Economic Development Department					
MainStreet Capital Appropriation Project-Streetscape Improvement	0	50,000	0	50,000	0
Office of Cultural Affairs:					
New Mexico State Library 2010 General Obligation Bond	0	0	0	16,119	16,119
New Mexico State Library Grant - Operations	0	11,599	0	11,599	0
Total Office of Cultural Affairs	0	11,599	0	27,718	16,119
TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE	$ **(678,661)**	**1,894,138**	**144,897**	**2,397,885**	**(319,811)**

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:

State-shared Revenues	16,816,686
Change in reserved balances	(209,904)
Change in Deferred Revenue	(136,994)
TOTAL INTERGOVERNMENTAL REVENUES - STATE	$ **18,867,673**

NOTES:

[1] Interest earned on reserved fund balance

[2] Grant expenditures made by State on County's behalf

[3] Prior Period Adjustment

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
SUPPLEMENTAL COMBINING BALANCE SHEET - INDUSTRY FORMAT
June 30, 2017

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
ASSETS AND OTHER DEBITS					
UTILITY PLANT					
Utility plant in service	$ 173,722,835	16,220,814	86,863,011	46,216,720	323,023,380
Construction work in progress	10,512,100	447,939	1,944,395	125,417	13,029,851
Less accumulated depreciation	(106,110,010)	(4,837,819)	(27,397,956)	(11,793,388)	(150,139,173)
NET PLANT IN SERVICE	78,124,925	11,830,934	61,409,450	34,548,749	185,914,058
OTHER PROPERTY AND INVESTMENTS					
Investments and special funds	19,502,785	0	206,176	1,682,644	21,391,605
	19,502,785	0	206,176	1,682,644	21,391,605
CURRENT AND ACCRUED ASSETS					
Cash and short-term investments	(373,949)	5,677,382	9,297,111	(611,144)	13,989,400
Customer accounts receivable	2,893,557	140,515	462,577	350,627	3,847,276
Less provision for uncollectible accounts	(19,641)	(3,162)	(8,607)	(7,889)	(39,299)
Due from associated subfunds (not included in total column)	0	0	145,912	0	0
Fuel stock	256,634	0	0	0	256,634
Materials and supplies	1,084,867	32,524	210,068	13,417	1,340,876
Prepayments	726,967	0	96,428	0	823,395
Accrued utility revenues	635,894	98,873	340,302	219,330	1,294,399
	5,204,329	5,946,132	10,543,791	(35,659)	21,512,681
OTHER NONCURRENT ASSETS AND DEFERRALS					
Advances to associated subfunds (not included in total column)	0	0	1,096,729	0	0
Deferred pensions	2,170,517	546,759	303,443	271,335	3,292,054
Unamortized deferral on refunding of debt	537,575	0	0	0	537,575
	2,708,092	546,759	1,400,172	271,335	3,829,629
TOTAL ASSETS AND OTHER DEBITS	$ **105,540,131**	**18,323,825**	**73,559,589**	**36,467,069**	**232,647,973**

LIABILITIES AND OTHER CREDITS					
EQUITY					
Retained earnings	$ 56,970,603	16,130,322	69,022,090	23,860,320	165,983,335
LONG-TERM DEBT					
Bonds	22,392,184	0	1,467,816	0	23,860,000
Plus unamortized premium on long-term debt	816,053	0	14,340	0	830,393
Contracts and intergovernmental debt payable	0	0	1,476,228	9,634,206	11,110,434
	23,208,237	0	2,958,384	9,634,206	35,800,827
OTHER NONCURRENT LIABILITIES AND DEFERRALS					
Accumulated provision for benefits	171,123	86,498	42,193	22,010	321,824
Advances from associated subfunds (not included in total column)	0	0	0	1,096,729	0
Asset retirement obligations	9,474,459	0	0	0	9,474,459
Pension liability	7,368,105	1,854,391	1,044,135	905,655	11,172,286
Deferred pensions	(214,647)	(55,052)	(21,642)	(36,014)	(327,355)
	16,799,040	1,885,837	1,064,686	1,988,380	20,641,214
CURRENT AND ACCRUED LIABILITIES					
Accounts payable	4,983,836	105,411	202,206	17,588	5,309,041
Customer deposits	63,437	47,351	47,887	0	158,675
Tax collections payable	66,253	10,114	24,051	20,863	121,281
Current portion of revenue bonds payable	2,753,296	0	46,704	0	2,800,000
Current portion of contracts and other debt	0	0	98,886	660,301	759,187
Interest accrued	86,494	0	8,796	70,853	166,143
Due to associated subfunds (not included in total column)	0	0	0	145,912	0
Miscellaneous current and accrued liabilities	608,935	144,790	85,899	68,646	908,270
	8,562,251	307,666	514,429	984,163	10,222,597
TOTAL LIABILITIES AND OTHER CREDITS	$ **105,540,131**	**18,323,825**	**73,559,589**	**36,467,069**	**232,647,973**

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY CAPITAL - INDUSTRY FORMAT
Year ended June 30, 2017

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
UTILITY OPERATING REVENUES					
Sales for resale	$ 26,577,782	0	0	0	26,577,782
Residential	6,949,869	3,549,664	3,488,643	4,950,622	18,938,798
Commercial and industrial	4,535,052	593,836	457,437	0	5,586,325
Sale to public authorities	2,204,890	329,584	1,293,039	0	3,827,513
Street lighting	68,043	0	0	0	68,043
Other operating revenues	319,398	29,546	66,765	11,593	427,302
TOTAL OPERATING REVENUES	**40,655,034**	**4,502,630**	**5,305,884**	**4,962,215**	**55,425,763**
OPERATING EXPENSES					
Purchased power or natural gas	(14,454,968)	(2,296,977)	0	0	(16,751,945)
Distribution	(466,168)	(400,406)	(798,460)	(1,471,444)	(3,136,478)
Administrative and general	(4,676,339)	(1,002,350)	(1,534,918)	(967,633)	(8,181,240)
Customer accounts	1,502,041	0	(1,168)	(3,579)	1,497,294
Steam power generation	(5,532,766)	0	0	0	(5,532,766)
Transmission	(3,739,240)	0	0	0	(3,739,240)
Other production expenses	(1,641,209)	0	0	0	(1,641,209)
Hydraulic power generation	(529,933)	0	0	0	(529,933)
	(29,538,582)	(3,699,733)	(2,334,546)	(2,442,656)	(38,015,517)
MAINTENANCE EXPENSES					
Distribution	(1,108,617)	(240,291)	(2,069,315)	(473,240)	(3,891,463)
Steam power generation	(1,095,856)	0	0	0	(1,095,856)
Hydraulic power generation	(369,343)	0	0	0	(369,343)
Carbon free generation	(80,651)	0	0	0	(80,651)
Transmission	(342,710)	0	0	0	(342,710)
	(2,997,177)	(240,291)	(2,069,315)	(473,240)	(5,780,023)
DEPRECIATION AND AMORTIZATION EXPENSE	(6,190,056)	(369,399)	(1,955,835)	(837,241)	(9,352,531)
TAXES	(980,960)	(205,362)	(35,173)	0	(1,221,495)
TOTAL UTILITY OPERATING EXPENSES	**(39,706,775)**	**(4,514,785)**	**(6,394,869)**	**(3,753,137)**	**(54,369,566)**

UTILITY OPERATING INCOME	**948,259**	**(12,155)**	**(1,088,985)**	**1,209,078**	**1,056,197**
Other income (investment loss)	280,224	194,127	587,481	30,206	1,092,038
Other deductions	(993,654)	(252,732)	(739,604)	(59,733)	(2,045,723)
UTILITY INCOME	**234,829**	**(70,760)**	**(1,241,108)**	**1,179,551**	**102,512**
Interest on long-term debt	(1,058,250)	0	(47,274)	(364,326)	(1,469,850)
INCOME BEFORE EXTRAORDINARY ITEMS	**(823,421)**	**(70,760)**	**(1,288,382)**	**815,225**	**(1,367,338)**
Proprietary capital, beginning of year	57,746,024	16,177,736	70,211,164	23,021,749	167,156,673
Contributed capital - governmental entities	48,000	23,346	99,308	23,346	194,000
PROPRIETARY CAPITAL, END OF FISCAL YEAR	$ **56,970,603**	**16,130,322**	**69,022,090**	**23,860,320**	**165,983,335**

MORTON

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CPA and Business Consulting Firm

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. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

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, the budgetary comparisons of the general fund and major special revenue funds, of the Incorporated County of Los Alamos, New Mexico (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 entity'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 County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MORTON ACCOUNTING SERVICES, LLC

Santa Fe, New Mexico
November 30, 2017

MORTON

ACCOUNTING SERVICES, LLC

CPA and Business Consulting Firm

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Mr. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Incorporated County of Los Alamos' (County) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County'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 the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 County'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 County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the County 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 County'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 County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Mr. David Izraelevitz, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Timothy Keller, New Mexico State Auditor

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MORTON ACCOUNTING SERVICES, LLC

Santa Fe, New Mexico
November 30, 2017

LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unmodified**
Internal control over financial reporting:	
1. Material weaknesses identified	No
2. Significant deficiencies identified	No
3. Noncompliance material to financial statements noted	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	**Unmodified**
Internal control over major programs:	
1. Material weaknesses identified	No
2. Significant deficiencies identified	No
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

CFDA No.	Name of Federal Program
81.140	Fire Protection, Emergency Medical and Rescue Services - Cooperative Agreement
97.036	FEMA, Flood Disaster Declaration, Public Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs	$836,009
Auditee qualified as a Low-Risk Auditee	Yes

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

Our audit did not disclose any matters required to be reported in in accordance with 2 CFR 200.516(a).

SECTION IV - PRIOR YEAR FINDINGS

There were no prior year findings.

INCORPORATED COUNTY OF LOS ALAMOS
EXIT CONFERENCE
June 30, 2017

An exit conference was held on Tuesday, November 28, 2017. The conference was held at the offices of the County in Los Alamos, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

INCORPORATED COUNTY OF LOS ALAMOS

Audit Committee:

Pete Sheehey, County Councilor
Stephen Mclin, Board of Public Utitilies Member
Harry Burgess, County Manager
Helen Perraglio, Chief Financial Officer
Robert Westervelt, Deputy Utilities Manager - Finance & Administration

County Staff:

Steven Lynne, Deputy County Manager
Melissa Meyer, Deputy Chief Financial Officer
Thomas Vigil, Accounting Operations Manager

Morton Accounting Services, LLC

Janet Pacheco-Morton, Principal
Ana Maria Casey, Senior Accountant
Kim Keahbone, CPA

LOS ALAMOS

where discoveries are made

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