



Incorporated County of Los Alamos
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2019

Incorporated County of Los Alamos, New Mexico



LOS ALAMOS

Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2019

Prepared by Finance of Administrative Services

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December 1, 2019

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 2019. Finance of Administrative Services has prepared this report to present the financial position of the County at June 30, 2019, 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

Sara C. Scott
Council Chair

Pete Sheehey
Council Vice-Chair

COUNCILORS

David Izraelevitz
Antonio Maggiore
Katrina Martin
James N. Robinson
Randall T. Rytí

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 one finding 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.

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 FY2020 budget was initially developed while uncertainties existed as to the taxable status of Triad National Security, LLC's, Los Alamos National Laboratory's (LANL) operations and management contractor. The operations and management contract was awarded to Triad National Security, LLC (Triad) and they took over LANL operations on October 1, 2018. Triad is a nonprofit, public service-focused organization made up of three members: Battelle Memorial Institute, The Texas A&M University System and the University of California. On February 28, 2019, Governor Lujan Grisham signed Senate Bill 11 into law which states that receipts of a prime contractor operating a laboratory facility in New Mexico are subject to gross receipts taxes. Based on the projected revenues following passage of Senate Bill 11 and Council's guidance to maintain a 20% reserve, there was an opportunity for Council to address cuts made in the past two years to meet budget requirements, consider budget option expenditures in addition to the proposed budget, as well as potential expansion of county services and programs to focus on achieving the Council's strategic goals and continue to provide excellent day-to-day services to the citizens of Los Alamos. 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, 2019, an estimated 75-80% of GRT revenues relate directly to LANL operations.

The fiscal year 2020 budget anticipated revenues of \$203 million are \$17.2 million (9%) higher than the fiscal year 2019 adopted budget. Expenditures are budgeted at \$199.5 million which is \$10.7 million (5.7%) higher than the prior fiscal year.

The increase in budgeted expenditures is primarily due to County Council approved salary adjustments in the amount of \$1.2 million across all funds that have labor and benefits. The General Fund increase of \$9.4 million (18.3%) was also due to \$8.5 million of approved budget options which included increases to Major Facilities Maintenance funding, the General Fund contribution to the Fire Cooperative Agreement, interdepartmental charges for vehicles, progress through partnering, land purchase budget and investigation and conceptual design of a Tween Center in Los Alamos County. The Capital Improvement Projects Fund increased by \$1.2 million which included \$1 million for the allotment for Los Alamo Public Schools' capital improvements. The Joint Utilities Fund is budgeted at \$1.2 million below fiscal year 2019. The Fire Fund expenses are \$1.8 million higher than the fiscal year 2019 budget due primarily to contracted changes in the Cooperative Agreement. The remaining funds collectively were a decrease of \$0.5 million over the prior fiscal year budget.

The increase in revenues is due to \$10.5 million increase in General Fund due primarily to increase in GRT. The Enterprise Funds have an increase of \$1.6 million, the Joint Utilities Fund has a \$2.8 million increase, the Internal Service Funds have a \$1.4 million increase. The remaining funds have a net increase of \$0.9 million of budgeted revenues over fiscal year FY2019. 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.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

The County accomplished a major milestone in FY2019 in its implementation and successful go-live of the ERP software conversion to MUNIS and Executime (timekeeping). MUNIS replaced the County's antiquated financial management, human resources, utilities billing, budgeting, purchasing, and work order system on July 1, 2018. Executime became the County's electronic timekeeping software that captured actual time worked for the majority of non-exempt staff, and created schedule based time entry for public safety and exempt staff. In its implementation, the County heavily reduced paper records with the use of "paperless" technology, and rolled out significant efforts in electronic workflow, the production of Standard Operating Procedures, and e-learning initiatives.

Other major accomplishments and future initiatives include: the continued construction of 160 new housing units in White Rock; continued efforts on the Council approved development proposal for approximately 150 rental apartments on the former Department of Energy Site Office parcel just south of Trinity Drive; a new affordable housing project with 70 units that was approved for County land located on DP Road; successfully completed renovations to the Mesa Public Library; continued efforts in historic downtown district for the Manhattan Project National Park walking tour; tourism has become a top focus at the County, with the Council approving both a Tourism Strategic Plan and Wayfinding Plan which guide our future efforts; the State NM DOT broke ground on the NM502 road improvements; and Council gave the green light during budget hearings for four recreation Capital Improvement Projects: Ice Rink Improvements, Golf Course Improvements, a Splash Pad for Pinon Park and a new Kiddie Pool at the Aquatic Center. All four recreation projects are being designed in 2019; the County continues its commitment to operational excellence.

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, 2018. 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-eight consecutive years (fiscal years 1991 through 2018). 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 2019. This was the twenty-seventh 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 third year it has been compiled for FY2018. 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.

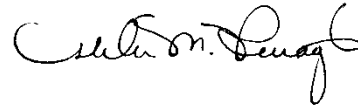
ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated service of the staff within Finance. 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. Finally, without the leadership and support of the members of the County Council, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Burgess', with a stylized, cursive script.

Harry Burgess,
County Manager

A handwritten signature in black ink, appearing to read 'Helen M. Perraglio', written in a cursive script.

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**

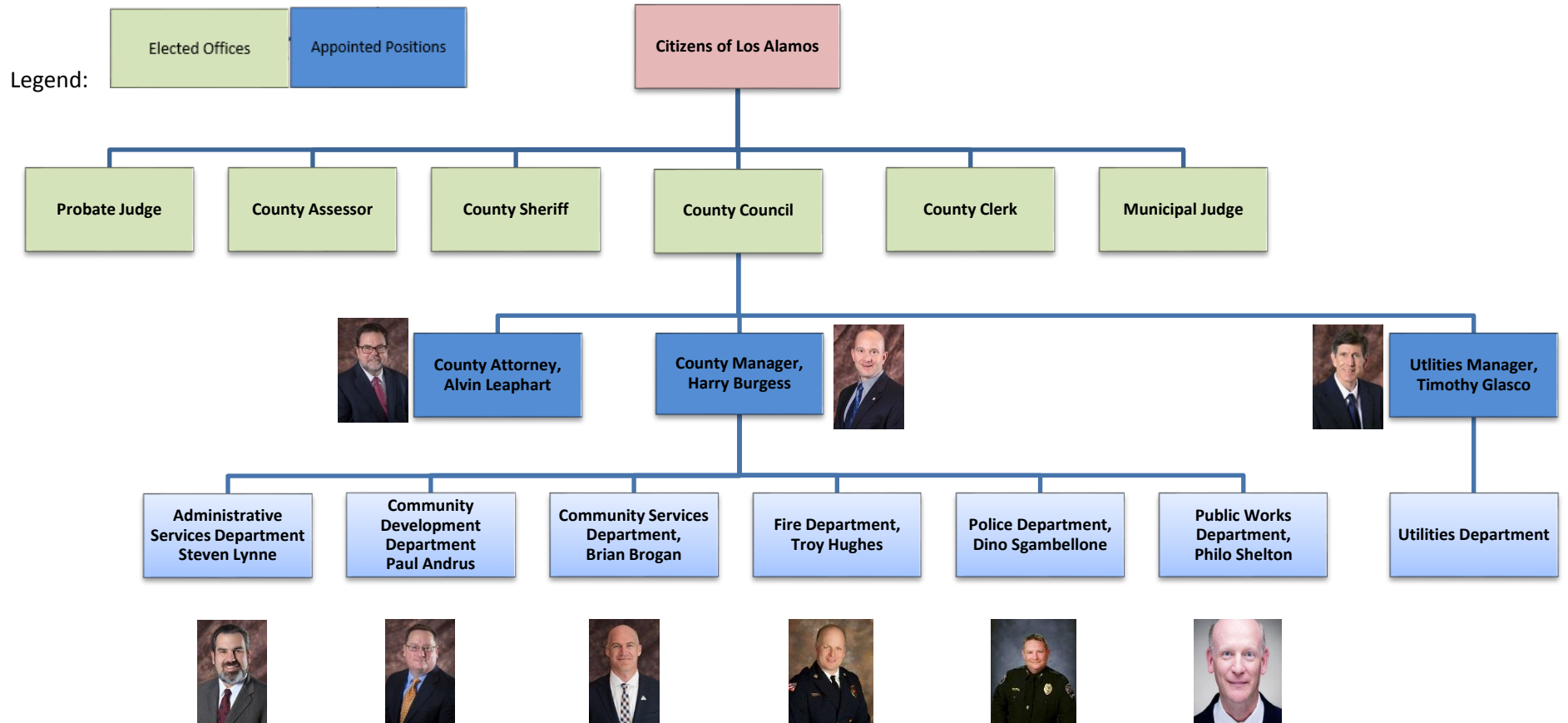
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART

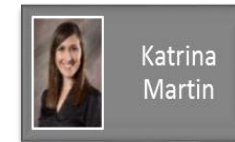


INCORPORATED COUNTY OF LOS ALAMOS

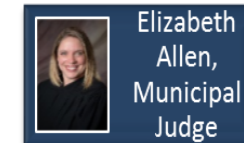
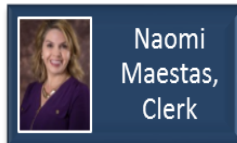
ELECTED AND APPOINTED OFFICIALS

As of June 30, 2019

Elected: Council



Elected: Officials



Appointed:

County Manager
Deputy County Manager
County Attorney
Utilities Manager
Community Development Director
Community Services Director
Fire Chief
Police Chief
Public Works
Deputy County Assessor
Deputy County Clerk

Harry Burgess
Steven Lynne
Alvin Leaphart
Timothy Glasco
Paul Andrus
Brian Brogan
Troy Hughes
Dino Sgambellone
Philo Shelton
Joaquin Valdez
Adrianna Ortiz

LOS ALAMOS



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INDEPENDENT AUDITOR'S REPORT

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, 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, 2019, 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.

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

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

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, 2019, 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.

Emphasis of Matter

During fiscal year ended June 30, 2019, the County adopted GASB Statement No. 83, Certain Asset Retirement Obligations, the County reported a restatement in the Electric fund, increasing beginning net position in the amount of \$5.6 million, for the change in accounting principle (see Note 17). Our opinion was not modified with respect to the restatement.

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, other post-employment benefits liability, and the schedules of the County's contributions on pages 119-128 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.

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, 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 1-8, 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2019 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
December 1, 2019

LOS ALAMOS

The logo for Los Alamos National Laboratory, featuring a blue circle with white atomic orbits.The logo for Los Alamos National Laboratory, featuring a red circle with white atomic orbits.

where discoveries are made



Management's Discussion and Analysis

INCORPORATED COUNTY OF LOS ALAMOS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

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, 2019. 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 179.

FINANCIAL HIGHLIGHTS

New Accounting Standards

In fiscal year 2019, 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 asset retirements and disclosures related to debt:

- GASB Statement No. 83 (GASB 83), "Certain Asset Retirement Obligations"
- GASB Statement No. 88 (GASB 88), "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"

GASB Statement No. 83 establishes criteria for determining the timing and recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable and that the measurement of an asset retirement obligations be based on the best estimate of the current value of outlays expected to be incurred.

In previous years, the County had recognized a liability and expense for the San Juan decommissioning costs. In fiscal year 2019 the County has recorded a prior period restatement on the face of the financial statements to show the cumulative effect of this expense on net position. This restatement was reflected in the Electric Fund and increased the Joint Utility funds' beginning net position by \$5.6 million from \$159.9 million to \$165.5 million.

GASB Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional information related to debt be disclosed in notes to financial statements. This includes unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

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 \$424.8 million at fiscal year-ended June 30, 2019. This represents an increase of \$3.4 million in net position, or approximately .81%, as compared to the prior fiscal year-end. The largest contributor to this increase related to a restatement of net position. The restatement required by the adoption of GASB 83, increased net position by \$5.6 million. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.
- Governmental activities increased the County's net position by \$3.2 million to \$272.2 million for the fiscal year-ended June 30, 2019. The largest contributing factors to this increase was a significant increase in the County's gross receipt tax revenue and a significant decrease in the loss on exchange of capital assets. Revenues exceeded expenses by \$3.2 million as the County's revenues increased by \$16.6 million from prior year while program expenses increased by \$2.1 million from \$64.5 million in fiscal year 2018 to \$66.6 million in fiscal year 2019. Gross receipts taxes and state shared revenues increased \$8.5 million while investment earnings decreased \$.2 million. Expenses increased largely in the general government function when compared to the prior year due to significant upgrades to the Mesa Public Library.
- Business-type activities increased the County's net position by \$.2 million to \$152.6 million for the fiscal year-ended June 30, 2019. This compares to a \$28.8 million decrease during the previous fiscal year. The largest contributing factor to this increase was a \$5.6 million in the restatement required by the adoption of GASB 83. Before the restatement, the business-type activities had a negative change in net position of \$5.4 million. Expenses also exceeded revenues for total business-type activities by \$3.9 million exclusive of transfers. Total revenue from business-type activities was \$92.1 million for fiscal year 2019, approximately \$1.6 million more than the previous year. The increase was due to a \$2.2 million increase in Utility sales and other services while grants and contributions decreased by \$.6 million. Expenses in fiscal year 2019 increased by \$5.4 million or 5.75 percent. This change was primarily due to increases in Fire salaries and benefits of \$.7 million and Fire contractual services of \$.4 million; an increase of special closure costs in the Environmental Services Fund of \$.4 million; Electric Production had a \$1.9 million increase in cost of purchased power; Gas had a \$.6 million increase in cost of gas; and Water Production experienced an increase of \$1.4 million in additional contractual services for additional costs on Otowi Well #2.
- For the fiscal year-ended June 30, 2019, the County's Governmental Funds reported combined ending fund balance of approximately \$94 million. This is a \$10.3 million increase from the end of fiscal year 2018. In large part, the increase in fund balance is attributable to the increase in gross receipts tax revenues of \$52.7 million which is an \$8.5 million increase from prior year. The fund balance in the General Fund increased by \$8.9 million from prior year to \$34.2 million in fiscal year 2019. Cumulatively all other governmental fund balances increased by \$1.3 million from prior year.

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. 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 67-118 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 \$424.8 million at fiscal year-ended June 30, 2019. This is an increase of \$3.4 million in net position, or .81%, 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 2019 compared to fiscal year 2018.

Table 2
Los Alamos County's Net Position
As of June 30, 2019
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Assets:						
Current and other assets	\$ 96.4	87.4	67.0	67.1	163.4	154.5
Capital assets	<u>276.2</u>	<u>282.9</u>	<u>224.0</u>	<u>226.9</u>	<u>500.2</u>	<u>509.8</u>
Total assets	<u>372.6</u>	<u>370.3</u>	<u>291.0</u>	<u>294.0</u>	<u>663.6</u>	<u>664.3</u>
 Deferred outflows of resources	 <u>19.9</u>	 <u>15.5</u>	 <u>23.0</u>	 <u>13.3</u>	 <u>42.9</u>	 <u>28.8</u>
 Liabilities:						
Current and other liabilities	2.9	3.4	6.4	4.0	9.3	7.4
Long-term liabilities	<u>110.9</u>	<u>106.4</u>	<u>142.8</u>	<u>136.7</u>	<u>253.7</u>	<u>243.1</u>
Total liabilities	<u>113.8</u>	<u>109.8</u>	<u>149.2</u>	<u>140.7</u>	<u>263.0</u>	<u>250.5</u>
 Deferred inflows of resources	 <u>6.5</u>	 <u>7.0</u>	 <u>12.2</u>	 <u>14.2</u>	 <u>18.7</u>	 <u>21.2</u>
 Net position:						
Net investment in capital assets	243.6	245.7	190.7	190.0	434.3	435.7
Restricted	38.6	37.5	7.2	10.1	45.8	47.6
Unrestricted	<u>(10.0)</u>	<u>(14.2)</u>	<u>(45.3)</u>	<u>(47.7)</u>	<u>(55.3)</u>	<u>(61.9)</u>
Total net position	<u>\$ 272.2</u>	<u>269.0</u>	<u>152.6</u>	<u>152.4</u>	<u>424.8</u>	<u>421.4</u>

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, 2019, this amount was \$434.3 million (102.2% of total net position). This percentage is higher than 100% due to a large increase in negative unrestricted net position due to the restatement from the adoption of GASB 75 in fiscal year 2018. This also compares to \$435.7 million (103.4% of total) invested in capital assets net of related debt for the previous fiscal year-end, a net decrease of \$1.4 million or .32%. This decrease 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. 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 \$45.8 million (10.8% of total net position) at fiscal year-end 2019, a decrease of \$1.8 million or 3.78% compared to the prior year. Restricted net position balances in the business-type activities decreased \$2.9 million as cash and investments previously set aside for revenue bond repayment, were used for debt service. Restricted net position balances in the government-type activities increased \$1.1 million. The most significant changes were in the Capital Projects Permanent Fund where the restricted balance for revenue stabilization decreased \$.4 million due to higher than expected investment returns and the principal balance increased by \$.9 million. Cumulatively other net position balances increased by \$.6 million.

The remaining negative \$55.3 million of the County's net position is categorized as unrestricted. Unrestricted net position increased in fiscal year 2019 by \$6.6 million, which differs significantly from the prior year \$54.4 million decrease. The most significant reason for the increase is due to the restatement required by the adoption of GASB 83, which increased net position by \$5.6 million.

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, 2019 (in millions of \$)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2.7	2.7	69.7	67.5	72.4	70.2
Operating grants and contributions	0.5	1.2	21.0	22.2	21.5	23.4
Capital grants and contributions	<u>2.3</u>	<u>3.2</u>	<u>1.4</u>	<u>0.8</u>	<u>3.7</u>	<u>4.0</u>
Total program revenues	<u>5.5</u>	<u>7.1</u>	<u>92.1</u>	<u>90.5</u>	<u>97.6</u>	<u>97.6</u>
General revenues:						
Gross receipts taxes	31.4	26.3	3.1	2.6	34.5	28.9
Property taxes	7.3	7.2	0.0	0.0	7.3	7.2
Franchise taxes	0.5	0.5	0.0	0.0	0.5	0.5
Grants and contributions not restricted to specific programs	1.2	0.9	0.0	0.0	1.2	0.9
State shared revenue	21.6	18.2	0.0	0.0	21.6	18.2
Unrestricted interest and investment earnings (loss)	3.5	3.7	0.8	0.8	4.3	4.5
Loss on exchange of capital assets	<u>(2.7)</u>	<u>(12.2)</u>	<u>(0.6)</u>	<u>(1.0)</u>	<u>(3.3)</u>	<u>(13.2)</u>
Total general revenues	<u>62.8</u>	<u>44.6</u>	<u>3.3</u>	<u>2.4</u>	<u>66.1</u>	<u>47.0</u>
Total Revenues	<u>68.3</u>	<u>51.7</u>	<u>95.4</u>	<u>92.9</u>	<u>163.7</u>	<u>144.6</u>
Program expenses:						
General government	19.0	16.2	0.0	0.0	19.0	16.2
Public safety	15.8	16.3	0.0	0.0	15.8	16.3
Physical and economic environment	4.2	3.7	0.0	0.0	4.2	3.7
Transportation	11.5	11.3	0.0	0.0	11.5	11.3
Health and welfare	4.1	3.9	0.0	0.0	4.1	3.9
Culture and recreation	10.3	10.6	0.0	0.0	10.3	10.6
Interest on long-term debt	1.7	2.5	0.0	0.0	1.7	2.5
Electric	0.0	0.0	45.1	42.1	45.1	42.1
Gas	0.0	0.0	5.1	4.4	5.1	4.4
Water	0.0	0.0	7.0	6.7	7.0	6.7
Wastewater	0.0	0.0	4.2	4.2	4.2	4.2
Environmental services	0.0	0.0	4.8	4.5	4.8	4.5
Transit (Atomic City Transit)	0.0	0.0	4.1	4.2	4.1	4.2
Fire	0.0	0.0	28.1	26.7	28.1	26.7
Airport	<u>0.0</u>	<u>0.0</u>	<u>0.9</u>	<u>1.1</u>	<u>0.9</u>	<u>1.1</u>
Total expenses	<u>66.6</u>	<u>64.5</u>	<u>99.3</u>	<u>93.9</u>	<u>165.9</u>	<u>158.4</u>
Change in net position before transfers	1.7	(12.8)	(3.9)	(1.0)	(2.2)	(13.8)

Transfers	<u>1.5</u>	<u>1.5</u>	<u>(1.5)</u>	<u>(1.5)</u>	<u>0.0</u>	<u>0.0</u>
Total Change in net position	3.2	(11.3)	(5.4)	(2.5)	(2.2)	(13.8)
Beginning net position	269.0	307.7	152.4	181.2	421.4	488.9
Prior period adjustment	<u>0.0</u>	<u>(27.4)</u>	<u>5.6</u>	<u>(26.3)</u>	<u>5.6</u>	<u>(53.7)</u>
Ending net position	\$ <u>272.2</u>	<u>269.0</u>	<u>152.6</u>	<u>152.4</u>	<u>424.8</u>	<u>421.4</u>

Governmental Activities

Governmental activities during the year increased the County's net position by \$1.7 million for fiscal year 2019 as compared to the prior year. This section compares results of governmental activities for fiscal year 2019 to fiscal year 2018 as summarized in Table 3.

Total revenues were \$68.3 million in fiscal year 2019, approximately \$16.6 million more than the previous year. Key variances include:

- An increase of \$5.1 million in gross receipts taxes and \$3.4 million in state shared revenue from fiscal year 2018 primarily due to increases in spending at LANL, the largest single employer in the county affected the taxable revenue base;
- A \$2.7 million loss on capital assets which is a decrease of \$9.5 million from prior year. The loss is due to construction work in progress projects being expensed versus capitalized;
- Interest and investment earnings decreased by \$.2 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;
- Property taxes increased by \$.1 million and grants and contributions increased by \$.3 million; and
- Operating and grant contributions decreased by \$1.6 million from fiscal year 2018.

Total expenses for governmental activities were \$66.6 million in fiscal year 2019, or approximately \$2.1 million more than the previous year. Key variances include:

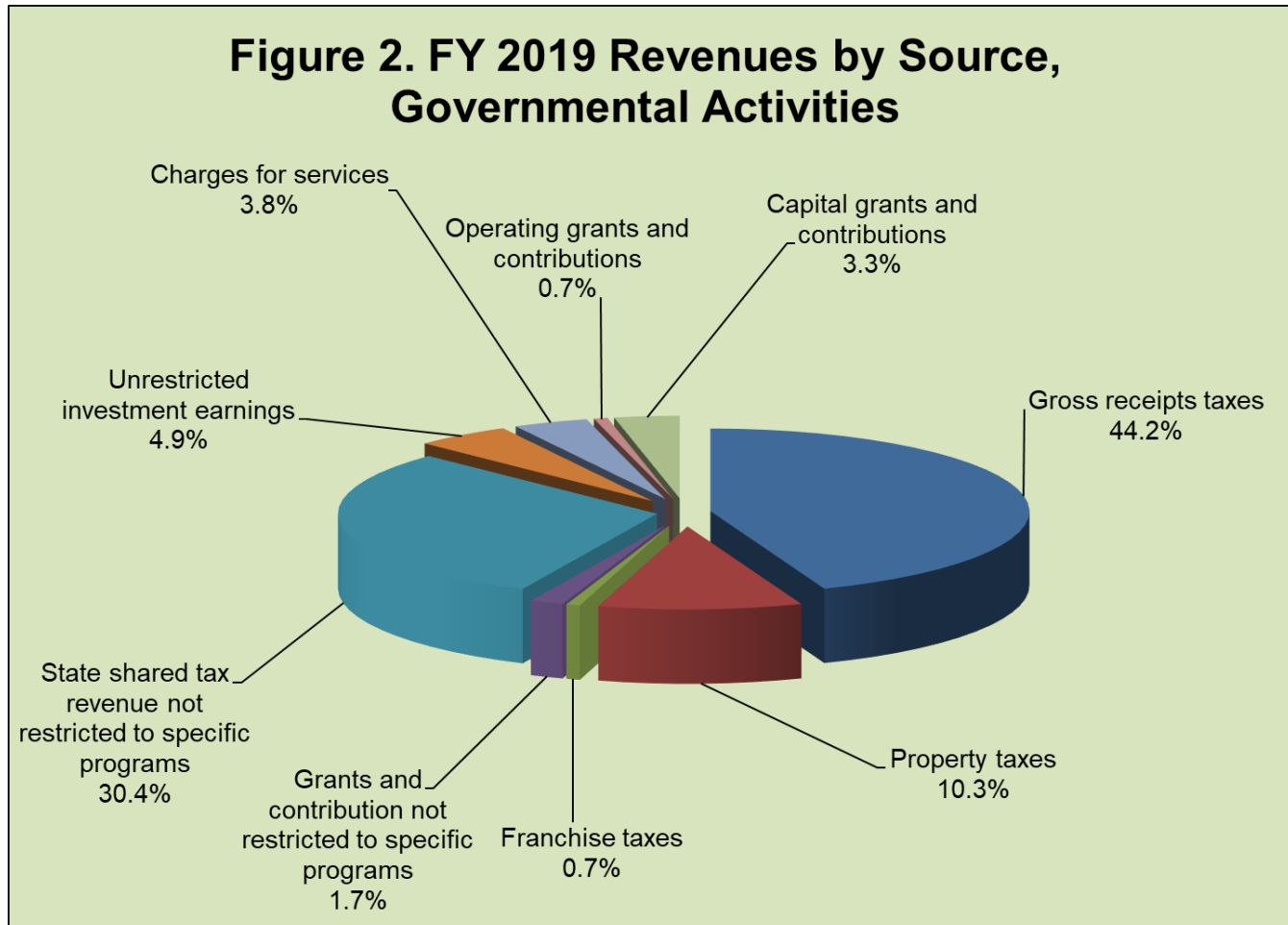
- An increase of \$2.8 million in General Government which includes significant repairs and maintenance to the Mesa Public Library;
- An increase of \$.2 million in Transportation costs and a \$.2 million increase in Health and welfare costs;
- A decrease in Culture and Recreation expenses of \$.3 million consisting of a \$.2 million decrease in expenses for parks maintenance costs, a \$.1 million decrease in library operating expenses; and
- A decrease of interest expense on debt of \$0.8 million

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year-end 2019. 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 \$61.1 million in general revenues and accumulated net position from governmental activities. Approximately 8.3% of governmental program expenses were covered by program revenues during fiscal year 2019, which is a decrease compared to last year, at 11%.

Figure 1. 2019 Expenses and Program Revenues for Governmental Activities



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 2019. 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 74.65% of Governmental Activities revenues, which is a 5.05% increase from the prior year. This change is primarily due to the \$5.1 million increase in GRT and \$3.4 million in State Shared GRT from fiscal year 2018.



Business-type Activities

Business-type activities increased the County's net position by \$.2 million for the fiscal year-ended June 30, 2019. This compares to a \$28.8 million decrease during the previous fiscal year. This section compares results of business-type activities for fiscal year 2019 to fiscal year 2018 as summarized in Table 3.

Total revenues and contributions were \$95.4 million in fiscal year 2019; approximately \$2.5 million more than the previous year. This includes an increase of \$2.2 million in charges for services due to higher utility electric consumption and rate increases in water and wastewater utilities. There was also a \$.6 million decrease in operating and capital grants and contributions received. There was an increase in gross receipts tax of \$.5 million and a decrease in the loss on sale of capital of \$.4 million from the previous year.

Total expenses were \$99.3 million in fiscal year 2019, a \$5.4 million increase over the previous year. Fire expenses increased \$1.4 million or 5.24% primarily from a combination of a \$.8 million increase in salaries and benefits from the previous year, a \$.5 million increase in contractual services, and a \$.1 million loss on disposition of capital assets. Total Joint Utility System experienced an increase of \$4.0 million in expenses from prior year. The Electric fund experienced a \$1.9 million in increased cost of purchased power. The Gas fund had a \$.6 million increase in cost of gas while the Water fund had an increase of \$1.4 in additional contractual services for additional costs on Otowi Well #2. The Waste Water fund had an increase of \$.1 million in salaries and benefits over prior year.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2019. 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 \$7.2 million in fiscal year 2019 as compared to fiscal year 2018 where program revenues exceeded program expenses by \$3.4 million. The fire function appears to have program losses but receives gross-receipts tax general revenues to help balance its net activity and offset some of its program losses.

Figure 3. 2019 Expenses and Program Revenues for Business Type Activities

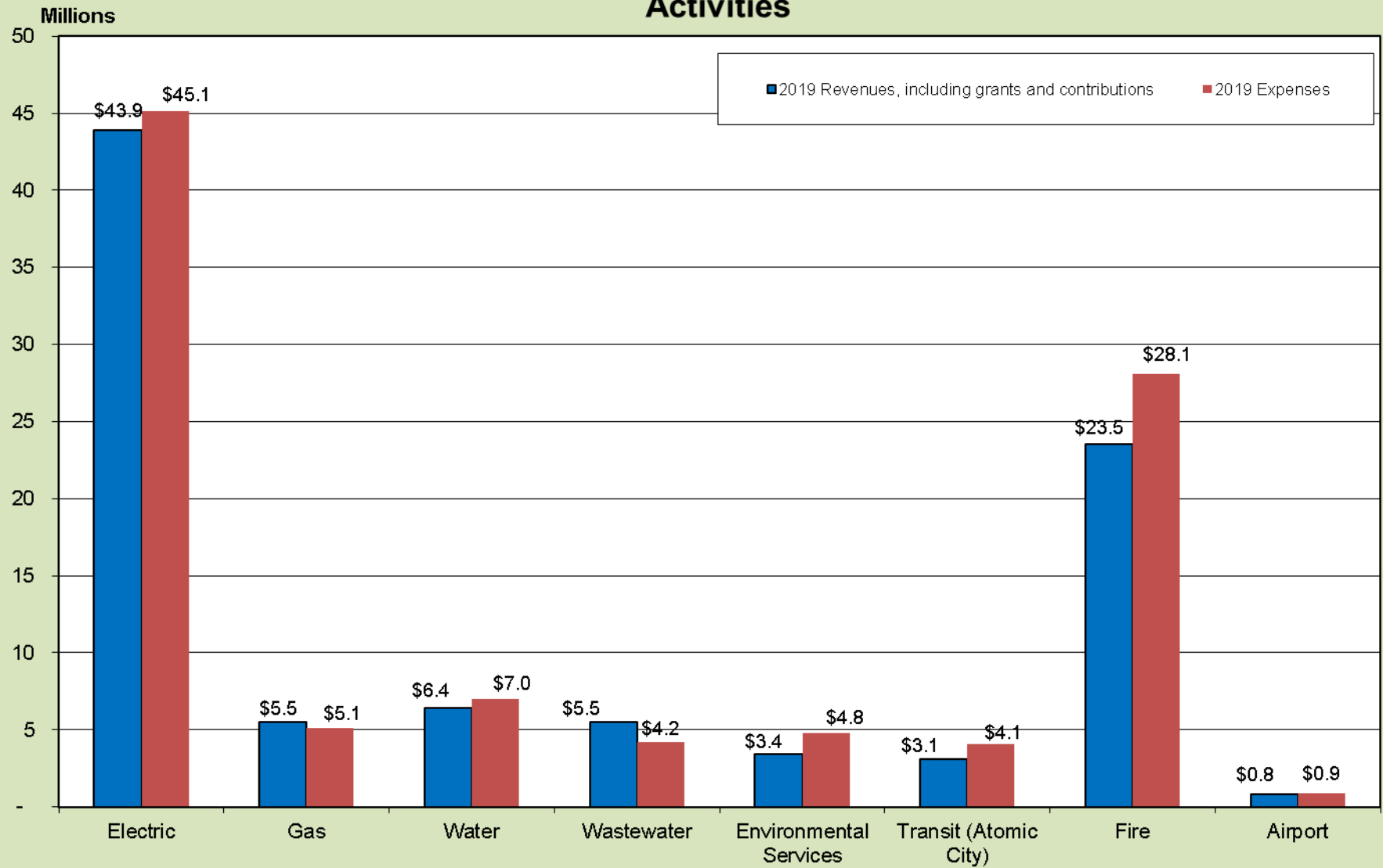
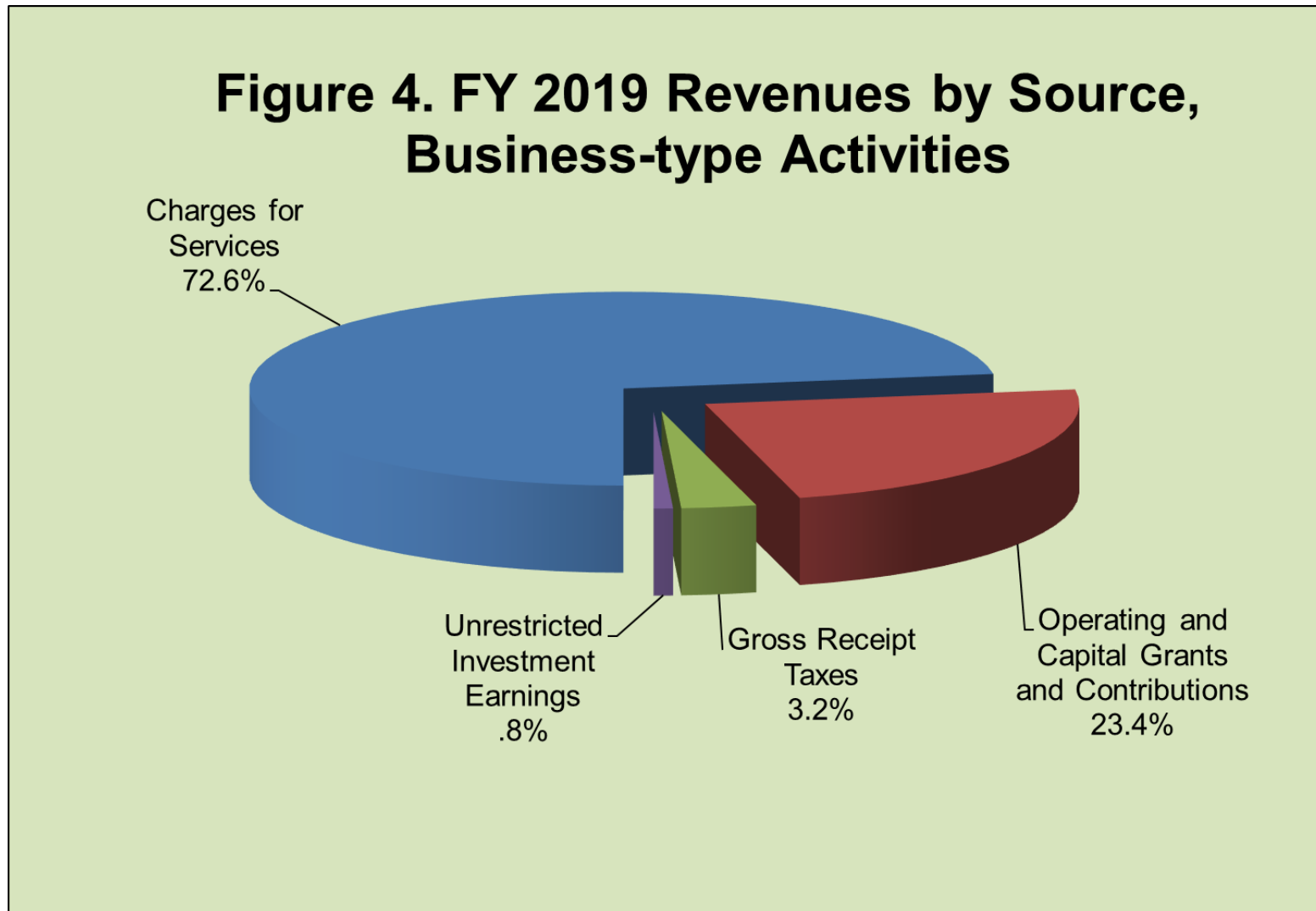


Figure 4 demonstrates that approximately 72.6% of business-type activities revenues were generated from user charges for services in fiscal year 2019, which remained respectively unchanged when compared to fiscal year 2018. In fiscal year 2019, operating and capital grants made up 23.4% of revenues, down approximately 1.1% from fiscal year 2018. Investment earnings made up 1% of revenues, which remained respectively unchanged when compared to fiscal year 2018.



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, 2019, the County's governmental funds reported combined ending fund balance of approximately \$94.0 million. Overall, this was a \$10.3 million increase from the prior year. It should be noted that the overall change in fund balance of a \$10.3 million increase, significantly differed from the prior year increase of \$6.1 million. Activities that impacted fund balance compared to the prior year include a \$5.1 million increase in gross receipts taxes and a \$3.4 million increase in state shared revenues in the governmental funds. Intergovernmental grants increased a total of \$.6 million from prior year while public safety expenditures decreased by \$.7 million and culture and recreation expenditures decreased by \$.5 million from the prior year. Fund balances are comprised of four categories:

- \$1.6 million was nonspendable at fiscal year-end 2019, a \$25.8 million increase over the prior year. In prior years, the capital projects permanent fund had reported nonspendable fund balance; however, in fiscal year 2019, this balance was moved to the restricted category because the only fund allowed to report nonspendable fund balance is the general fund. 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 includes long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale (only in the general fund). Cumulatively, the nonspendable fund balances increased by \$49 thousand.
- \$37.8 million of fund balance in governmental funds was restricted at fiscal year-end 2019, a \$27 million increase from the prior year. The largest single restricted balance is \$30.1 million in the Capital Projects Permanent Fund, which represents the restricted principal balance (\$26.7M) and income stabilization (\$3.4M) which is restricted per the County code. The income stabilization restricted balance decreased \$.4 million per the annual inflationary calculation required to maintain the real value of the principal. Restricted 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. Cumulatively, other restricted fund balances increased approximately \$0.6 million mainly due to an increase in restricted cash requirements.
- \$.4 million of governmental funds' fund balance was committed at fiscal year-end 2019. 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 \$39 thousand from the prior year.
- \$29.4 million of governmental funds' fund balance was assigned at fiscal year-end 2019 which was a \$3.3 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* in FY2019 increased \$1.8 million as transfers-in exceeded capital expenditures to fund new and existing projects. The balance assigned for *continuing appropriations* decreased \$3.7 million as only \$1.2 million was approved to be carried over to fiscal year 2020 compared to \$4.9 million which was approved to be carried over to fiscal year 2019 from fiscal year 2018. The balance assigned for *fire services* increased by \$.2 million as a result of assigning 1% to total program incurred costs. The balance assigned for economic development decreased \$1.6 million from prior year.
- The remaining \$24.9 million of fund balance was unassigned. \$25.4 in the General Fund and (\$.5) million in the Emergency Declarations Fund. This is a \$12.2 million increase in the General Fund from the prior year. Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This balance includes the residual fund balance of the General Fund and all other governmental funds. A significant portion of this change resulted from the \$9.2 million increase in revenue in the General Fund from prior year.

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, 2019 was approximately \$34.2 million as compared to \$25.3 million at the prior year-end, amounting to a net \$8.9 million increase. Revenues exceeded expenditures by \$8.9 million, and some notable differences over prior year include an increase in GRT revenue in fiscal year 2019 by \$4.7 million; an increase in intergovernmental revenue of \$3.5 million; and an increase of investment income by \$.7 million. See page 22-23 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 64.9% of expenditures and the spendable/unrestricted component was 52.6% of expenditures. Both liquidity measures increased as compared to the prior year as a result of the larger fund balance increase in fiscal year 2019. Significant account balances and transactions in the General Fund included:

- \$11.6 million transferred out to other funds, which is an increase of \$2.5 million from the prior year. \$6.3 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service). Other notable transfers out were \$4.0 million to the Capital Improvement Projects Fund (for capital projects). \$.8 million to the Transit Fund (to support operations), \$.0.3 million to the Health Care Assistance Fund (to support community programs), and \$.0.2 million to the Airport Fund (to support operations).
- \$8.8 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 \$1.7 million lower than the prior year as a result of fewer grant revenue accruals recorded in fiscal year 2019.
- \$4.8 million is 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 increased by \$12.2 million, as a result of increased GRT revenues.
- General Fund expenditures increased approximately \$4.2 million, or 8.6% to \$52.7 million. Most departments had expenditures that were comparable to the previous year, with the largest increases in General Government of \$3.7 million for the Mesa Public Library lighting and HVAC system upgrades and Transportation of \$1.4 million for repairs to Diamond Drive after the snow event in fiscal year 2019.
- General Fund revenues increased by \$9.2 million from the prior year. The largest increase in revenues was associated with GRT revenues, inclusive of state shared, which increased \$8.1 million. Investment income increased approximately \$.7 million and building rental revenue increased \$.4 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 \$5.6 million total fund balance at the end of fiscal year 2019 was \$1.7 million lower than in the prior fiscal year. Expenditures exceeded revenues by \$1.6 million with the balance resulting from transfers in of \$.1 million.

Housing Sub-fund: During fiscal year 2019, the County issued mortgage loans totaling \$104 thousand under its Housing Rehabilitation Program and \$80 thousand under its Down Payment Assistance 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 \$0.5 million, an increase of \$.2 million from the prior year. The deficit arose from the deferred inflow of Federal and State grants which is anticipated to be paid and closed out in the upcoming fiscal year.

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 \$21.9 million, which represents the unspent portion of previously approved and funded capital projects. The fund balance increased by \$1.7 million from the prior fiscal year as transfers-in exceeded expenditures to fund new and existing projects. Significant capital expenditures in fiscal year 2019 include the following: \$.7 million on the new ERP system, \$1.4 million on the Sherwood Boulevard project, \$.9 million on the N Mesa Cumbres Del Sol 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 \$26.7 million, as of June 30, 2019, is identified as restricted 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 2019, \$1.3 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, 2019 was \$30.2 million, an increase of \$.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:

- The restatement required by the adoption of GASB 83 for certain asset retirement obligations for the San Juan decommissioning costs increased the net position in the Electric fund by \$5.6 million. In previous years, the County had recognized a liability and expense for the San Juan decommissioning costs.
- \$181 million in capital assets (net of accumulated depreciation of \$160.5 million), including electric production and distribution assets, water production and distribution assets, gas distribution assets and wastewater collection and processing assets. This balance decreased by approximately \$2.0 million in fiscal year 2019;
- \$29.7 million in debt related to the Utility plant in service, which is \$3.4 million lower than the prior year with the fiscal year regularly scheduled debt service payments;
- \$10.8 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This increased \$.3 million from the prior year as more restricted funds were set aside for the County's share.
- \$12.5 million in pension liability decreased by \$2.2 million, deferred pension outflows increased by \$1.1 million from a \$1 million decrease in prior year, and \$.1 million in deferred pension inflows decreased by \$.2 million from the prior year, all related to the increase in the County's share of the pension liability.
- Operating revenues were \$60.7 million in fiscal year 2019, an increase of \$2.2 million compared to the prior year. The increase is the result of a \$1.0 million increase in revenues in electric (due mostly to an increase in wholesale sales to LANL based on its demand) and a \$1.2 million increase in revenues in gas (due to higher demand and increases in residential and commercial rates);
- Operating expenses were \$4.2 million higher at \$60 million in fiscal year 2019, compared to \$56 million in fiscal year 2018. The increase is the net result of: an increase of \$3.3 million in Electric subfund, contractual services and payroll and benefits cumulatively increased by \$3.2 million while closure costs, depreciation, materials and supplies increased by \$.1 million; a \$.4 million increase in cost of gas purchased, a

\$.2 million increase in the gas fund payroll and benefits, a \$.2 million increase in costs for water production and a \$.1 million increase in wastewater payroll and benefits costs.

Environmental Services Fund – The Environmental Services Fund has a long-term liability balance of \$6.5 million. Of this, \$.6 million is for landfill closure and monitoring and \$3.8 million is 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, net other post employment benefits liability and compensated absences of \$2.1 million. Total expenses of \$4.7 million exceeded operating and non-operating revenues of \$4.4 million by \$.3 million in fiscal year 2019, compared to a \$0.1 million loss in the prior year. This difference is due to a \$.4 million increase in operating expenses offset by a \$.2 million increase in gross receipts tax revenue.

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 (\$1.6 million), payments from the North Central Regional Transit District (\$1.5 million), and transfers in from the general fund (\$.8 million). Other notable balances include the net other post employment benefits liability of \$1.2 million and the net pension liability of \$2.9 million, an increase of \$.5 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 2019 was \$4.9 million. The intergovernmental revenue of \$17.6 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. In fiscal year 2018, the restatement required by the adoption of GASB 75 of other post-employment benefits liability was recorded in the Fire Fund for the County's share of the New Mexico Retiree Health Care Association (RHCA) activities. The required restatement decreased the fund's net position by \$16.5 million. The Fire Fund has an ending negative fund balance of \$48.6 million, a decrease of \$3.7 million from fiscal year 2018. Total expenses of \$27.4 million exceeded operating and non-operating revenues of \$25.4 million by \$2.0 million in fiscal year 2019. This difference is due to a \$.9 million increase in operating expenses and a \$1.3 million decrease in operating revenues.

Airport Fund – Net position increased \$0.1 million as revenues of \$1.0 million exceeded expenses of \$0.9 million. Depreciation on capital assets represents 61% of the operating expenses of the airport, which no longer has commercial air service.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues available for spending on budgeted needs were \$8.4 million greater than the final revised budget of \$62.4 million. The variance between actual revenue and the revised budget was largely due to the GRT revenue which exceeded the revised budget by \$5.2 million. GRT revenue (including the state shared revenue portion) was \$8.9 million higher than projected.

Actual General Fund expenditures were approximately \$4.5 million less than the final revised fiscal year 2019 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 \$0.5 million under budget, Municipal Court was 14% below budget, County Attorney was 4% below budget, County Clerk was 3% below budget, Police were 6.3% below budget and the Public Works Department was 4.5% or \$.7 million under in its expenditure budget.

The revised budget for revenues of \$62.4 million was \$1.2 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of \$57.8 million was \$6.1 million higher than the adopted budget. The increase is comprised of the following: approximately \$.6 million for encumbrance carry overs, \$.4 million for Pavement Preservation, \$2.6 million for Major Facilities Maintenance, \$.1 million for Organization Excellence, \$.1 million for Public Health Office, \$.1 million for Fire Mitigation, \$.3 million for snow removal, \$.1 million for the housing market assessment and \$1.7 million for projects and grant awards.

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, 2019 was \$500.2 million, net of \$362.3 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 decreased by approximately \$11.7 million from 2018 to 2019 or -1.9%. Capital assets associated with governmental activities decreased by \$6.8 million mostly due to the \$1.7 million disposal of land, the addition of \$.4 million in donated land from the Department of Energy, depreciation of \$7.2 million and net increase to equipment, infrastructure and construction in progress of \$1.7 million. Capital assets associated with business-type activities decreased by \$2.9 million due to the cumulative effect of \$5.6 million in depreciation, \$9.9 million addition in utility plant in service, \$.3 million addition in buildings, \$.4 million increase in improvements, \$.8 million in machinery and equipment, a \$.1 million disposition of land, and a decrease of \$8.6 million in construction work in progress. 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, 2019 and 2018
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Land	\$ 43.2	\$ 44.5	8.4	8.5	51.6	53.0
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	328.9	319.0	328.9	319.0
Buildings	143.6	143.6	25.0	24.7	168.6	168.3
Improvements other than buildings	21.1	21.1	18.0	17.6	39.1	38.7
Machinery and Equipment, Art and Historic Treasures	22.0	19.7	33.9	33.1	55.9	52.8
Infrastructure	194.2	191.7	0.0	0.0	194.2	191.7
Less Accumulated Depreciation	(166.7)	(159.5)	(195.6)	(190.0)	(362.3)	(349.5)
Construction in Progress	0.8	3.9	5.4	14.0	6.2	17.9
Total	<u>\$ 276.2</u>	<u>283.0</u>	<u>224.0</u>	<u>226.9</u>	<u>500.2</u>	<u>509.9</u>

Administration of Debt - From fiscal year 2018 to 2019, the County's total debt payable for governmental and business-type activities combined decreased by \$8.9 million as regularly scheduled debt service payments of \$9.0 million were made and debt issuance of a \$54 thousand Water Trust Board loan was made. Closure costs for the landfill increased by \$.5 million as the estimate was extended through the year 2027. Closure costs for the Joint Utility System Fund increased by \$1 million. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 104.

ECONOMIC FACTORS AND THE FISCAL YEAR 2019 ADOPTED BUDGET

The County budgets on a modified accrual basis. The FY2020 budget was initially developed while uncertainties existed as to the taxable status of Triad National Security, LLC's, Los Alamos National Laboratory's (LANL) operations and management contractor. The operations and management contract was awarded to Triad National Security, LLC (Triad) and they took over LANL operations on October 1, 2018. Triad is a nonprofit, public service-focused organization made up of three members: Battelle Memorial Institute, The Texas A&M University System and the University of California. On February 28, 2019, Governor Lujan Grisham signed Senate Bill 11 into law which states that receipts of a prime contractor operating a laboratory facility in New Mexico are subject to gross receipts taxes. Based on the projected revenues following passage of Senate Bill 11 and Council's guidance to maintain a 20% reserve, there was an opportunity for Council to address cuts made in the past two years to meet budget requirements, consider budget option expenditures in addition to the proposed budget, as well as potential expansion of county services and programs to focus on achieving the Council's strategic goals and continue to provide excellent day-to-day services to the citizens of Los Alamos. 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, 2019, an estimated 75-80% of GRT revenues relate directly to LANL operations.

The fiscal year 2020 budget anticipated revenues of \$203 million are \$17.2 million (9%) higher than the fiscal year 2019 adopted budget. Expenditures are budgeted at \$199.5 million which is \$10.7 million (5.7%) higher than the prior fiscal year.

The increase in budgeted expenditures is primarily due to County Council approved salary adjustments in the amount of \$1.2 million across all funds that have labor and benefits. The General Fund increase of \$9.4 million (18.3%) was also due to \$8.5 million of approved budget options which included increases to Major Facilities Maintenance funding, the General Fund contribution to the Fire Cooperative Agreement, interdepartmental charges for vehicles, progress through partnering, land purchase budget and investigation and conceptual design of a Tween Center in Los Alamos County. The Capital Improvement Projects Fund increased by \$1.2 million which included \$1 million for the allotment for Los Alamo Public Schools' capital improvements. The Joint Utilities Fund is budgeted at \$1.2 million below fiscal year 2019. The Fire Fund expenses are \$1.8 million higher than the fiscal year 2019 budget due primarily to contracted changes in the Cooperative Agreement. The remaining funds collectively were a decrease of \$0.5 million over the prior fiscal year budget.

The increase in revenues is due to \$10.5 million increase in General Fund due primarily to increase in GRT. The Enterprise Funds have an increase of \$1.6 million, the Joint Utilities Fund has a \$2.8 million increase, the Internal Service Funds have a \$1.4 million increase. The remaining funds have a net increase of \$0.9 million of budgeted revenues over fiscal year FY2019. 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.

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, 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, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in pooled cash and investments	\$ 56,926,552	32,231,948	89,158,500
Investments	27,987,274	0	27,987,274
Receivables, net of allowance for uncollectibles			
Accounts	82,825	4,949,413	5,032,238
Interest	209,481	0	209,481
Pension forfeitures	80,280	0	80,280
Property taxes	98,995	0	98,995
Unbilled	0	1,320,509	1,320,509
Loans receivable, net of discounts/reserve for loan losses	792,054	0	792,054
Due from other governments	10,542,169	4,944,328	15,486,497
Internal balances	(1,878,067)	1,878,067	0
Inventories and prepayments			
Inventories	586,550	847,398	1,433,948
Power plant inventories	0	922,881	922,881
Prepayments	24,524	739,067	763,591
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	311,770	3,867,258	4,179,028
Operations and maintenance	0	12,553,402	12,553,402
Investments			
Debt reserves and debt service	0	2,714,623	2,714,623
Premiums and discounts	103,657	0	103,657
Asset held for resale	597,402	0	597,402
Capital assets			
Land	43,215,393	8,427,544	51,642,937
Right of way	18,001,114	0	18,001,114
Utility plant in service	0	328,943,544	328,943,544
Buildings	143,557,204	24,993,055	168,550,259
Improvements other than buildings	21,055,053	18,046,977	39,102,030
Machinery, equipment, art and historic treasures	22,016,684	33,853,389	55,870,073
Infrastructure	194,238,187	0	194,238,187
Less accumulated depreciation	(166,656,455)	(195,640,796)	(362,297,251)
Construction in progress	806,196	5,394,685	6,200,881
TOTAL ASSETS	372,698,842	290,987,292	663,686,134
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts (debits) from refunding of debt	5,516,467	388,412	5,904,879
Deferred other post employment benefits	1,175,186	1,133,757	2,308,943
Deferred pension	13,200,031	16,610,848	29,810,879
Deferred decommissioning cost	0	4,949,780	4,949,780
TOTAL DEFERRED OUTFLOWS OF RESOURCES	19,891,684	23,082,797	42,974,481

LIABILITIES

Accounts payable	2,418,516	3,654,028	6,072,544
Claims and judgments payable	0	2,392,439	2,392,439
Accrued salaries and benefits payable	143,896	33,887	177,783
Customer deposits payable	244,095	194,633	438,728
Due to other governments	0	132,251	132,251
Due to fiduciary funds	0	0	0
Donations held in trust	39,513	23,821	63,334
Unearned revenue	87,022	0	87,022
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	2,350,144	2,418,790	4,768,934
Revenue bonds payable	3,090,000	2,960,000	6,050,000
Contracts and intergovernmental debt payable	0	691,115	691,115
Special closure costs	0	63,100	63,100
Deferred revenues	845,103	0	845,103
Interest payable on non-current liabilities	121,730	132,965	254,695
Due in more than one year			
Accrued compensated absences	1,097,007	1,128,920	2,225,927
Claims and judgments payable	0	1,381,166	1,381,166
Revenue bonds payable	35,050,939	18,604,551	53,655,490
Contracts and intergovernmental debt payable	0	11,464,330	11,464,330
Special closure costs	0	11,525,980	11,525,980
Other post employment liability	22,870,016	21,897,601	44,767,617
Pension liability	45,494,568	70,563,626	116,058,194
TOTAL LIABILITIES	113,852,549	149,263,203	263,115,752

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	5,905,005	5,662,123	11,567,128
Deferred pension	603,605	6,551,709	7,155,314
TOTAL DEFERRED INFLOWS OF RESOURCES	6,508,610	12,213,832	18,722,442

NET POSITION

Net investment in capital assets	243,608,904	190,686,814	434,295,718
Restricted for (Restricted by):			
Capital projects (Bond agreements)	26,739,111	0	26,739,111
Debt service (Bond and loan agreements)	311,770	7,166,671	7,478,441
Perpetual care (County code)	827,336	0	827,336
Lodgers' tax (State law)	510,867	0	510,867
Clerk records and files (State law)	94,796	0	94,796
Health care assistance (State law)	812,912	0	812,912
Property tax valuation (State law)	579,307	0	579,307
Cash requirements (State law)	4,816,047	0	4,816,047
Recreation (County code and contributors)	191,587	0	191,587
Library operations (Contributors)	104,659	0	104,659
Major street maintenance (State law)	168,408	0	168,408
Income stabilization (County code)	3,426,331	0	3,426,331
Unrestricted	(9,962,668)	(45,260,431)	(55,223,099)
TOTAL NET POSITION	\$ 272,229,367	152,593,054	424,822,421

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Activities

Year ended June 30, 2019

Program Revenues					Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS / PROGRAMS	Expenses						
Governmental activities							
General government	\$ 19,043,406	1,692,841	0	387,100	(16,963,465)	0	(16,963,465)
Public safety	15,797,548	38,749	305,929	764,524	(14,688,346)	0	(14,688,346)
Physical and economic environment	4,163,026	391,345	0	0	(3,771,681)	0	(3,771,681)
Transportation	11,464,191	0	0	1,122,172	(10,342,019)	0	(10,342,019)
Health and welfare	4,057,282	0	99,505	0	(3,957,777)	0	(3,957,777)
Culture and recreation	10,314,762	549,841	76,841	0	(9,688,080)	0	(9,688,080)
Interest on long-term debt	1,666,726	0	0	0	(1,666,726)	0	(1,666,726)
Total governmental activities	66,506,941	2,672,776	482,275	2,273,796	(61,078,094)	0	(61,078,094)
Business-type activities							
Joint Utilities							
Electric	45,127,608	43,810,731	0	95,607	0	(1,221,270)	(1,221,270)
Gas	5,077,295	5,481,552	0	0	0	404,257	404,257
Water	6,955,455	5,917,490	0	510,427	0	(527,538)	(527,538)
Wastewater	4,242,789	5,519,652	0	0	0	1,276,863	1,276,863
Environmental Services	4,803,463	3,380,819	46,316	0	0	(1,376,328)	(1,376,328)
Transit (Atomic City Transit)	4,113,106	0	3,017,827	108,361	0	(986,918)	(986,918)
Fire	28,057,775	5,515,946	17,930,890	0	0	(4,610,939)	(4,610,939)
Airport	931,841	115,787	46,509	667,765	0	(101,780)	(101,780)
Total business-type activities	99,309,332	69,741,977	21,041,542	1,382,160	0	(7,143,653)	(7,143,653)
Total government	\$ 165,816,273	72,414,753	21,523,817	3,655,956	(61,078,094)	(7,143,653)	(68,221,747)
General revenues:							
Gross receipts taxes and excise tax					31,443,202	3,084,255	34,527,457
Property taxes					7,295,432	0	7,295,432
Franchise taxes					528,970	0	528,970
Grants and contributions not restricted to specific programs					1,222,801	0	1,222,801
State shared tax revenue not restricted to specific programs					21,565,567	0	21,565,567
Unrestricted investment earnings					3,467,279	831,079	4,298,358
Gain (loss) on exchange of capital assets					(2,719,594)	(609,531)	(3,329,125)
Transfers					1,542,902	(1,542,902)	0
Total general revenues and transfers					64,346,559	1,762,901	66,109,460
Change in net position					3,268,465	(5,380,752)	(2,112,287)
Net position - beginning					268,960,902	152,405,304	421,366,206
Prior period restatement - GASB Statement 83					0	5,568,503	5,568,503
Net position - ending					\$ 272,229,367	152,593,054	424,822,421

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, 2019

	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	\$ 24,821,181	5,169,349	0	21,965,631	3,164,443	1,805,948	56,926,552
Investments	973,975	0	0	0	27,000,999	12,300	27,987,274
Receivables, net of allowance for uncollectibles							
Accounts	54,729	2,955	0	0	0	25,141	82,825
Interest	156,414	53,050	0	0	0	17	209,481
Property taxes	98,995	0	0	0	0	0	98,995
Loans receivable, net of discounts/reserve for loan losses	0	792,054	0	0	0	0	792,054
Due from other governments	8,764,772	0	1,220,787	104,035	0	452,575	10,542,169
Due from other funds	1,108,317	0	0	0	0	0	1,108,317
Inventories and prepayments							
Inventories	586,550	0	0	0	0	0	586,550
Prepayments	9,074	0	0	0	0	15,450	24,524
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	311,770	311,770
Cash and cash equivalents	0	103,657	0	0	0	0	103,657
Asset held for resale (LA Apartments Land)	0	597,402	0	0	0	0	597,402
TOTAL ASSETS	\$ 36,720,806	6,718,467	1,220,787	22,069,666	30,165,442	2,623,201	99,518,369
LIABILITIES							
Accounts payable	\$ 2,030,300	123,763	32,445	153,436	0	78,572	2,418,516
Accrued salaries and benefits payable	143,896	0	0	0	0	0	143,896
Customer deposits payable	140,438	103,657	0	0	0	0	244,095
Due to other funds	0	0	417,187	0	0	0	417,187
Donations held in trust	39,513	0	0	0	0	0	39,513
Unearned revenue	26,351	0	60,671	0	0	0	87,022
Deferred revenues	0	845,103	0	0	0	0	845,103
TOTAL LIABILITIES	2,380,498	1,072,523	510,303	153,436	0	78,572	4,195,332
DEFERRED INFLOWS OF RESOURCES:							
Federal and state grants (unavailable)	105,395	0	1,220,787	0	0	0	1,326,182
TOTAL DEFERRED INFLOWS OF RESOURCES	105,395	0	1,220,787	0	0	0	1,326,182
FUND BALANCE							
Nonspendable							
Principal - Perpetual care	827,336	0	0	0	0	0	827,336
Advances	146,799	0	0	0	0	0	146,799
Inventories	586,550	0	0	0	0	0	586,550
Prepaid items	9,074	0	0	0	0	15,450	24,524
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	94,796	94,796
Debt service (Bond and loan agreements)	0	0	0	0	0	311,770	311,770
Library operations (County code and contributors)	88,764	0	0	0	0	15,895	104,659
Lodgers' tax (State law)	0	0	0	0	0	510,867	510,867
Health care claims (State law)	0	0	0	0	0	812,912	812,912
Principal (Capital projects)	0	0	0	0	26,739,111	0	26,739,111
Property tax valuation (State law)	0	0	0	0	0	579,307	579,307
Recreation (County code and contributors)	0	0	0	156,363	0	35,224	191,587
Income stabilization (County code)	0	0	0	0	3,426,331	0	3,426,331
Major street maintenance (State law)	0	0	0	0	0	168,408	168,408
Cash requirements (State law)	4,816,047	0	0	0	0	0	4,816,047

See accompanying notes to financial statements

Committed to							
Art in Public Places (County code)	0	0	0	436,126	0	0	436,126
Assigned for							
Capital projects	0	0	0	21,323,741	0	0	21,323,741
Fire services	1,214,590	0	0	0	0	0	1,214,590
Continuing appropriations	1,175,000	0	0	0	0	0	1,175,000
Economic development	0	5,645,944	0	0	0	0	5,645,944
Unassigned	25,370,753	0	(510,303)	0	0	0	24,860,450
TOTAL FUND BALANCE (deficit)	<u>34,234,913</u>	<u>5,645,944</u>	<u>(510,303)</u>	<u>21,916,230</u>	<u>30,165,442</u>	<u>2,544,629</u>	<u>93,996,855</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ <u>36,720,806</u>	<u>6,718,467</u>	<u>1,220,787</u>	<u>22,069,666</u>	<u>30,165,442</u>	<u>2,623,201</u>	<u>99,518,369</u>

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, 2019

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:	\$ 93,996,855
Capital assets (\$442,889,831), net of accumulated depreciation (\$166,656,455), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	276,233,376
Long-term liabilities, including bonds payable (\$33,615,000), bond premium/discount (\$4,525,940), net pension liability (\$45,494,568), net other post employments liability (\$22,870,016) and compensated absences (\$3,447,151) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(109,952,674)
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.	5,516,467
Deferred outflow of resources related to the County's share of New Mexico Public Employee Retirement Association and the County's share of New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but is included in the government-wide statement of net position.	14,375,217
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.	(121,730)
Deferred inflow of resources related to the County's share of New Mexico Public Employee Retirement Association and New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but are included in the government-wide statement of net position.	(6,508,610)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	1,326,182
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.	(2,635,716)
Net position of governmental activities	\$ <u><u>272,229,367</u></u>

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2019

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
REVENUES							
Taxes							
Property taxes-current	\$ 7,295,432	0	0	0	0	0	7,295,432
Local units in-lieu taxes	433,324	0	0	0	0	0	433,324
Gross receipts taxes	29,050,242	0	0	0	0	2,056,170	31,106,412
Lodgers' tax	0	0	0	0	0	336,790	336,790
Franchise tax-privately owned	148,674	0	0	0	0	0	148,674
Franchise tax-County owned	380,296	0	0	0	0	0	380,296
Penalties and interest-taxes	40,084	0	0	0	0	0	40,084
	37,348,052	0	0	0	0	2,392,960	39,741,012
Licenses and permits							
Business	43,301	0	0	0	0	0	43,301
Nonbusiness	227,866	0	0	0	0	0	227,866
	271,167	0	0	0	0	0	271,167
Intergovernmental							
Federal direct	192,173	0	0	0	0	0	192,173
Federal indirect	198,372	0	98,930	109,144	0	0	406,446
Federal shared revenues	4,305	0	0	0	0	0	4,305
Federal in-lieu taxes	347,030	0	0	0	0	0	347,030
State grants-fire	0	0	0	0	0	587,688	587,688
State grants-library	24,735	0	0	0	0	0	24,735
State grants-major street maintenance	0	0	0	477,943	0	0	477,943
State grants-police	138,829	0	0	0	0	104,199	243,028
State grants-other	202,786	3,000	9,190	82,978	0	0	297,954
State shared revenues	20,975,293	0	0	0	0	602,425	21,577,718
	22,083,523	3,000	108,120	670,065	0	1,294,312	24,159,020
Fines and forfeitures							
Fines	60,154	0	0	0	0	0	60,154
Correction fees	28,000	0	0	0	0	0	28,000
Special fees	10,825	0	0	0	0	0	10,825
Court ordered reimbursements	35,349	0	0	0	0	2,692	38,041
Noncourt fines and forfeitures	5,973	0	0	0	0	0	5,973
	140,301	0	0	0	0	2,692	142,993
Charges for services							
Court fees	1,332	0	0	0	0	0	1,332
Clerk fees	53,989	0	0	0	0	21,873	75,862
Planning fees	75,333	0	0	0	0	0	75,333
Finance/treasurer fees	0	0	0	0	0	193,764	193,764
Administrative charges for services	59,436	0	0	0	0	0	59,436
Sales of food or merchandise	31,796	0	0	0	0	0	31,796
Other charges for services	17,218	0	0	0	0	0	17,218
Sheriff fees	3,240	0	0	0	0	0	3,240
Police charges for services	31,494	0	0	0	0	0	31,494
Miscellaneous services	944	0	0	0	0	0	944
Cemetery services	37,501	0	0	0	0	0	37,501
Perpetual care services	45,400	0	0	0	0	0	45,400
Animal shelter fees	7,255	0	0	0	0	0	7,255
Daily fees/passes	70,542	0	0	0	0	0	70,542

Annual passes	132,487	0	0	0	0	0	132,487
Three-month passes	32,713	0	0	0	0	0	32,713
Punch passes	62,828	0	0	0	0	0	62,828
Recreation fees	100,623	0	0	0	0	0	100,623
Other fees	43,563	0	0	0	0	0	43,563
	807,694	0	0	0	0	215,637	1,023,331
Interfund/interdepartmental charges							
Interdepartmental services	7,130,081	0	0	0	0	0	7,130,081
Miscellaneous revenue							
Investment income (loss)	1,501,047	121,622	0	0	1,814,506	30,104	3,467,279
Interest charges-delinquent accounts	105	0	0	0	0	0	105
Building rental	547,242	37,888	0	0	0	35,972	621,102
Land rental	387,898	0	0	0	0	33,888	421,786
Miscellaneous rentals	58,071	0	0	0	0	0	58,071
Pension forfeitures	396,936	0	0	0	0	0	396,936
Economic development loan principal	0	44,845	0	0	0	0	44,845
Economic development loan interest	0	1,122	0	0	0	0	1,122
Proceeds from sale of assets	0	0	0	170,260	0	0	170,260
Donations	52,006	0	0	0	0	100	52,106
Other	79,578	0	0	0	0	9,798	89,376
	3,022,883	205,477	0	170,260	1,814,506	109,862	5,322,988
TOTAL REVENUES	70,803,701	208,477	108,120	840,325	1,814,506	4,015,463	77,790,592

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, 2019

	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	394,776	0	0	0	0	0	394,776
Municipal Court	475,235	0	0	0	0	24,692	499,927
County Manager	1,427,712	0	0	0	0	0	1,427,712
County Manager-Comm. and Public Relations	351,727	0	0	0	0	0	351,727
County Manager-Human Resources	1,226,233	0	0	0	0	0	1,226,233
County Assessor	416,237	0	0	0	0	203,433	619,670
County Attorney	680,206	0	0	0	0	0	680,206
County Clerk	557,178	0	0	0	0	9,581	566,759
County Probate Clerk	4,540	0	0	0	0	0	4,540
County Sheriff	12,204	0	0	0	0	0	12,204
Administrative Services-Human Resources	0	0	0	0	0	0	0
Administrative Services-Information Technologies	4,421,699	0	0	0	0	0	4,421,699
Administrative Services-Finance Office	1,650,296	0	0	0	0	0	1,650,296
Administrative Services-Procurement	1,073,013	0	0	0	0	0	1,073,013
Public Works	9,629,571	0	0	0	0	0	9,629,571
	22,320,627	0	0	0	0	237,706	22,558,333
Public safety							
Fire Department-County share	4,934,607	0	0	0	0	0	4,934,607
Emergency response and recovery	0	0	48,829	0	0	0	48,829
Fire Marshal	0	0	0	0	0	414,221	414,221
Fire Mitigation	19,733	0	0	0	0	0	19,733
Fire-E.M.S. grant	427,411	0	0	0	0	10,685	438,096
Police	8,136,877	0	0	0	0	85,952	8,222,829
	13,518,628	0	48,829	0	0	510,858	14,078,315
Physical and economic environment							
County Manager	173,844	0	0	0	0	0	173,844
Community Development	1,573,284	1,993,270	0	0	0	211,070	3,777,624
	1,747,128	1,993,270	0	0	0	211,070	3,951,468
Transportation							
Public Works	4,907,804	0	0	0	0	580,000	5,487,804
Health and welfare							
Community Services-Social Services	1,735,845	0	0	0	0	2,292,807	4,028,652
Culture and recreation							
Community Services-Administration	1,589,854	0	0	0	0	0	1,589,854
Community Services-Library	2,136,873	0	0	0	0	0	2,136,873
Community Services-Parks	2,035,016	0	0	0	0	0	2,035,016
Community Services-Recreation	2,426,296	0	0	0	0	354	2,426,650
	8,188,039	0	0	0	0	354	8,188,393

Capital outlay:							
General government							
Administrative Services	192,406	0	0	855,501	0	0	1,047,907
County Assessor	0	0	0	0	0	14,119	14,119
Public Works	0	0	0	97,800	0	0	97,800
Public safety							
Fire	0	0	0	0	0	108,897	108,897
Police	105,023	0	0	0	0	18,651	123,674
Transportation							
Public Works	9,882	0	0	3,023,816	0	0	3,033,698
Culture and recreation							
Community Services	17,821	0	0	157,095	0	0	174,916
	<u>325,132</u>	<u>0</u>	<u>0</u>	<u>4,134,212</u>	<u>0</u>	<u>141,667</u>	<u>4,601,011</u>
Debt service:							
Principal	0	0	0	0	0	4,620,000	4,620,000
Interest	0	0	0	0	0	1,645,558	1,645,558
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,265,558</u>	<u>6,265,558</u>
TOTAL EXPENDITURES	<u>52,743,203</u>	<u>1,993,270</u>	<u>48,829</u>	<u>4,134,212</u>	<u>0</u>	<u>10,240,020</u>	<u>69,159,534</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	18,060,498	(1,784,793)	59,291	(3,293,887)	1,814,506	(6,224,557)	8,631,058
OTHER FINANCING SOURCES (USES)							
Transfers in	2,506,762	170,260	227,105	5,246,524	0	6,629,059	14,779,710
Transfers out	(11,636,265)	0	0	(224,260)	(1,277,444)	0	(13,137,969)
	<u>(9,129,503)</u>	<u>170,260</u>	<u>227,105</u>	<u>5,022,264</u>	<u>(1,277,444)</u>	<u>6,629,059</u>	<u>1,641,741</u>
NET CHANGE IN FUND BALANCE	8,930,995	(1,614,533)	286,396	1,728,377	537,062	404,502	10,272,799
FUND BALANCE							
Beginning of fiscal year	25,303,918	7,260,477	(796,699)	20,187,853	29,628,380	2,140,127	83,724,056
FUND BALANCE - END OF FISCAL YEAR	\$ <u>34,234,913</u>	<u>5,645,944</u>	<u>(510,303)</u>	<u>21,916,230</u>	<u>30,165,442</u>	<u>2,544,629</u>	<u>93,996,855</u>

See accompanying notes to financial statements

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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, 2019

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:	\$ 10,272,799
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 depreciation (\$8,714,237) exceeded capital outlays (\$4,601,011) exceed in the current period.	(4,113,226)
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.	(2,889,854)
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.	387,100
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.	(98,839)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.	4,620,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.	652,991
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.	15,400
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.	(31,742)
The pension expense related to the County's share of New Mexico Public Employee Retirement Association benefits and the other post employment expense related to the County's share of New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but is included in the government-wide statement of net position.	(4,013,897)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	74,746
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.	(917,455)
Change in net position of governmental activities	\$ <u>3,268,465</u>

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Property taxes-current	\$ 7,142,775	7,142,775	7,295,432	152,657
Local units in-lieu taxes	412,220	412,220	433,324	21,104
General gross receipts taxes	23,895,000	23,895,000	29,050,242	5,155,242
Franchise tax-privately owned	145,000	145,000	148,674	3,674
Franchise tax-County owned	392,895	392,895	380,296	(12,599)
Penalties and interest-taxes	50,000	50,000	40,084	(9,916)
	32,037,890	32,037,890	37,348,052	5,310,162
Licenses and permits				
Business	46,700	46,700	43,301	(3,399)
Nonbusiness	211,700	211,700	227,866	16,166
	258,400	258,400	271,167	12,767
Intergovernmental				
Federal direct	0	1,880	192,173	190,293
Federal indirect	218,049	1,014,946	198,372	(816,574)
Federal shared revenues	0	0	4,305	4,305
Federal in-lieu taxes	340,000	340,000	347,030	7,030
State grants-library	0	38,208	24,735	(13,473)
State grants-police	0	4,452	138,829	134,377
State grants-other	196,000	585,266	202,786	(382,480)
State shared revenues	17,265,000	17,265,000	20,975,293	3,710,293
	18,019,049	19,249,752	22,083,523	2,833,771
Fines and forfeitures				
Fines	67,000	67,000	60,154	(6,846)
Correction fees	49,000	49,000	28,000	(21,000)
Special fees	12,300	12,300	10,825	(1,475)
Court ordered reimbursements	43,600	43,600	31,883	(11,717)
Noncourt fines and forfeitures	3,500	3,500	3,466	(34)
Magistrate Court Ordered Reimbursements	14,750	14,750	5,973	(8,777)
	190,150	190,150	140,301	(49,849)

Charges for services

Court fees	900	900	1,332	432
Clerk fees	56,220	56,220	53,989	(2,231)
Planning fees	40,000	40,000	75,333	35,333
Administrative charges for services	45,300	45,300	59,436	14,136
Sales of food or merchandise	83,000	83,000	31,796	(51,204)
Other charges for services	23,000	23,000	17,218	(5,782)
Sheriff fees	4,200	4,200	3,240	(960)
Police charges for services	21,600	21,600	31,494	9,894
Miscellaneous services	850	850	944	94
Cemetery services	28,150	28,150	37,501	9,351
Perpetual care services	55,000	55,000	45,400	(9,600)
Animal shelter fees	5,500	5,500	7,255	1,755
Daily fees/passes	232,200	232,200	70,542	(161,658)
Annual passes	162,900	162,900	132,487	(30,413)
Three-month passes	38,800	38,800	32,713	(6,087)
Monthly passes	20,000	20,000	0	(20,000)
Punch passes	83,000	83,000	62,828	(20,172)
Recreation fees	159,300	159,300	100,623	(58,677)
Other fees	20,350	20,350	43,563	23,213
	1,080,270	1,080,270	807,694	(272,576)

Interfund/interdepartmental charges

Interdepartmental services	3,423,129	3,423,129	3,740,951	317,822
Indirect overhead-fire services	3,571,511	3,571,511	3,389,130	(182,381)
	6,994,640	6,994,640	7,130,081	135,441

Miscellaneous revenue

Interest income	1,471,576	1,471,576	1,501,047	29,471
Interest charges-delinquent accounts	0	0	105	105
Buildings rental	136,500	136,500	547,242	410,742
Land rental	446,150	446,150	387,898	(58,252)
Other rental	149,500	149,500	58,071	(91,429)
Pension forfeitures	170,000	170,000	396,936	226,936
Donations	50,000	50,000	52,006	2,006
Other	141,200	141,200	79,578	(61,622)
	2,564,926	2,564,926	3,022,883	457,957

TOTAL REVENUES

61,145,325	62,376,028	70,803,701	8,427,673
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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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES AND ENCUMBRANCES				
County Council				
Employee salaries and benefits	95,828	95,328	94,534	794
Outside services	303,966	304,465	284,148	20,317
Materials and supplies	18,000	18,000	14,340	3,660
Intrafund/interfund services	1,753	1,753	1,753	0
Capital outlay	0	0	23,973	(23,973)
	419,547	419,546	418,748	798
County Courts (Municipal judge)				
Employee salaries and benefits	395,001	398,088	382,551	15,537
Outside services	128,370	138,370	81,833	56,537
Materials and supplies	15,727	15,727	8,981	6,746
Intrafund/interfund services	7,043	7,043	7,043	0
Debt and fiscal charges	1,000	1,000	1,559	(559)
	547,141	560,228	481,967	78,261
County Manager				
Operations				
Employee salaries and benefits	964,409	973,227	973,099	128
Outside services	623,450	623,450	439,355	184,095
Materials and supplies	1,500	1,500	4,446	(2,946)
Intrafund/interfund services	10,813	10,813	10,813	0
	1,600,172	1,608,990	1,427,713	181,277
Communications and Public Relations				
Employee salaries and benefits	315,173	310,462	284,829	25,633
Outside services	65,366	71,116	62,514	8,602
Materials and supplies	3,375	4,875	4,384	491
	383,914	386,453	351,727	34,726
Human Resources				
Employee salaries and benefits	1,064,342	1,073,101	1,059,472	13,629
Outside services	176,426	344,453	137,119	207,334
Materials and supplies	40,152	40,152	32,661	7,491
Intrafund/interfund services	9,126	9,126	9,126	0
	1,290,046	1,466,832	1,238,378	228,454
Economic Development Admin				
Employee salaries and benefits	249,652	251,732	158,533	93,199
Outside services	12,000	12,000	14,650	(2,650)
Materials and supplies	5,000	5,000	661	4,339

	<u>266,652</u>	<u>268,732</u>	<u>173,844</u>	<u>94,888</u>
Total County Manager	3,540,784	3,731,007	3,191,662	539,345
County Assessor				
Employee salaries and benefits	388,469	401,132	401,132	0
Outside services	11,500	11,500	7,057	4,443
Materials and supplies	1,000	1,000	1,815	(815)
Intrafund/interfund services	6,232	6,232	6,232	0
	407,201	419,864	416,236	3,628
County Attorney				
Employee salaries and benefits	608,688	613,923	607,873	6,050
Outside services	74,480	74,480	58,384	16,096
Materials and supplies	15,636	15,636	9,213	6,423
Intrafund/interfund services	4,735	4,735	4,735	0
	703,539	708,774	680,205	28,569
County Clerk				
Employee salaries and benefits	483,561	487,717	484,034	3,683
Outside services	47,975	47,975	42,383	5,592
Materials and supplies	27,600	27,600	25,495	2,105
Intrafund/interfund services	4,592	4,592	4,592	0
Capital outlay	4,000	4,000	0	4,000
Debt and fiscal charges	800	800	674	126
	568,528	572,684	557,178	15,506
County Probate Judge				
Employee salaries and benefits	4,841	4,841	4,393	448
Outside services	900	900	108	792
Materials and supplies	165	165	39	126
	5,906	5,906	4,540	1,366
County Sheriff				
Employee salaries and benefits	7,470	7,470	7,504	(34)
Outside services	5,045	5,045	2,653	2,392
Materials and supplies	2,450	2,450	1,502	948
Intrafund/interfund services	545	545	545	0
	15,510	15,510	12,204	3,306

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Administrative Services				
Information Management				
Employee salaries and benefits	2,489,038	2,492,792	2,206,920	285,872
Outside services	2,066,144	2,146,507	1,999,828	146,679
Materials and supplies	183,900	230,440	169,213	61,227
Intrafund/interfund services	45,717	45,717	45,737	(20)
Capital outlay	0	110,082	304,970	(194,888)
	4,784,799	5,025,538	4,726,668	298,870
Finance				
Employee salaries and benefits	1,447,854	1,459,864	1,484,168	(24,304)
Outside services	127,740	137,253	127,131	10,122
Materials and supplies	23,500	23,500	9,877	13,623
Intrafund/interfund services	14,137	14,137	14,137	0
Debt and fiscal charges	6,000	6,000	1,209	4,791
	1,619,231	1,640,754	1,636,522	4,232
Procurement				
Employee salaries and benefits	916,287	923,968	903,741	20,227
Outside services	35,500	35,500	9,809	25,691
Materials and supplies	71,650	71,650	50,201	21,449
Intrafund/interfund services	42,223	42,223	43,413	(1,190)
	1,065,660	1,073,341	1,007,164	66,177
Total Administrative Services	7,469,690	7,739,633	7,370,354	369,279
Fire				
Fire Mitigation				
Employee salaries and benefits	0	0	2,530	(2,530)
Outside services	0	578,753	16,876	561,877
Materials and supplies	0	161	327	(166)
	0	578,914	19,733	559,181
Fire - County Shared Costs				
Intrafund/interfund services	5,207,149	5,207,149	4,934,607	272,542
Total Fire	5,207,149	5,786,063	4,954,340	831,723

Community Services-Administration

Employee salaries and benefits	556,215	563,070	547,168	15,902
Outside services	557,860	597,635	549,963	47,672
Materials and supplies	2,500	2,500	13,523	(11,023)
Intrafund/interfund services	5,380	5,380	5,380	0
Total Community Services-Admin.	1,121,955	1,168,585	1,116,034	52,551

Community Services-Library

Library operations				
Employee salaries and benefits	1,878,101	1,893,710	1,692,211	201,499
Outside services	112,998	112,998	113,786	(788)
Materials and supplies	34,851	34,851	23,842	11,009
Intrafund/interfund services	29,067	29,067	29,067	0
Capital outlay	0	0	9,910	(9,910)
	2,055,017	2,070,626	1,868,816	201,810
Collection development				
Outside services	0	0	1,010	(1,010)
Materials and supplies	244,134	262,344	242,295	20,049
	244,134	262,344	243,305	19,039
Outside funding sources				
Outside services	0	0	2,274	(2,274)
Materials and supplies	0	120,226	32,388	87,838
	0	120,226	34,662	85,564
Total Community Services-Library	2,299,151	2,453,196	2,146,783	306,413

Community Services-Parks

Parks Maintenance				
Employee salaries and benefits	1,388,860	1,399,647	1,268,702	130,945
Outside services	33,905	82,968	78,219	4,749
Materials and supplies	152,330	152,330	137,189	15,141
Intrafund/interfund services	507,963	515,963	537,129	(21,166)
Debt and fiscal charges	1,340	1,340	1,810	(470)
	2,084,398	2,152,248	2,023,049	129,199
Parks Maintenance Projects				
Outside services	35,000	11,967	9,907	2,060
Materials and supplies	0	0	1,997	(1,997)
Intrafund/interfund services	0	0	63	(63)
	35,000	11,967	11,967	0
Cemetery				
Outside services			0	0
Materials and supplies	11,540	11,540	12,930	(1,390)
Intrafund/interfund services	26,260	26,260	23,031	3,229
Debt and fiscal charges	0	0	1,465	(1,465)
	37,800	37,800	37,426	374
Total Community Svcs.-Parks	2,157,198	2,202,015	2,072,442	129,573

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Recreation				
Employee salaries and benefits	673,435	676,889	699,278	(22,389)
Outside services	63,902	52,349	45,811	6,538
Materials and supplies	43,468	33,041	31,797	1,244
Intrafund/interfund services	14,628	14,628	14,628	0
Debt and fiscal charges	0	0	489	(489)
	795,433	776,907	792,003	(15,096)
Recreation -Aquatic Center				
Employee salaries and benefits	725,251	731,755	729,394	2,361
Outside services	82,701	82,701	49,312	33,389
Materials and supplies	72,657	92,957	86,491	6,466
Intrafund/interfund services	244,454	244,454	283,309	(38,855)
Debt and fiscal charges	7,100	7,100	6,583	517
	1,132,163	1,158,967	1,155,089	3,878
Recreation - Ice Rink				
Employee salaries and benefits	144,267	145,194	68,149	77,045
Outside services	7,235	3,235	3,002	233
Materials and supplies	13,600	11,570	10,126	1,444
Intrafund/interfund services	23,800	23,800	23,800	0
Debt and fiscal charges	800	800	1,135	(335)
	189,702	184,599	106,212	78,387
Recreation -Golf Course				
Employee salaries and benefits	593,249	597,652	457,714	139,938
Outside services	59,113	55,813	62,338	(6,525)
Materials and supplies	136,058	136,058	106,675	29,383
Intrafund/interfund services	263,426	235,426	213,199	22,227
Capital outlay	0	0	17,821	(17,821)
Debt and fiscal charges	6,885	6,885	7,546	(661)
	1,058,731	1,031,834	865,293	166,541
Total Community Svcs.-Recreation	3,176,029	3,152,307	2,918,597	233,710
Community Services-Social Services				
Employee salaries and benefits	116,228	119,200	128,634	(9,434)
Outside services	1,670,614	1,800,614	1,665,839	134,775
Materials and supplies	900	900	1,112	(212)
Intrafund/interfund services	40,920	40,920	41,527	(607)
Total Community Svcs.-Social Services	1,828,662	1,961,634	1,837,112	124,522
Total Community Svcs. Department	10,582,995	10,937,737	10,090,968	846,769

Police

Operations

Employee salaries and benefits	7,220,398	7,169,141	6,874,521	294,620
Outside services	377,486	469,049	426,362	42,687
Materials and supplies	248,900	345,099	340,990	4,109
Intrafund/interfund services	509,090	509,090	509,806	(716)
Debt and fiscal charges	0	0	942	(942)
	<u>8,355,874</u>	<u>8,492,379</u>	<u>8,152,621</u>	<u>339,758</u>

Emergency Management

Employee salaries and benefits	216,897	218,509	175,660	42,849
Outside services	55,405	45,405	37,949	7,456
Materials and supplies	15,884	15,884	17,130	(1,246)
Intrafund/interfund services	1,987	1,987	2,022	(35)
	<u>290,173</u>	<u>281,785</u>	<u>232,761</u>	<u>49,024</u>

Police Grants

Employee salaries and benefits	0	50,032	30,425	19,607
Outside services	0	571,904	159,431	412,473
Materials and supplies	0	1,444	4,794	(3,350)
Capital outlay	0	22,258	245,755	(223,497)
	<u>0</u>	<u>645,638</u>	<u>440,405</u>	<u>205,233</u>

Total Police

8,646,047	9,419,802	8,825,787	594,015
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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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Public Works				
Administration				
Employee salaries and benefits	403,485	406,759	406,759	0
Outside services	10,660	10,660	10,143	517
Materials and supplies	3,630	3,630	1,613	2,017
Intrafund/interfund services	5,877	5,877	5,877	0
	423,652	426,926	424,392	2,534
Engineering & Project Management				
Employee salaries and benefits	1,420,772	1,432,510	1,332,516	99,994
Outside services	27,120	37,120	26,959	10,161
Materials and supplies	11,956	11,956	11,129	827
Intrafund/interfund services	34,948	34,948	34,948	0
	1,494,796	1,516,534	1,405,552	110,982
Traffic and Streets				
Employee salaries and benefits	2,034,673	2,050,409	1,925,651	124,758
Outside services	903,962	1,783,406	1,666,449	116,957
Materials and supplies	535,254	535,254	508,101	27,153
Intrafund/interfund services	786,073	786,073	807,604	(21,531)
Capital outlay	15,800	15,800	9,882	5,918
	4,275,762	5,170,942	4,917,687	253,255
Custodial				
Employee salaries and benefits	919,610	926,753	900,710	26,043
Outside services	79,073	79,073	38,460	40,613
Materials and supplies	124,770	124,770	105,634	19,136
Intrafund/interfund services	26,868	26,868	26,868	0
Capital outlay	0	0	4,734	(4,734)
	1,150,321	1,157,464	1,076,406	81,058
Facilities maintenance				
Employee salaries and benefits	1,166,601	1,175,521	1,110,148	65,373
Outside services	334,401	339,469	406,359	(66,890)
Materials and supplies	180,392	180,392	182,594	(2,202)
Intrafund/interfund services	1,037,071	1,037,071	951,932	85,139
Debt and fiscal charges	500	500	0	500
	2,718,965	2,732,953	2,651,033	81,920
Facilities maintenance projects				
Outside services	1,634,345	4,420,109	4,248,741	171,368
Materials and supplies	0	0	3,126	(3,126)
	1,634,345	4,420,109	4,251,867	168,242
Total Public Works	11,697,841	15,424,928	14,726,937	697,991

Community Development (CDD)				
CDD - Administration				
Employee salaries and benefits	497,718	501,827	501,827	0
Outside services	11,200	14,200	9,663	4,537
Materials and supplies	6,200	6,200	4,902	1,298
Intrafund/interfund services	15,525	15,525	15,545	(20)
Debt and fiscal charges	0	0	4,253	(4,253)
	<u>530,643</u>	<u>537,752</u>	<u>536,190</u>	<u>1,562</u>
CDD - Community Development				
Employee salaries and benefits	1,135,697	1,144,803	937,895	206,908
Outside services	192,017	348,371	83,892	264,479
Materials and supplies	10,718	10,718	6,075	4,643
Intrafund/interfund services	9,232	9,232	9,232	0
	<u>1,347,664</u>	<u>1,513,124</u>	<u>1,037,094</u>	<u>476,030</u>
Total Community Development	<u>1,878,307</u>	<u>2,050,876</u>	<u>1,573,284</u>	<u>477,592</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	51,690,185	57,792,558	53,304,410	4,488,148
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	9,455,140	4,583,470	17,499,291	12,915,821

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Capital Improvement Project Fund	0	54,000	54,000	0
Joint Utility System Fund-Electric	610,735	610,735	567,249	(43,486)
Joint Utility System Fund-Gas	254,125	254,125	194,513	(59,612)
Fire Fund	1,691,000	1,691,000	1,691,000	0
	<u>2,555,860</u>	<u>2,609,860</u>	<u>2,506,762</u>	<u>(103,098)</u>
Transfers out to:				
State/Other Grants Fund	(24,500)	(24,500)	(24,500)	0
Indigent Health Care Fund	(317,000)	(317,000)	(317,000)	0
Other Special Revenues Fund	(22,000)	(22,000)	(22,000)	0
Gross Receipts Tax Revenue Bonds Fund	(6,265,559)	(6,265,559)	(6,265,559)	0
Capital Improvement Projects Fund	(3,964,080)	(3,969,080)	(3,969,080)	0
Transit Fund	(800,000)	(800,000)	(800,000)	0
Airport Fund	(478,611)	(478,611)	(238,126)	240,485
	<u>(11,871,750)</u>	<u>(11,876,750)</u>	<u>(11,636,265)</u>	<u>240,485</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,315,890)</u>	<u>(9,266,890)</u>	<u>(9,129,503)</u>	<u>137,387</u>
NET CHANGE IN FUND BALANCE	\$ <u>139,250</u>	<u>(4,683,420)</u>	<u>8,369,788</u>	<u>13,053,208</u>
ADJUSTMENTS TO GAAP				
Encumbrances			641,650	
Bad debt expense			(2,599)	
Adjustments to inventory			(66,669)	
			<u>561,207</u>	
GAAP BASIS			8,930,995	
FUND BALANCE				
Beginning of fiscal year			25,303,918	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>34,234,913</u>	

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
State grants-other	\$ 0	0	3,000	3,000
Miscellaneous revenues				
Investment income	\$ 171,000	171,000	121,622	(49,378)
Buildings rental	0	0	37,888	37,888
Economic development loan repayment (principal)	0	70,834	44,845	(25,989)
Economic development loan repayment (interest)	0	0	1,122	1,122
	<u>171,000</u>	<u>241,834</u>	<u>205,477</u>	<u>(36,357)</u>
TOTAL REVENUES	171,000	241,834	208,477	(33,357)
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	3,025,750	4,480,478	1,954,548	2,525,930
Materials and supplies	0	0	22,082	(22,082)
Economic development and housing loans	250,000	320,834	184,639	136,195
TOTAL EXPENDITURES AND ENCUMBRANCES	3,275,750	4,801,312	2,161,269	2,640,043
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(3,104,750)	(4,559,478)	(1,952,792)	2,606,686
OTHER FINANCING SOURCES (USES)				
Transfer in from:				
Capital Improvement Project Fund	401,250	401,250	170,260	(230,990)
Transfers out to:				
NET CHANGE IN FUND BALANCE	\$ (2,703,500)	(4,158,228)	(1,782,532)	2,375,696

ADJUSTMENTS TO GAAP

Encumbrances

167,999

167,999**(1,614,533)****GAAP BASIS****FUND BALANCE**

Beginning of fiscal year

7,260,477

FUND BALANCE - END OF FISCAL YEAR**\$ 5,645,944**

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal indirect	\$ 0	0	98,930	98,930
State grants-other	0	0	9,190	9,190
	<u>0</u>	<u>0</u>	<u>108,120</u>	<u>108,120</u>
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Outside services	0	143,191	48,829	94,362
	<u>0</u>	<u>143,191</u>	<u>48,829</u>	<u>94,362</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	0	(143,191)	59,291	202,482
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Environmental Services Fund	0	227,105	227,105	0
	<u>0</u>	<u>227,105</u>	<u>227,105</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ 0	83,914	286,396	202,482
ADJUSTMENTS TO GAAP				
Encumbrances			0	
			<u>0</u>	
GAAP BASIS			286,396	
FUND BALANCE				
Beginning of fiscal year			(796,699)	
FUND BALANCE - END OF FISCAL YEAR			\$ (510,303)	

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, 2019

	ENTERPRISE FUNDS						BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
ASSETS							
Current Assets:							
Equity in pooled cash and investments	\$ 13,954,232	173,261	1,128,696	300	623,729	15,880,218	16,351,730
Receivables, net of allowance for uncollectibles							
Accounts	4,130,631	347,006	0	467,959	1,320	4,946,916	2,497
Unbilled	1,204,600	115,909	0	0	0	1,320,509	0
Due from other governments	0	175,887	1,219,845	3,407,357	141,239	4,944,328	0
Inventories and prepayments							
Inventories	847,398	0	0	0	0	847,398	0
Power plant inventories	922,881	0	0	0	0	922,881	0
Prepayments	739,067	0	0	0	0	739,067	0
Total Current Assets	21,798,809	812,063	2,348,541	3,875,616	766,288	29,601,317	16,354,227
Non-current assets:							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	3,348,431	518,827	0	0	0	3,867,258	0
Operations and maintenance	11,609,030	944,372	0	0	0	12,553,402	0
Investments							
Debt reserves and debt service	2,714,623	0	0	0	0	2,714,623	0
Capital assets							
Land	2,959,328	0	0	1,081,176	4,387,040	8,427,544	0
Utility plant in service	328,943,544	0	0	0	0	328,943,544	0
Buildings	0	6,112,038	63,147	17,336,040	1,481,830	24,993,055	0
Improvements other than buildings	0	1,683,448	929,533	143,285	15,290,711	18,046,977	0
Machinery and equipment	4,240,985	74,322	926,447	1,192,234	72,285	6,506,273	27,347,116
Less accumulated depreciation	(160,501,727)	(2,073,936)	(1,060,966)	(6,151,605)	(7,914,992)	(177,703,226)	(17,937,570)
Construction in progress	5,394,685	0	0	0	0	5,394,685	0
Total Non-current Assets	198,708,899	7,259,071	858,161	13,601,130	13,316,874	233,744,135	9,409,546
TOTAL ASSETS	220,507,708	8,071,134	3,206,702	17,476,746	14,083,162	263,345,452	25,763,773
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts (debits) from refunding of debt	388,412	0	0	0	0	388,412	0
Deferred other post employment benefits	281,953	33,806	62,536	715,566	4,234	1,098,095	35,662
Deferred pensions	3,378,544	388,077	764,872	11,615,776	57,130	16,204,399	406,449
Deferred decommissioning cost	4,949,780	0	0	0	0	4,949,780	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,998,689	421,883	827,408	12,331,342	61,364	22,640,686	442,111

See accompanying notes to financial statements

LIABILITIES

Current Liabilities:

Accounts payable	2,821,697	212,981	19,812	92,430	58,987	3,205,907	448,121
Claims and judgments payable	0	0	0	0	0	0	2,392,439
Accrued salaries and benefits payable	3,134	934	0	29,326	0	33,394	0
Customer deposits payable	187,883	6,750	0	0	0	194,633	0
Due to other governments	121,476	10,775	0	0	0	132,251	0
Donations held in trust	23,821	0	0	0	0	23,821	0
Current portion of long-term liabilities							
Accrued compensated absences	682,708	92,179	126,322	1,401,870	7,513	2,310,592	108,691
Revenue bonds payable	2,960,000	0	0	0	0	2,960,000	0
Contracts and intergovernmental debt payable	454,421	236,694	0	0	0	691,115	0
Due to other funds (current portion of advances)	0	0	0	610,850	0	610,850	0
Special closure costs	0	63,100	0	0	0	63,100	0
Interest payable on revenue bonds and other debt	118,123	14,842	0	0	0	132,965	0
Total Current Liabilities	7,373,263	638,255	146,134	2,134,476	66,500	10,358,628	2,949,251

Noncurrent Liabilities:

Due in more than one year							
Accrued compensated absences	367,334	39,106	78,467	596,061	699	1,081,667	47,253
Claims and judgments payable	0	0	0	0	0	0	1,381,166
Revenue bonds payable	18,604,551	0	0	0	0	18,604,551	0
Contracts and intergovernmental debt payable	7,689,258	3,775,072	0	0	0	11,464,330	0
Advances from other funds	0	0	0	0	146,799	146,799	0
Special closure costs	10,891,275	634,705	0	0	0	11,525,980	0
Net other post employment benefits liability	5,489,136	661,569	1,211,956	13,727,097	81,683	21,171,441	726,160
Net pension liability	12,485,348	1,434,022	2,861,544	52,060,891	228,541	69,070,346	1,493,280
Total Noncurrent Liabilities	55,526,902	6,544,474	4,151,967	66,384,049	457,722	133,065,114	3,647,859
TOTAL LIABILITIES	62,900,165	7,182,729	4,298,101	68,518,525	524,222	143,423,742	6,597,110

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	1,417,184	170,634	313,175	3,554,098	21,125	5,476,216	185,907
Deferred pensions	126,552	18,414	42,764	6,342,210	11,009	6,540,949	10,760
TOTAL DEFERRED INFLOWS OF RESOURCES	1,543,736	189,048	355,939	9,896,308	32,134	12,017,165	196,667

NET POSITION

Net investment in capital assets	151,716,997	1,784,106	858,161	13,601,130	13,316,874	181,277,268	9,409,546
Restricted, net of related liabilities, for:							
Debt service	6,662,686	503,985	0	0	0	7,166,671	0
Unrestricted	6,682,813	(1,166,851)	(1,478,091)	(62,207,875)	271,296	(57,898,708)	10,002,561
TOTAL NET POSITION	\$ 165,062,496	1,121,240	(619,930)	(48,606,745)	13,588,170	130,545,231	19,412,107

Net position of business-type internal service funds						19,412,107	
Net activity of internal service funds						2,635,716	
TOTAL NET POSITION AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET POSITION						\$ 152,593,054	

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, 2019

	ENTERPRISE FUNDS						BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
OPERATING REVENUES							
Utility sales and other services	\$ 60,572,097	3,210,256	0	575,377	115,787	64,473,517	0
Sales of food or merchandise	0	3,272	0	0	0	3,272	0
Interfund charges for services	0	67,613	0	4,934,607	0	5,002,220	3,207,456
Insurance and pension contributions							
County	0	0	0	0	0	0	8,473,822
Employees and retirees	0	0	0	0	0	0	1,735,602
Intergovernmental - charges for services	0	0	0	17,597,085	0	17,597,085	0
Miscellaneous operating revenue	157,328	99,678	0	5,962	0	262,968	141,657
	60,729,425	3,380,819	0	23,113,031	115,787	87,339,062	13,558,537
OPERATING EXPENSES							
Employee salaries and benefits	10,483,965	1,406,934	2,480,692	21,170,750	142,608	35,684,949	1,251,821
Contractual services	39,591,206	2,780,197	1,294,224	5,051,171	194,485	48,911,283	11,192,300
Materials and supplies	759,121	275,532	46,432	667,778	24,042	1,772,905	1,324,530
Depreciation and amortization	7,768,106	184,845	180,670	510,080	567,909	9,211,610	2,213,589
Special closure costs	1,164,179		0	0	0	1,164,179	0
Other	153,546	5,395	0	3,340	570	162,851	0
	59,920,123	4,652,903	4,002,018	27,403,119	929,614	96,907,777	15,982,240
OPERATING INCOME (LOSS)	809,302	(1,272,084)	(4,002,018)	(4,290,088)	(813,827)	(9,568,715)	(2,423,703)
NONOPERATING REVENUES (EXPENSES)							
Gross receipts taxes for solid waste recycling	0	1,028,085	0	0	0	1,028,085	0
Fire excise tax	0	0	0	2,056,170	0	2,056,170	0
Gain (loss) on disposition of capital assets	(578,566)	0	0	(97,426)	0	(675,992)	66,461
Investment income	751,093	36,469	27,348	0	16,167	831,077	388,175
Miscellaneous nonoperating revenue	0		0	0	0	0	0
Interest on long-term debt	(1,153,292)	(92,055)	0	0	0	(1,245,347)	0
Inventory adjustment	(38,135)	0	0	0	0	(38,135)	0
Intergovernmental - non-capital grants	0	46,316	3,017,827	333,805	46,509	3,444,457	0
	(1,018,900)	1,018,815	3,045,175	2,292,549	62,676	5,400,315	454,636
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(209,598)	(253,269)	(956,843)	(1,997,539)	(751,151)	(4,168,400)	(1,969,067)
TRANSFERS AND CONTRIBUTIONS							
Transfers in	0	0	800,000	0	238,126	1,038,126	186,514
Transfers out	(834,233)	(227,105)	(108,361)	(1,691,000)	(5,682)	(2,866,381)	0
Intergovernmental - capital grants	606,034	0	108,361	0	667,765	1,382,160	0
Contributed capital assets - governmental activities	0	0	0	0	0	0	98,839
	(228,199)	(227,105)	800,000	(1,691,000)	900,209	(446,095)	285,353
CHANGE IN NET POSITION	(437,797)	(480,374)	(156,843)	(3,688,539)	149,058	(4,614,495)	(1,683,714)
NET POSITION							
Beginning of fiscal year	159,931,790	1,601,614	(463,087)	(44,918,206)	13,439,112	129,591,223	21,095,821
Prior period restatement - GASB Statement 83	5,568,503	0	0	0	0	5,568,503	0
NET POSITION - END OF FISCAL YEAR	\$ 165,062,496	1,121,240	(619,930)	(48,606,745)	13,588,170	130,545,231	19,412,107

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, 2019

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:	\$	(4,614,495)
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.		(1,683,712)
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.		917,455
Change in net position of business-type activities	\$	<u><u>(5,380,752)</u></u>

INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2019

	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS - OPERATING ACTIVITIES							
Cash received from customers and users	\$ 60,254,269	3,226,773	0	5,477,733	114,467	69,073,242	3,348,466
Cash received from contributions-employer and employees	0	0	0	0	0	0	10,209,424
Cash paid to suppliers for goods and services	(41,150,154)	(3,079,567)	(1,324,870)	(5,741,836)	(175,091)	(51,471,518)	(11,936,694)
Cash paid to employees	(9,961,231)	(1,277,481)	(2,277,945)	(18,215,522)	(127,184)	(31,859,363)	(1,160,749)
Taxes received from customers and users	1,722,309	131,997	0	0	0	1,854,306	0
Taxes remitted to State (from customers and users)	(1,713,141)	(131,400)	0	0	0	(1,844,541)	0
NET CASH FLOWS - OPERATING ACTIVITIES	9,152,052	(1,129,678)	(3,602,815)	(18,479,625)	(187,808)	(14,247,874)	460,447
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES							
Cash received from grants	0	46,316	2,472,271	19,264,952	(87,153)	21,696,386	0
Transfers to other funds	1,738,238	(227,105)	0	(1,691,000)	(5,682)	(185,549)	0
Transfers from other funds	(2,500,000)	0	800,000	0	238,126	(1,461,874)	0
Gross receipts taxes received	0	872,383	0	2,241,516	0	3,113,899	0
Cash paid on short-term interfund loans	0	0	0	(1,335,543)	0	(1,335,543)	0
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	(761,762)	691,594	3,272,271	18,479,925	145,291	21,827,319	0
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES							
Cash received from capital grants	715,286	0	108,361	0	667,765	1,491,412	0
Proceeds received from loans	53,840	0	0	0	0	53,840	0
Principal repaid	(3,073,055)	(234,583)	0	0	0	(3,307,638)	0
Special closure costs paid	618,723	425,353	0	0	0	1,044,076	0
Interest and other debt service paid	(1,462,811)	(92,402)	0	0	0	(1,555,213)	0
Cash paid for acquisition of capital assets	(6,388,402)	0	(108,361)	0	(906,341)	(7,403,104)	(1,666,616)
Proceeds from sale of capital assets	(69,607)	0	0	0	0	(69,607)	68,960
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(9,606,026)	98,368	0	0	(238,576)	(9,746,234)	(1,597,656)
CASH FLOWS - INVESTING ACTIVITIES							
Proceeds from sale of investment securities	2,086,509	0	0	0	0	2,086,509	0
Interest received on investments	751,093	36,469	27,348	0	16,167	831,077	388,175
Purchase of investment securities	(121,497)	0	0	0	0	(121,497)	0
NET CASH FLOWS - INVESTING ACTIVITIES	2,716,105	36,469	27,348	0	16,167	2,796,089	388,175
NET INCREASE (DECREASE) IN CASH	1,500,369	(303,247)	(303,196)	300	(264,926)	629,300	(749,034)
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	27,411,324	1,939,707	1,431,892	0	888,655	31,671,578	17,100,764
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 28,911,693	1,636,460	1,128,696	300	623,729	32,300,878	16,351,730

(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)	\$	809,302	(1,272,084)	(4,002,018)	(4,290,088)	(813,827)	(9,568,715)	(2,423,703)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES								
Depreciation and amortization expense		7,768,106	184,845	180,670	510,080	567,909	9,211,610	2,213,589
Operating grants included in operating revenues		0	0	0	(17,597,085)	0	(17,597,085)	0
Amortization of special closure costs		1,164,179	0	0	0	0	1,164,179	0
Provision for uncollectible accounts receivable		(8,256)	4,135	0	3,340	0	(781)	0
Change in assets and liabilities:								
Accounts and other receivables		(490,826)	(155,336)	0	(38,213)	(1,320)	(685,695)	(647)
Inventories		(302,220)	0	0	0	0	(302,220)	0
Prepayments and other		25,359	0	0	0	0	25,359	0
Accounts and retentions payable		401,131	(23,838)	15,786	(22,887)	44,006	414,198	160,372
Salaries and benefits payable		522,734	129,453	202,747	2,955,228	15,424	3,825,586	91,072
Other current liabilities		(746,625)	2,550	0	0	0	(744,075)	0
Claims and judgements payable		0	0	0	0	0	0	419,764
Due to other governments		9,168	597	0	0	0	9,765	0
Total adjustments		8,342,750	142,406	399,203	(14,189,537)	626,019	(4,679,159)	2,884,150
NET CASH FLOWS - OPERATING ACTIVITIES	\$	9,152,052	(1,129,678)	(3,602,815)	(18,479,625)	(187,808)	(14,247,874)	460,447

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(72,471)	0	(108,361)	0	0	(180,832)	186,514
Contributed capital assets - governmental activities		0	0	0	0	0	0	98,839
TOTAL NON CASH TRANSACTIONS	\$	(72,471)	0	(108,361)	0	0	(180,832)	285,353

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.

INCORPORATED COUNTY OF LOS ALAMOS
FIDUCIARY FUNDS

STATEMENT OF NET POSITION
June 30, 2019

	<u>PENSION TRUST</u>	<u>AGENCY</u>
ASSETS		
Equity in pooled cash and investments	\$ 0	130,170
Investments (participant directed mutual funds), at fair value	53,706,027	0
Receivables, net of allowance for uncollectibles		
Property taxes	0	242,374
Employee loans	2,343,826	0
Other	0	109,162
TOTAL ASSETS	<u>56,049,853</u>	<u>481,706</u>
LIABILITIES		
LIABILITIES		
Accounts payable	114,238	0
Due to other governments		
Taxes and fees payable to state	0	10,909
Property taxes payable	0	451,617
Due to other funds	80,280	0
Donations held for others	0	19,180
TOTAL LIABILITIES	<u>194,518</u>	<u>481,706</u>
NET POSITION		
Restricted for pensions	55,855,335	
TOTAL NET POSITION	<u>\$ 55,855,335</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PENSION TRUST FUND

STATEMENT OF CHANGES IN NET POSITION

Year ended June 30, 2019

	<u>PENSION TRUST FUND</u>
ADDITIONS TO NET POSITION	
Investment income (loss), net of investment expense	\$ 2,041,993
Contributions	
Employer, net of forfeitures	3,195,339
Employee (plan member)	<u>391,096</u>
	5,628,428
DEDUCTIONS FROM NET POSITION	
Benefits and refunds paid to plan members and beneficiaries	<u>3,048,756</u>
NET INCREASE (DECREASE) IN NET POSITION	2,579,672
NET POSITION	
Beginning of fiscal year	<u>53,275,663</u>
NET POSITION - END OF YEAR	\$ <u><u>55,855,335</u></u>

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INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

(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 2019, 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 asset retirements and disclosures related to debt:

- GASB Statement No. 83 (GASB 83), “Certain Asset Retirement Obligations”
- GASB Statement No. 88 (GASB 88), “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements”

GASB Statement No. 83 establishes criteria for determining the timing and recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable and that the measurement of an asset retirement obligations be based on the best estimate of the current value of outlays expected to be incurred.

In previous years, the County had recognized a liability and expense for the San Juan decommissioning costs. In fiscal year 2019 the County has recorded a prior period restatement on the face of the financial statements to show the cumulative effect of this expense on net position. This restatement was reflected in the Electric Fund and increased its beginning net position by \$5.6 million from \$159.9 million to \$165.5 million.

GASB Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional information related to debt be disclosed in notes to financial statements. This includes unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

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 (55% 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.

Notes to Financial Statements

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 subsequent flooding events within the community in September 2013. In addition, recent snow storm and high wind events that occurred in early 2019 are also included in this fund. 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 December or January 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 or January 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

Notes to Financial Statements

budget and capital improvement program. 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, 2019. 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. In the County's governmental funds, prepaid items are recorded under the purchases method and treated as expenditures rather than assets.

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.

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 interdepartmental charges (IDC) charged to the individual budget activities consists of two amounts, an equipment replacement IDC and a maintenance IDC. Both of these charges are recorded in the Equipment Fund as revenue. The equipment replacement IDC is calculated using replacement cost and estimated useful lives of the equipment. The maintenance IDC is recovering the total cost of Fleet Maintenance including fuel on a proration basis for all vehicles in the fleet.

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 \$1.3 million in the year ended June 30, 2019.

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 - 50
Improvements other than buildings	10 - 20
Infrastructure	15 - 50
Equipment	5 - 10
Automotive equipment	7 - 20
Utility plant in service:	
Electric	10 - 50
Gas	10 - 50
Water	10 - 50
Wastewater	10 - 50

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 \$327 per year of service for active Fire Department employees at June 30, 2019, and approximately \$346 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. Postemployment Benefits Other Than Pensions (OPEB)

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

T. 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.

U. 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.

V. 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 nor 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.

W. 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.

X. 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.

Y. 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 FY2018 is the second year of the FY2017/2018 Biennial Budget. New Mexico State Statute and County Charter requires an annual budget. The budget process for the County is an on-going, year-round process. It formally begins in December or January 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 or January 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. Finally, the budget is submitted to the State of New Mexico Department of Finance and Administration (DFA) for its review and approval.

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 interdepartmental 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 2019, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$29.8 million of budget revisions (transfers and supplemental appropriations) for the General Fund, Capital Improvement Projects (CIP) Fund, Economic Development Fund, Joint Utility System Fund, Equipment and other funds. The budget revisions included the following re-appropriations and carryovers: \$5.8 million for Utilities AMI Project, \$4.6 million for Utilities projects and increases in Other Purchased Power, \$3.5 million for major facilities maintenance, \$1.2 million for the Duane Smith Auditorium project for the Los Alamos Public Schools, \$2.6 million in capital projects, \$7.9 million in encumbrance carryovers and \$4.2 million in other budget increases. For the fiscal year ended June 30, 2019 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, 2019, the Emergency Declarations Fund, a major governmental fund, reported a deficit fund balance of \$510,303. 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 \$48,606,745. The deficit arose from recording the pension liability, deferred pension inflows, and deferred pension outflows in accordance with GASB Statement No. 68 as well as recording the OPEB liability, deferred OPEB inflows and deferred OPEB outflows in accordance with GASB Statement No. 75. The Transit Fund, a major proprietary fund, reported a deficit net position of \$619,930. The deficit arose from recording the OPEB liability, deferred OPEB inflows and deferred OPEB outflows in accordance with GASB Statement No. 75.

(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	\$ 4,572
Carrying amount of deposits	15,156,727
Cash equivalents	11,032,921
Book value of investments	<u>164,338,461</u>
Total reported in notes to financial statements	<u>\$ 190,532,681</u>
Government-wide Statement of Net Position:	
Equity in pooled cash and investments	\$ 89,158,500
Investments	27,987,274
Restricted assets-Cash & Cash Equivalents	16,732,430
Restricted assets-Investments	2,818,280
Fiduciary Funds:	
Equity in pooled cash and investments	130,170
Investments (mutual funds), at fair value	<u>53,706,027</u>
Total reported in financial statements	<u>\$ 190,532,681</u>

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, 2019 the County had deposits with bank balances of \$16,693,981 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, 2019 are presented below using the Standard and Poor's rating scale:

Investment Type	Fair Value	Net Asset Value	Quality Ratings		
			AAAm	AA+	A
U.S. Government Agencies	\$ 11,971,811		4,982,300	6,989,511	0
U.S Treasuries	28,463,688		28,463,688		0
<u>Unrated investments:</u>					
	-				
New Mexico State Investment Council	45,696,935				
NM Local Government Investment Pool	24,500,000				
Exempt from credit risk disclosure:					
LAC Pension	53,706,027				
Total Investments	\$ 164,338,461	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 Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<u>Debt Securities</u>					
U.S. Agencies	\$ 11,971,811	9,977,250	1,994,561	0	0
U.S Treasuries	28,463,688	28,463,688			
	40,435,499	38,440,938	1,994,561	0	0
<u>Other Investments</u>					
New Mexico State Investment Council	45,696,935				
NM Local Government Investment Pool	24,500,000				
LAC Pension Plan	53,706,027				
Total Investments	\$ 164,338,461				

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, 2019 that are exposed to custodial credit risk.

Concentration of Credit Risk - Investments

Investments in securities of any individual issuers, other than mutual funds and NMSIC, of the total government-wide investments at June 30, 2019 (not inclusive of the pension fund which is disclosed separately) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	<u>% of Total Government-wide Investments</u>
FNMA	Federal agency securities	\$ 4,994,950	4.5%
FHLMC	Federal agency securities	4,982,300	4.5%
FHLB	Federal agency securities	1,994,561	1.8%
U.S TREAS	U.S Treasuries securities	28,463,688	25.7%

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, 2019 are as follows:

		Fair Value Measurements Using			
		6/30/2019	Level 1	Level 2	Level 3
Investments by fair value level					
U.S. Agencies Securities	\$	11,971,811	11,971,811	0	
U.S. Treasuries Securities		28,463,688	28,463,688	0	
New Mexico State Investment Council		45,696,935	22,685,297	23,011,638	
NM Local Government Investment Pool		24,500,000	9,097,180		
Alliance Benefit Group - LAC Pension Plan		53,706,027	50,725,932	2,980,095	
Total investments by fair value level	\$	164,338,461	122,943,908	25,991,733	

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2019, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:			
General	\$ 66,494	(11,765)	54,729
Economic Development	2,955	0	2,955
Capital Improvement Projects	147,329	(147,329)	0
Other Governmental	25,141	0	25,141
Total governmental activities	241,919	(159,094)	82,825
Business-type activities:			
Joint Utility System	4,177,963	(47,332)	4,130,631
Airport	1,320	0	1,320
Environmental Services	361,256	(14,250)	347,006
Fire	1,360,767	(892,808)	467,959
Internal Service	5,207	(2,710)	2,497
Total business-type activities	5,906,513	(957,100)	4,949,413
Totals	\$ 6,148,432	(1,116,194)	5,032,238

On the Government-wide Statement of Net Position an additional \$80,280 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, 2019:

Fiscal Year Ending June 30,	Amount
2019	\$ 232,827
2020	223,011
2021	209,292
2022	198,950
2023	188,608
Thereafter	13,450,814
	<u>\$ 14,503,502</u>

(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, 2019 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, 2019 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, 2019, is as follows:

Principal, economic development loans:	
UbiQD	\$ 325,000
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	51,170
Avanza Technologies, Inc.	227,944
Subtotal economic development loans	<u>604,114</u>
Less: Reserve for loan losses	<u>(279,114)</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u>\$ 325,000</u>

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. During fiscal year 2018, the County also issued home buyer assistance loans. The Home Buyer Assistance 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 receive down payment assistance -- without adding to monthly expenses as these loans are deferred based on an affordability period. The detail of these loan receivable balances at June 30, 2019 is as follows:

Principal, home renewal program loans:	
Loan No. FY2016 - 1	\$ 5,450
Loan No. FY2016 - 2	16,105
Loan No. FY2016 - 4	12,107
Loan No. FY2016 - 6	-
Loan No. FY2016 - 8	16,029
Loan No. FY2016 - 9	34,294
Loan No. FY2016 - 10	15,436
Loan No. FY2017 - 1	10,006
Loan No. FY2017 - 2	11,846
Loan No. FY2017 - 3	13,000
Loan No. FY2017 - 4	42,000
Loan No. FY2017 - 5	6,890
Loan No. FY2017 - 6	37,399
Loan No. FY2017 - 7	5,280
Loan No. FY2018 - 2	35,783
Loan No. FY2018 - 3	24,630
Subtotal economic development loans	<u>286,255</u>
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	<u>-</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u>\$ 286,255</u>

Principal, home buyer assistance program loans:	
Loan No. FY2018 - 1	\$ 11,700
Loan No. FY2018 - 2	11,500
Loan No. FY2018 - 3	21,650
Loan No. FY2018 - 4	22,850
Loan No. FY2018 - 5	17,500
Loan No. FY2018 - 6	14,999
Loan No. FY2018 - 7	20,500
Loan No. FY2018 - 8	19,500
Loan No. FY2018 - 9	11,000
Loan No. FY2018 - 10	5,100
Loan No. FY2018 - 11	13,500
Loan No. FY2018 - 12	11,000
Subtotal economic development loans	<u>180,799</u>
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	<u>-</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u>\$ 180,799</u>

(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, 2019 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	Airport	Other Governmental	Total
General	\$ 0	0	54,000	0	761,762	0	0	1,691,000	0	0	2,506,762
Economic Development	0	0	170,260	0	0	0	0	0	0	0	170,260
Emergency Declarations	0	0	0	0	0	227,105	0	0	0	0	227,105
Capital Improvement Projects	3,969,080	0	0	1,277,444	0	0	0	0	0	0	5,246,524
Joint Utility System	0	0	0	0	0	0	0	0	0	0	0
Transit	800,000	0	0	0	0	0	0	0	0	0	800,000
Airport	238,126	0	0	0	0	0	0	0	0	0	238,126
Internal Service	0	0	0	0	72,471	0	108,361	0	5,682	0	186,514
Other Governmental	6,629,059	0	0	0	0	0	0	0	0	0	6,629,059
	<u>\$ 11,636,265</u>	<u>0</u>	<u>224,260</u>	<u>1,277,444</u>	<u>834,233</u>	<u>227,105</u>	<u>108,361</u>	<u>1,691,000</u>	<u>5,682</u>	<u>0</u>	<u>16,004,350</u>
Capital assets were transferred into (out of) the following funds from (to) governmental activities:											
Internal Service	<u>98,839</u>										
Total	<u>\$ 98,839</u>										

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, 2019 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, 2019 are presented below:

Due to other funds	Due from other funds	
	General	Total
Emergency Declarations	\$ 417,187	417,187
Fire	610,850	610,850
Pension Trust	80,280	80,280
	\$ 1,108,317	1,108,317

(7) CAPITAL ASSETS

The County capitalized approximately \$34.9 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, \$11 million were additions to governmental activities and \$23.9 million were additions to business-type activities. The County capitalized \$0.4 million in donated land from the Department of Energy. In addition, during FY 2019, the County added approximately \$10.5 million in new construction in progress, \$4.1 million in governmental activities capital assets and \$6.4 million in business-type activities capital assets. The County donated \$1.3 million of land to the Affordable Housing Project in FY19. Machinery and equipment in the amount of \$98,839 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.

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

	June 30, 2018 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2019 Balance
Governmental activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 44,539,557	387,100	(1,711,264)	0	43,215,393
Right of way land	18,001,114	0	0	0	18,001,114
Art and historic treasures	1,537,069	36,000	0	0	1,573,069
Construction in progress	3,895,441	4,134,215	(7,223,460)	0	806,196
Total capital assets, not being depreciated	67,973,181	4,557,315	(8,934,724)	0	63,595,772
Capital assets, being depreciated					
Buildings	143,557,204	0	0	0	143,557,204
Improvements other than buildings	21,055,053	0	0	0	21,055,053
Machinery and equipment	18,180,148	3,942,919	(1,580,613)	(98,839)	20,443,615
Infrastructure	191,705,440	2,532,747	0	0	194,238,187
Capital assets, being depreciated	374,497,845	6,475,666	(1,580,613)	(98,839)	379,294,059
Less accumulated depreciation for:					
Buildings	(29,259,970)	(2,922,706)	0	0	(32,182,676)
Improvements other than buildings	(9,051,081)	(744,552)	0	0	(9,795,633)
Machinery and equipment	(10,674,504)	(1,362,927)	1,580,613	0	(10,456,818)
Infrastructure	(110,537,276)	(3,684,052)	0	0	(114,221,328)
Total accumulated depreciation	(159,522,831)	(8,714,237)	1,580,613	0	(166,656,455)
Total capital assets, being depreciated, net	214,975,014	(2,238,571)	0	(98,839)	212,637,604
Total governmental activities capital assets \$	282,948,195	2,318,744	(8,934,724)	(98,839)	276,233,376
Business-type activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 8,524,970	0	(97,426)	0	8,427,544
Construction in progress	14,021,394	6,315,932	(14,942,641)	0	5,394,685
Total capital assets, not being depreciated	22,546,364	6,315,932	(15,040,067)	0	13,822,229
Capital assets, being depreciated					
Buildings	24,671,475	321,580	0	0	24,993,055
Improvements other than buildings	17,555,084	772,698	(280,805)	0	18,046,977
Utility plant in service	318,959,641	14,682,592	(4,698,689)	0	328,943,544
Machinery and equipment	33,130,586	1,867,810	(1,243,846)	98,839	33,853,389
Capital assets, being depreciated	394,316,786	17,644,680	(6,223,340)	98,839	405,836,965
Less accumulated depreciation for:					
Buildings	(6,644,792)	(646,156)	0	0	(7,290,948)
Improvements other than buildings	(8,101,822)	(624,953)	280,805	0	(8,445,970)
Utility plant in service	(157,302,541)	(7,768,106)	4,568,922	0	(160,501,726)
Machinery and equipment	(17,935,755)	(2,385,984)	919,587	0	(19,402,152)
Total accumulated depreciation	(189,984,910)	(11,425,199)	5,769,314	0	(195,640,796)
Total capital assets, being depreciated, net	204,331,876	6,219,481	(454,027)	98,839	210,196,170
Total business-type activities capital assets \$	226,878,240	12,535,413	(15,494,094)	98,839	224,018,398

Notes to Financial Statements

Depreciation expense for the year ended June 30, 2019 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 820,729
Public safety	776,095
Transportation	5,715,827
Culture and recreation	<u>1,401,586</u>
Total depreciation expense - governmental activities	<u><u>\$ 8,714,237</u></u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 4,595,132
Gas	392,600
Water	1,925,607
Wastewater	854,767
Environmental Services	184,845
Transit	180,670
Fire	510,080
Airport	567,909
Equipment - Internal Service	<u>2,213,589</u>
Total depreciation expense - business-type activities	<u><u>\$ 11,425,199</u></u>

(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, 2018 available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>

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 FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY18 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>. The PERA coverage options that apply to 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 than \$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 \$5,548,586 and employer paid member benefits that were “picked up” by the County were \$13,831 for the year ended June 30, 2019. The County’s total contributions to PERA for the years ended June 30, 2019, 2018, 2017, 2016, and 2015 were \$5,223,651, \$5,548,586, \$5,175,093, \$4,857,054, and \$4,830,706, 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, 2017. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2018, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2018.

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

Notes to Financial Statements

deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The 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, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2018 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For the PERA Municipal General Division, at June 30, 2018, the County reported a liability of \$58,015,939 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 3.6388 percent, which was an increase from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized PERA Municipal General Division net pension expense of \$2,753,567. At June 30, 2019, the County reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal General Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,676,780	\$ (1,523,190)
Changes of assumptions	5,259,965	(333,570)
Net difference between projected and actual earnings on pension plan investments	4,302,755	0
Changes in proportion and differences between County contributions and proportionate share of contributions	4,278,247	(33,331)
County contributions subsequent to measurement date	2,753,567	0
Totals	<u>\$ 18,271,314</u>	<u>\$ (1,890,091)</u>

\$2,753,567 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2018 were recognized as a reduction of the net pension liability in the year ended June 30, 2019. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent

fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>		
2018	\$	7,783,882
2019		4,006,666
2020		1,610,777
2021		226,331
Thereafter	\$	0

For PERA Municipal Police Division, at June 30, 2018, the County reported a liability of \$7,869,016 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 1.1533 percent, which was an increase from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized PERA Municipal Police Division net pension expense of \$389,019. At June 30, 2019, the County reported PERA Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal Police Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 385,231	\$ (780,024)
Changes of assumptions	897,865	(48,106)
Differences between actual and projected earnings on pension plan investments	541,500	0
Changes in proportion and differences between County contributions and proportionate share of contributions	304,583	(7,418)
County contributions subsequent to the measurement date	389,019	-
Totals	<u>\$ 2,518,198</u>	<u>\$ (835,548)</u>

The amount of \$389,019 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2018, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>		
2018	\$	799,841
2019		246,772
2020		218,359
2021		28,659
Thereafter	\$	0

For PERA Municipal Fire Division, at June 30, 2018, the County reported a liability of \$50,173,239 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 7.8388 percent, which was an increase from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized PERA Municipal Fire Division net pension expense of \$2,089,272. At June 30, 2019, the County reported PERA Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal Fire Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 806,297	\$ (3,659,120)
Changes of assumptions	2,897,668	(183,210)
Differences between actual and projected earnings on pension plan investments	1,759,444	0
Changes in proportion and differences between County contributions and proportionate share of contributions	1,468,686	(587,345)
County contributions subsequent to the measurement date	2,089,272	-
Totals	\$ <u>9,021,367</u>	\$ <u>(4,429,675)</u>

The amount of \$2,089,272 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2018, were recognized as a reduction of the net pension liability in the year ended June 30, 2019. Contributions made after the

measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>		
2018	\$	1,503,244
2019		41,881
2020		863,957
2021		93,338
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, 2017 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, 2018 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, 2018. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2018 actuarial valuation.

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Payroll growth	3.00% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% to 2.75% annual rate

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:

<u>All funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	43.5%	7.48%
Risk Reduction and Mitigation	21.5%	2.37%
Credit Oriented Fixed Income	15.0%	5.47%
Real Assets	20.0%	6.48%
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 (6.25%) or one percentage point higher (8.25%) than the single discount rate.

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
PERA Municipal General Division:			
County's proportionate share of the net pension liability	\$ 89,398,676	\$ 58,015,939	\$ 32,073,088
PERA Municipal Police Division:			
County's proportionate share of the net pension liability	12,099,317	7,869,016	4,420,318
PERA Municipal Fire Division:			
County's proportionate share of the net pension liability	66,977,460	50,173,239	36,407,080

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the FY18 PERA financial report. The report is available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

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, 2019 were \$3,586,435 (\$391,096 participant; and \$3,195,339 County, net of forfeitures of \$324,048). 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, 2019 were \$78,606, which included allocated audit fees of \$5,769, trustee fees of \$65,292, and legal fees of \$7,545.

Plan investments at June 30, 2019, 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	\$ 3,341,415
Invesco International Growth	8,692,414
T. Rowe Price Blue Chip Growth	13,854,639
AB Relative	10,075,693
JPMorgan Mid Cap	4,344,421
Loomis Sayles Strategic Income	2,980,095
Gabelli Small Cap	5,105,022
Baird	2,408,252
Templeton Global Bond	2,343,825
Franklin Mutual Global	2,654,260
	<hr/>
Total investments	<u><u>\$ 55,800,036</u></u>

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 19,166.47 for the fiscal year ended June 30, 2019.

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

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

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

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

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.

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

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

Contributions - Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the County were \$851,457 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported a liability of \$44,767,617 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for year ending June 30, 2018. At June 30, 2018, the County's proportion was 1.02953 percent.

For the year ended June 30, 2019, the County recognized OPEB expense of \$249,284. At June 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,650,530
Changes of assumptions	-	8,357,915
Differences between actual and projected earnings on OPEB plan investments	-	558,683
Changes in proportion	1,457,486	-
County contributions made after the measurement date	851,457	-
Totals	\$ <u>2,308,943</u>	\$ <u>11,567,128</u>

Deferred outflows of resources totaling \$851,457 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2019	(2,630,169)
2020	(2,630,169)
2021	(2,630,169)
2022	(1,960,829)
2023	(258,306)
Thereafter	\$ <u>(10,109,642)</u>

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.5% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

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

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

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

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2030. Beyond 2030, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

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

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
\$ 54,179,359	\$ 44,767,617	\$ 37,349,067

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

<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
\$ 37,844,332	\$ 44,767,617	\$ 50,195,629

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

Payable Changes in the Net OPEB Liability. At June 30, 2019, the County reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

9) LONG-TERM OBLIGATIONS

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Accrued compensated absences	\$ 3,415,409	1,897,274	1,865,532	3,447,151	2,350,144
Revenue bonds payable	43,413,930	0	5,272,991	38,140,939	3,090,000
Total governmental activities	<u>\$ 46,829,339</u>	<u>1,897,274</u>	<u>7,138,523</u>	<u>41,588,090</u>	<u>5,440,144</u>
Business-type activities:					
Accrued compensated absences	\$ 3,683,414	2,058,486	2,194,190	3,547,710	2,418,790
Claims and judgments	3,743,925	3,773,605	3,743,925	3,773,605	2,392,439
Revenue bonds payable	24,568,950	0	3,004,399	21,564,551	2,960,000
Contracts and intergovernmental debt	12,781,783	53,840	680,178	12,155,445	691,115
Special closure costs	10,713,143	1,354,189	478,252	11,589,080	63,100
	<u>\$ 55,491,215</u>	<u>7,240,120</u>	<u>10,100,944</u>	<u>52,630,391</u>	<u>8,525,444</u>

In prior years, resources from 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 \$155,944 and claims and judgments in the amount of \$3,773,605 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 \$0 at June 30, 2018. The final maturity date was June 1, 2018.

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 2013 GRT Advance Refunding Bonds is as follows:

Year ending June 30	2013 Series	
	Principal	Interest
2020	3,090,000	1,460,759
2021	3,215,000	1,337,159
2022	3,380,000	1,176,409
2023-2026	15,270,000	2,930,635
2027-2028	8,660,000	436,536
	<u>33,615,000</u>	<u>7,341,498</u>
2013 Series Principal	33,615,000	
Unamortized balances:		
Discounts and premiums	<u>4,525,939</u>	
	\$ 38,140,939	

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.

Notes to Financial Statements

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, 2019 are as presented below.

Year ending June 30	2014A Series		2014B Series	
	Principal	Interest	Principal	Interest
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
	<u>\$ 8,005,000</u>	<u>2,482,258</u>	<u>3,270,000</u>	<u>139,863</u>
2014A Series Principal	\$ 8,005,000			
2014B Series Principal	3,270,000			
Unamortized balances:				
Discounts and premiums	555,151			
Total payable	<u>\$ 11,830,151</u>			

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, 2019 are as presented below.

Year ending June 30	2010 A Series		2010 B Series		2010 C Series		2010 D Series		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
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
	<u>\$ 1,605,000</u>	<u>130,100</u>	<u>1,535,000</u>	<u>408,903</u>	<u>3,680,000</u>	<u>1,967,755</u>	<u>2,885,000</u>	<u>1,112,902</u>	<u>13,324,660</u>
2010A Series Principal	\$ 1,605,000								
2010B Series Principal	1,535,000								
2010C Series Principal	3,680,000								
2010D Series Principal	2,885,000								
Unamortized balances:									
Refunding costs	0								
Discounts and premiums	29,400								
Total payable	<u>\$ 9,734,400</u>								

D. Intergovernmental Notes Payable

Business-type Activities

Beginning in December 2005 through June 2015, the County entered into various agreements to borrow \$20,748,158 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. On January 30, 2018 the County Council approved a transfer of \$2,500,000 from the Gas Fund to the Wastewater Fund. These funds were subsequently used to make a one-time principal payment to CWSRF 1438143 on February 8, 2018.

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: Effective October 6, 2017, this loan was paid in full and refinanced with proceeds from new loan PP 3732.

PP 3732: To construct the Los Alamos County Eco Station and repay loan# PP-1898. 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 total costs incurred for the design and construction to replace the wastewater treatment plant pipeline from the Bayo Booster Station in Bayo Canyon to North Mesa.

Loan terms and repayment schedules are shown below.

	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	New Mexico Water Trust Board and New Mexico Finance Authority	Totals
Loan Number	CWSRF 1438143	WTB 63	PP 3732	WTB 89	ARRA CWSRF 09	WTB 156	WTB 157	WTB 220	WTB 221	WTB 318	WTB 340	WTB 3557	
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	Feb-17	
Beginning principal	14,355,105	65,080	4,331,349	79,912	234,812	147,500	50,000	600,000	140,000	562,400	182,000	53,840	
Term of agreement, in years	20	20	15	20	20	20	20	20	20	20	20	20	
Interest rate	3%	-	2.57%	-	2.56%	-	-	-	-	-	-	-	
Administrative fee	-	0.25%	-	0.25%	0.44%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
Payable in year ending 6/30/2020:													
Principal	348,539	3,276	236,694	4,097	11,070	7,365	2,497	30,769	6,956	27,854	9,354	2,644	691,115
Interest and/or admin fee	158,865	66	90,291	93	4,713	205	70	936	230	1,135	381	129	257,114
Total	507,404	3,342	326,985	4,190	15,783	7,570	2,567	31,705	7,186	28,989	9,735	2,773	948,229
Payable in year ending 6/30/2021:													
Principal	356,816	3,284	239,061	4,107	11,402	7,383	2,503	30,843	6,973	27,924	9,377	2,651	702,324
Interest and/or admin fee	150,587	58	87,924	83	4,381	187	63	859	212	1,066	358	122	245,899
Total	507,403	3,342	326,985	4,190	15,783	7,570	2,566	31,702	7,185	28,990	9,735	2,773	948,223
Payable in year ending 6/30/2022:													
Principal	365,290	3,292	241,715	4,117	11,744	7,402	2,509	30,918	6,991	27,994	9,401	2,657	714,030
Interest and/or admin fee	142,113	50	85,270	73	4,039	168	57	781	195	996	334	115	234,191
Total	507,403	3,342	326,985	4,190	15,783	7,570	2,566	31,699	7,186	28,990	9,735	2,772	948,221
Payable in year ending 6/30/2023:													
Principal	373,966	3,300	244,664	4,128	12,097	7,420	2,515	30,993	7,008	28,064	9,424	2,664	726,243
Interest and/or admin fee	133,437	41	82,321	62	3,687	7,719	2,616	32,401	7,362	29,916	10,046	5,755	315,365
Total	507,403	3,341	326,985	4,190	15,784	15,139	5,131	63,394	14,370	57,980	19,470	8,419	1,041,608
Payable in five years ending 6/30/28:													
Principal	2,007,353	13,284	1,285,252	20,794	66,148	37,382	12,672	156,101	35,304	141,374	47,477	13,419	3,836,560
Interest and/or admin fee	529,665	83	349,673	156	12,767	38,321	12,990	160,811	36,549	148,521	49,877	14,304	1,353,718
Total	2,537,018	13,367	1,634,925	20,950	78,915	75,703	25,662	316,912	71,853	289,895	97,354	27,723	5,190,278
Payable in five years ending 6/30/2033:													
Principal	2,257,320	-	1,447,718	-	44,644	15,084	5,113	94,571	28,562	143,149	48,075	13,588	4,097,824
Interest and/or admin fee	279,698	-	187,208	-	2,705	15,197	5,151	95,517	28,920	146,744	49,282	14,136	824,558
Total	2,537,018	-	1,634,926	-	47,349	30,281	10,264	190,088	57,482	289,893	97,357	27,724	4,922,382
Payable in five years ending 6/30/2038:													
Principal	979,767	-	316,662	-	-	-	-	-	0	57,762	19,398	13,760	1,387,349
Interest and/or admin fee	35,041	-	10,323	-	-	-	-	-	0	58,195	19,544	13,967	137,070
Total	1,014,808	-	326,985	-	-	-	-	-	0	115,957	38,942	27,727	1,524,419
Total payable													
Principal	6,689,051	26,436	4,011,766	37,243	157,105	82,036	27,809	374,195	91,794	454,121	152,506	51,383	12,155,445
Interest and/or admin fee	1,429,406	299	893,010	468	32,292	61,798	20,948	291,305	73,467	386,573	129,823	48,528	3,367,915
Total	8,118,457	26,735	4,904,776	37,711	189,397	143,834	48,757	665,500	165,261	840,694	282,329	99,911	15,523,360

Notes to Financial Statements

(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, 2019, the Formula Rate adjustment resulted in a 5.22 percent increase. While the formula rate appears to be increasing, Los Alamos County's share is decreasing due to increased activity by other customers on PNM's system.

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 \$1,443,278. 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, 2018, the County paid \$2,283,541 under this agreement, which is included in purchased power expense. LRS is in the process of complying 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 BART Project will be completed by December 2019. The energy from LRS is delivered to New Mexico over the Western Area Power Administration (WAPA) transmission path described below. This cost is included in the fixed power cost above.

The County also has a firm transmission services agreement with the WAPA that requires monthly payments at a rate of approximately \$16,292 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 payment to Jemez for FY 2019 was \$131,973. The County's contract with NORA includes a prepayment of \$34,300 plus gross receipts taxes. Any remaining credit will be utilized in FY 2020. The wheeling rate schedule for NORA expired in July 2017. Los Alamos County renegotiated a new 10-year term with an increase of 5.09 percent over the 10-year period. The renegotiated contract with NORA will expire in 2037.

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.

In April 2018, the County Council approved Resolution 18-09 authorizing and approving the Carbon Free Power Project (CFPP) Power Sales Contract with the Utah Associated Municipal Power Systems (UAMPS). Resolution 18-09 allows the County to join UAMPS and other participating entities to pursue the development of a facility that can house up to 12 small nuclear power modules that can each generate up to approximately 50 megawatts of electric power per unit. UAMPS proposes to acquire and construct the nuclear generating facility plant at a site within the Idaho National Laboratory near Idaho Falls, Idaho. The anticipated project meets the community's desire for clean energy and meets the carbon neutral goal of 2040. The projected commercial operation date is scheduled to occur in late 2027. As of June 30, 2018, Los Alamos County paid \$110,888 under the Small Modular Nuclear Reactor (SMR) Carbon Free Power Study. The project has moved out of the "study phase", so further costs are being accumulated by UAMPS as project costs and will be charged to participants in accordance with various project participation agreements as the project moves forward.

(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 \$ 25,634,850 during FY19 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. In fiscal year 2018, the methane extraction system was complete. In fiscal year 2019, the liability was increased again for methane monitoring costs. The total cost estimate is \$6,318,259, and expenditures to date are \$697,805.

As of June 30, 2019, the landfill closure liability is estimated to be \$697,805 (\$647,427 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. To meet EPA's Best Available Retrofit Technology (BART) ruling on regional haze, a State Implementation Plan (SIP) was approved whereby the project participants negotiated an equitable settlement allowing four of the owners to exit the plant early with a shut down of units 2 and 3; and the installation of Selective Non-Catalytic Reduction (SNCR), a lower cost technology, on units 1 and 4. Accordingly, Units 2 and 3 were retired on December 31, 2017, in accordance with the State Implementation Plan, but Units 1 and 4 remain operational. The current Project Participation agreement expires June 30, 2022. During the restructuring discussed above, an "Exit Date Amendment" was executed specifying parameters by which the owners could elect to extend participation and operation of the plant. Under that agreement, remaining participants were required to notify the other remaining participants if they were interested in extending. On November 18, 2018, Los Alamos notified the other participants that we are not going to extend. All but one of the remaining participants made similar declarations, and the current plan is to retire the plant as of June 30, 2022.

Included in the restructuring agreements is the San Juan Decommissioning and Trust Funds Agreement, which specifies how decommissioning plans and expenses, and the funding obligations of each party, are to be determined. Decommissioning could involve simply securing the facility and leaving it standing as a base case, or complete demolition and site reclamation as a most extreme case. Until a decommissioning plan is adopted and approved by the participants, Los Alamos considers the "brown field scenario", by which structures will be removed and underground equipment will be capped, filled, stabilized, and retired in place, to be the most prudent, and we have been accumulating funds toward that approach. 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 2019, \$188,400 was set aside for this San Juan decommissioning. As of June 30, 2019, \$5,568,503 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 (with scrap deductions). Actual inflation has not been over 4 percent since 1991, and has averaged approximately 2.5 percent in that time, so while a decommissioning plan and cost obligation has yet to be determined by the parties, Los Alamos considers the accumulated reserve will be adequate to fund any likely potential obligation, but will periodically review the assumptions to determine whether more or less should be set aside each year.

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 \$204,565,553, with Los Alamos' share being \$4,469,884. In fiscal year 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2019, the balance in this

trust is \$4,451,040. The owners are currently evaluating projected closure dates and funding requirements. Cost estimate updates are periodically performed, and revised funding curves adopted as needed.

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 reserve account as required for its share of the cost. As of June 30, 2019, the balance in this trust is \$871,733. 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 \$3,743,925 reported in the Risk Management Fund at June 30, 2019 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 2019 Insurance coverage summary:

<u>Insurance Coverage</u>	<u>Deductible</u>	<u>Insurance Liability Limits</u>
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 2018 and 2019 are summarized below.

	<u>Group Insurance (Dental)</u>	<u>Medical Insurance</u>	<u>Unemployment Compensation</u>	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Claims liability, June 30, 2017	\$ 18,394	550,691	0	2,330,384	133,723	3,033,192
Current year claims, insurance, and changes in estimates	656,552	6,732,299	6,803	1,331,430	1,104,424	9,831,508
Claims and insurance payments	(630,741)	(6,671,714)	(6,803)	(712,724)	(1,098,793)	(9,120,775)
Claims liability, June 30, 2018	\$ 44,205	611,276	0	2,949,090	139,354	3,743,925
Current year claims, insurance, and changes in estimates	475,662	7,905,973	0	703,376	1,185,331	10,270,342
Claims and insurance payments	(488,540)	(7,862,736)	0	(732,893)	(1,156,493)	(10,240,662)
Claims liability, June 30, 2019	\$ <u>31,327</u>	<u>654,513</u>	<u>0</u>	<u>2,919,573</u>	<u>168,192</u>	<u>3,773,605</u>

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, 2019 the estimated claims liability was \$611,276. 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.

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 2019, the County recognized intergovernmental revenue of approximately \$17.6 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$1.7 million were recorded in the Transit Fund for Federal Transit Administration. 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 6 and 7 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 but requires the participants to refund the bonds with an option to continue, renegotiate, or terminate at the end of each five to seven year period. The agreement was extended in FY2019 and the bonds refinanced, with a new fixed discount amount of \$0.295 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, 2019 are as follows:

Major Governmental Funds:	
General Fund	\$ 641,650
Economic Development	167,999
Capital Improvement Projects	335,416
Other Governmental	94,068
Total Governmental Funds	<u>1,239,133</u>
Major Proprietary Funds:	
Joint Utility System	7,983,455
Environmental Services	158,062
Transit	767,146
Fire	212,928
Airport	1,483
Total Proprietary Funds	<u>9,123,074</u>
Internal Service Funds:	
Equipment	738,030
Risk Management	78,356
Total Internal Service Funds	<u>816,386</u>
Outstanding Encumbrances at June 30, 2019	<u>\$ 11,178,593</u>

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, 2019 was \$826,994.

The future minimum lease payments under operating leases as of June 30, 2019, are approximately as follows:

<u>Year ending June 30*</u>	<u>Amount</u>
2020	771,261
2021	727,144
2022	657,950
2023	75,224
2024	46,034
	<u>\$ 2,277,613</u>

(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, 2019, an estimated 75-80% of GRT revenues relate directly to LANL operations.

On November 1, 2018, Triad National Security, LLC (Triad) took over as the new management and operations contractor at LANL. During the 2019 New Mexico Legislative Session, Senate Bill 11 was signed into law requiring any non-profit organization organized under the IRS 501(c)3 section operating a national laboratory in the state to pay gross receipts taxes. This enactment greatly reduced the risk of the County's dependence on GRT revenues, which are predicted to remain steady in future years.

As a result of this, Moody's removed a negative outlook on the County due to the uncertainty associated with the potential change in the taxable status of Triad. Moody's has maintained an issuer rating of Aa3 to the County, and affirmed the County's A1 GRT Revenue Bond rating based on the continued stability to Los Alamos' economy with the passing of the legislation.

(17) CERTAIN ASSET RETIREMENT OBLIGATIONS

Under GASB Statement No. 83 the County determined it was required to restate net position because the liability for the San Juan decommissioning costs were both incurred and reasonably estimable. The County used the measurement of the asset retirement obligations based on the best estimate of the current value of outlays expected to be incurred.

In previous fiscal years, the County had recognized a liability and expense for the San Juan decommissioning costs. In fiscal year 2019 the County has recorded a prior period restatement on the face of the financial statements to show the cumulative effect of this expense on net position. This restatement was reflected in the Electric Fund and increased its beginning net position by \$5.6 million from \$159.9 million to \$165.5 million. The County recorded deferred outflows of \$5.6 million.

(18) TAX ABATEMENTS

As of June 30, 2019, the County does not have a GASB Statement 77 disclosure to make as the County does not provide tax abatements.



Required Supplementary Information

**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]**

	FY2019	FY2018	FY2017	FY2016	FY2015
County proportion of the net pension liability	3.6388%	3.2978%	3.0931%	3.0997%	3.125%
County proportionate share of the net pension liability	\$ 58,015,939	\$45,314,561	\$ 49,423,456	\$ 31,604,127	\$ 24,378,354
County covered payroll	27,062,042	28,784,360	28,183,333	25,894,321	25,267,986
County proportionate share of the net pension liability as a percentage of its covered payroll	214.4%	157.4%	175.4%	122.1%	96.5%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	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 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]

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 2,753,567	\$ 2,931,499	\$ 2,534,844	\$ 2,579,007	\$ 2,517,567
Contributions in relation to contractually required contributions	2,753,567	2,931,499	2,534,844	2,579,007	2,517,567
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$ 28,833,162	\$ 30,696,325	\$ 26,542,869	\$ 27,005,309	\$ 26,361,958
Contributions as a percentage of covered payroll	9.55%	9.55%	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]

	FY2019	FY2018	FY2017	FY2016	FY2015
County proportion of the net pension liability	1.1533%	1.1284%	1.0753%	1.0245%	1.0533%
County proportionate share of the net pension liability	\$ 7,869,016	\$ 6,269,001	\$ 7,927,902	\$ 4,926,451	\$ 3,433,643
County covered payroll	3,338,452	3,507,562	2,325,631	2,007,757	2,050,627
County proportionate share of the net pension liability as a percentage of its covered payroll	235.7%	178.7%	340.9%	245.4%	167.4%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	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 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]**

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 389,019	\$ 460,525	\$ 405,149	\$ 404,404	\$ 387,569
Contributions in relation to contractually required contributions	389,019	460,525	405,149	404,404	387,569
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$ 2,058,302	\$ 2,436,640	\$ 2,143,646	\$ 2,139,704	\$ 2,050,630
Contributions as a percentage of covered payroll	18.9%	18.9%	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]

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	7.8388%	7.5073%	7.6203%	7.8438%	7.7878%
County proportionate share of the net pension liability	\$ 50,173,239	\$ 42,952,607	\$ 50,835,148	\$ 40,483,279	\$ 35,506,227
County covered payroll	9,357,544	9,961,027	9,097,485	8,935,025	8,832,796
County proportionate share of the net pension liability as a percentage of its covered payroll	536.2%	431.2%	558.8%	453.1%	402.0%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	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. information is available. However, until a full 10-year trend is compiled, the County will present information for those years for which

[b] Covered 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]

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$2,089,272	\$ 2,156,562	\$ 1,920,956	\$ 1,932,454	\$ 1,904,387
Contributions in relation to contractually required contributions	2,089,272	2,156,562	1,920,956	1,932,454	1,904,387
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$9,650,217	\$ 9,961,025	\$ 8,872,776	\$ 8,925,885	\$ 8,796,245
Contributions as a percentage of covered payroll	21.65%	21.65%	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, 2019

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY18 audit available at **<http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>**.

Changes of assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at **<http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports>**. 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 \$356.5 million. The loss on non-investment related items totaled \$55.9 million. The net loss due to the plan’s experience was \$300.6 million. For details about changes in the actuarial assumptions, see Appendix B on page 53 of the report.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO RETIREE HEALTH CARE ASSOCIATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN FISCAL YEARS [a]

	<u>FY2019</u>
County proportion of the net OPEB liability	1.02953%
County proportionate share of the net OPEB liability	\$ 44,767,617
County covered payroll	\$ 44,173,187
County proportionate share of the net OPEB liability as a percentage of its covered payroll	101.35%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	13.14%

[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 payroll is presented for the prior fiscal year to match the measurement date of the other post employment benefits liability.

**INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO RETIREE HEALTH CARE ASSOCIATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS [a]**

	<u>FY2019</u>
Contractually required contribution	\$ 1,608,813
Contributions in relation to contractually required contributions	<u>1,589,169</u>
Contribution deficiency (excss)	<u><u>19,644</u></u>
County covered payroll	44,173,187
Contributions as a percentage of covered payroll	3.60%

[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, 2019

Changes of benefit terms

The RHCA Fund eligibility benefits are described in Section 2 of the RHCA FY18 Actuarial Valuation available at
http://www.nmrhca.org/uploads/FileLinks/4310380076d642ecb015117ae3cdbae8/5559596_NMRHCA_GASB74_Report_as_of_June_30_2018.pdf

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, 2019

	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	\$ 70,361	522,009	172,132	328,324	713,122	0	1,805,948
Investments	0	0	0	0	12,300	0	12,300
Receivables, net of allowance for uncollectibles							
Accounts	0	25,139	0	2	0	0	25,141
Interest	0	0	0	0	17	0	17
Due from other governments	98,047	0	2,754	351,774	0	0	452,575
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents	0	0	0	0	0	311,770	311,770
Debt reserves and debt service	0	0	0	0	0	0	0
TOTAL ASSETS	\$ 168,408	547,148	174,886	695,550	725,439	311,770	2,623,201
LIABILITIES							
Accounts payable	\$ 0	36,281	36,037	6,037	217	0	78,572
TOTAL LIABILITIES	0	36,281	36,037	6,037	217	0	78,572
FUND BALANCE							
Prepaid items	0	0	0	15,450	0	0	15,450
Restricted for							
Clerk records and files (State law)	0	0	0	0	94,796	0	94,796
Debt service (Bond and loan agreements)	0	0	0	0	0	311,770	311,770
Library operations (contributors)	0	0	0	0	15,895	0	15,895
Lodgers' tax (State law)	0	510,867	0	0	0	0	510,867
Health care claims (State law)	0	0	138,849	674,063	0	0	812,912
Property tax valuation (State law)	0	0	0	0	579,307	0	579,307
Recreation (County code and contributors)	0	0	0	0	35,224	0	35,224
Major street maintenance (State law)	168,408	0	0	0	0	0	168,408
TOTAL FUND BALANCE	168,408	510,867	138,849	689,513	725,222	311,770	2,544,629
TOTAL LIABILITIES AND FUND BALANCE	\$ 168,408	547,148	174,886	695,550	725,439	311,770	2,623,201

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, 2019

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
REVENUES							
Taxes							
Gross receipts taxes	\$ 0	0	0	2,056,170	0	0	2,056,170
Lodgers' tax	0	336,790	0	0	0	0	336,790
	<u>0</u>	<u>336,790</u>	<u>0</u>	<u>2,056,170</u>	<u>0</u>	<u>0</u>	<u>2,392,960</u>
Intergovernmental							
State grants-fire	0	0	587,688	0	0	0	587,688
State grants-police	0	0	104,199	0	0	0	104,199
State shared revenues	602,425	0	0	0	0	0	602,425
	<u>602,425</u>	<u>0</u>	<u>691,887</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,294,312</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	2,692	0	2,692
Charges for services							
Clerk fee	0	0	0	0	21,873	0	21,873
Finance/treasurer fees	0	0	0	0	193,764	0	193,764
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>215,637</u>	<u>0</u>	<u>215,637</u>
Miscellaneous revenue							
Investment income	0	10,137	4,831	2,780	997	11,359	30,104
Buildings rental	0	0	0	35,972	0	0	35,972
Land rental	0	0	0	33,888	0	0	33,888
Donations	0	0	0	0	100	0	100
Other	0	0	9,798	0	0	0	9,798
	<u>0</u>	<u>10,137</u>	<u>14,629</u>	<u>72,640</u>	<u>1,097</u>	<u>11,359</u>	<u>109,862</u>
TOTAL REVENUES	<u>602,425</u>	<u>346,927</u>	<u>706,516</u>	<u>2,128,810</u>	<u>219,426</u>	<u>11,359</u>	<u>4,015,463</u>
EXPENDITURES							
General government							
Municipal Court	0	0	0	0	24,692	0	24,692
County Assessor	0	0	0	0	203,433	0	203,433
County Clerk	0	0	0	0	9,581	0	9,581
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>237,706</u>	<u>0</u>	<u>237,706</u>
Public safety							
Fire marshal	0	0	414,221	0	0	0	414,221
Fire-E.M.S. grant	0	0	10,685	0	0	0	10,685
Police	0	0	85,952	0	0	0	85,952
	<u>0</u>	<u>0</u>	<u>510,858</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>510,858</u>
Physical and economic environment							

Community and Economic Development	0	211,070	0	0	0	0	211,070
Transportation							
Public Works	580,000	0	0	0	0	0	580,000
Health and welfare							
Community Services-Social Services	0	0	0	2,292,807	0	0	2,292,807
Culture and recreation							
Community Services-Recreation	0	0	0	0	354	0	354
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>354</u>	<u>0</u>	<u>354</u>
Capital outlay:							
General government							
County Assessor	0	0	0	0	14,119	0	14,119
Public Safety							
Fire	0	0	108,897	0	0	0	108,897
Police	0	0	18,651	0	0	0	18,651
	<u>0</u>	<u>0</u>	<u>127,548</u>	<u>0</u>	<u>14,119</u>	<u>0</u>	<u>141,667</u>
Debt service:							
Principal	0	0	0	0	0	4,620,000	4,620,000
Interest	0	0	0	0	0	1,645,558	1,645,558
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,265,558</u>	<u>6,265,558</u>
TOTAL EXPENDITURES	<u>580,000</u>	<u>211,070</u>	<u>638,406</u>	<u>2,292,807</u>	<u>252,179</u>	<u>6,265,558</u>	<u>10,240,020</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	22,425	135,857	68,110	(163,997)	(32,753)	(6,254,199)	(6,224,557)
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	24,500	317,000	22,000	6,265,559	6,629,059
	<u>0</u>	<u>0</u>	<u>24,500</u>	<u>317,000</u>	<u>22,000</u>	<u>6,265,559</u>	<u>6,629,059</u>
NET CHANGE IN FUND BALANCE	22,425	135,857	92,610	153,003	(10,753)	11,360	404,502
FUND BALANCE							
Beginning of fiscal year	145,983	375,010	46,239	536,510	735,975	300,410	2,140,127
FUND BALANCE - END OF FISCAL YEAR	<u>\$ 168,408</u>	<u>510,867</u>	<u>138,849</u>	<u>689,513</u>	<u>725,222</u>	<u>311,770</u>	<u>2,544,629</u>

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State shared revenues	\$ 580,000	580,000	602,425	22,425
TOTAL REVENUES	<u>580,000</u>	<u>580,000</u>	<u>602,425</u>	<u>22,425</u>
EXPENDITURES AND ENCUMBRANCES				
Public Works - major street maintenance				
Outside services	580,000	580,000	580,000	0
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>580,000</u>	<u>580,000</u>	<u>580,000</u>	<u>0</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	<u>0</u>	<u>0</u>	<u>22,425</u>	<u>22,425</u>
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>0</u>	<u>22,425</u>	<u>22,425</u>
FUND BALANCE				
Beginning of fiscal year			145,983	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 168,408</u>	

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 282,000	282,000	336,790	54,790
Miscellaneous revenues				
Investment income	10,987	10,987	10,137	(850)
TOTAL REVENUES	<u>292,987</u>	<u>292,987</u>	<u>346,927</u>	<u>53,940</u>
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	224,744	224,753	208,152	16,601
Intrafund/interfund services	2,918	2,918	2,918	0
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>227,662</u>	<u>227,671</u>	<u>211,070</u>	<u>16,601</u>
NET CHANGE IN FUND BALANCE	<u>\$ 65,325</u>	<u>65,316</u>	<u>135,857</u>	<u>70,541</u>
FUND BALANCE				
Beginning of fiscal year			375,010	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 510,867</u>	

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State grants-fire	\$ 573,500	588,112	587,688	(424)
State grants-police	101,200	118,443	104,199	(14,244)
Miscellaneous revenues				
Investment income	0	0	4,831	4,831
Other	0	0	9,798	9,798
TOTAL REVENUES	674,700	706,555	706,516	(39)
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social services				
Police - DWI local grant	86,500	104,033	84,696	19,337
Fire				
Grants and contracts				
Fire - Fire marshal grant	563,000	598,384	574,876	23,508
Fire - Emergency medical services grant	10,500	10,685	10,685	0
	573,500	609,069	585,561	23,508
Police				
Grants and contracts				
Police - Law enforcement protection grant	39,773	39,773	38,955	818
Police - Seizure/Forfeiture	0	243	242	1
	39,773	40,016	39,197	819
TOTAL EXPENDITURES AND ENCUMBRANCES	699,773	753,118	709,454	43,664
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	24,500	24,500	24,500	0
NET CHANGE IN FUND BALANCE	\$ (573)	(22,063)	21,562	43,625
ADJUSTMENTS TO GAAP				
Encumbrances			71,048	
GAAP BASIS			92,610	
FUND BALANCE				
Beginning of fiscal year			46,239	
FUND BALANCE - END OF FISCAL YEAR			\$ 138,849	

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
General gross receipts taxes	\$ 1,691,000	1,691,000	2,056,170	365,170
Miscellaneous revenues				
Investment income	11,000	11,000	2,780	(8,220)
Buildings rental	45,000	45,000	35,972	(9,028)
Land rental	0	0	33,888	33,888
TOTAL REVENUES	<u>1,747,000</u>	<u>1,747,000</u>	<u>2,128,810</u>	<u>381,810</u>
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social Services				
Employee salaries and benefits	101,381	102,128	87,654	14,474
Outside services	2,228,604	2,228,604	2,203,340	25,264
Materials and supplies	15,000	15,000	14,302	698
Debt and fiscal charges	636	636	636	0
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>2,345,621</u>	<u>2,346,368</u>	<u>2,305,932</u>	<u>40,436</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	<u>(598,621)</u>	<u>(599,368)</u>	<u>(177,122)</u>	<u>422,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	317,000	317,000	317,000	0
NET CHANGE IN FUND BALANCE	<u>\$ (281,621)</u>	<u>(282,368)</u>	<u>139,878</u>	<u>422,246</u>
ADJUSTMENTS TO GAAP				
Encumbrances			13,125	
GAAP BASIS			<u>153,003</u>	
FUND BALANCE				
Beginning of fiscal year			536,510	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 689,513</u>	

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Fines and Forfeits				
Court ordered reimbursements	\$ 6,000	6,000	2,692	(3,308)
Charges for Services				
Clerk fee	21,000	21,000	21,873	873
Finance/treasurer fees	175,000	175,000	193,764	18,764
	<u>196,000</u>	<u>196,000</u>	<u>215,637</u>	<u>19,637</u>
Miscellaneous revenues				
Investment income	1,000	1,000	997	(3)
Donations	3,000	3,000	100	(2,900)
	<u>4,000</u>	<u>4,000</u>	<u>1,097</u>	<u>(2,903)</u>
TOTAL REVENUES	206,000	206,000	219,426	13,426
EXPENDITURES AND ENCUMBRANCES				
Municipal Court				
Bench warrant	27,375	27,626	24,692	2,934
County Assessor				
Property tax valuation	240,448	241,469	217,552	23,917
County Clerk				
Recording and equipment	28,550	29,243	9,581	19,662
Community Services				
Aquatic center gift	3,000	3,000	354	2,646
Library gift	3,200	3,200	0	3,200
	<u>302,573</u>	<u>304,538</u>	<u>252,179</u>	<u>52,359</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	302,573	304,538	252,179	52,359
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(96,573)	(98,538)	(32,753)	65,785

OTHER FINANCING SOURCES (USES)

Transfers in from:

General Fund

22,00022,00022,0000**NET CHANGE IN FUND BALANCE**\$ (74,573)(76,538)(10,753)65,785**GAAP BASIS**(10,753)**FUND BALANCE**

Beginning of fiscal year

735,975**FUND BALANCE - END OF FISCAL YEAR**\$ 725,222

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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 10,000	10,000	11,359	1,359
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Principal payment on debt	4,620,000	4,620,000	4,620,000	0
Interest payment on debt	1,645,559	1,645,559	1,645,558	1
	<u>6,265,559</u>	<u>6,265,559</u>	<u>6,265,558</u>	<u>1</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES AND ENCUMBRANCES	(6,255,559)	(6,255,559)	(6,254,199)	1,360
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	<u>6,265,559</u>	<u>6,265,559</u>	<u>6,265,559</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,000</u>	<u>10,000</u>	<u>11,360</u>	<u>1,360</u>
FUND BALANCE				
Beginning of fiscal year			300,410	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 311,770</u>	

**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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 2,020,000	2,020,000	1,814,506	(205,494)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Projects Fund	(1,274,000)	(1,277,444)	(1,277,444)	0
NET CHANGE IN FUND BALANCE	<u>\$ 746,000</u>	<u>742,556</u>	<u>537,062</u>	<u>(205,494)</u>
FUND BALANCE				
Beginning of fiscal year			29,628,380	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 30,165,442</u>	

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Year ended June 30, 2019

PROJECT	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2019	UNEXPENDED AS OF JUNE 30, 2019	ENCUMBRANCES AS OF JUNE 30, 2019	REMAINING BALANCE AS OF JUNE 30, 2019
CAPITAL IMPROVEMENT PROJECTS							
Information Technology (Continuing)	\$ 507,468	0	0	0	507,468	10,000	497,468
Finance Enterprise Resource Planning (Residual)	409,623	0	0	0	409,623	299,295	110,328
CIP Admin Default	500,000	0	0	0	500,000	0	500,000
Municipal Building Replacement (Residual)	124,233	0	0	0	124,233	0	124,233
White Rock Civic Center (Residual)	15,703	0	0	0	15,703	0	15,703
Bond Issue Conceptual Design	25,043	0	0	0	25,043	0	25,043
20th Street Extension	146,905	0	0	0	146,905	0	146,905
A-8-B Improvements	740,422	0	0	0	740,422	0	740,422
A-13 (Former LASO Site)	1,200,000	0	60,052	60,052	1,139,948	0	1,139,948
A-16 Infrastructure (Utilities)	759,758	0	0	0	759,758	0	759,758
A-19 Infrastructure	500,000	0	0	0	500,000	0	500,000
Street CIP Allocation	84,731	0	0	0	84,731	0	84,731
Canyon Rim Trail - East	56,743	0	0	0	56,743	0	56,743
NM 502 Knecht to Tewa	13,633	0	0	0	13,633	0	13,633
Central Avenue Improvements (Residual)	129	0	0	0	129	0	129
Sherwood Boulevard	1,208,155	0	0	0	1,208,155	0	1,208,155
Canyon Rim Trail West Phs 3	888,957	64,451	26,917	91,368	797,589	0	797,589
North Mesa Cumbres Del Sol	779,515	0	0	0	779,515	0	779,515
PROJ DEV, STDS & GUIDELINES	166,409	0	0	0	166,409	0	166,409
Tsikumu Village Road Work	1,370,000	0	490,022	490,022	879,978	0	879,978
Canyon Rim Trail Underpass	282,990	37,010	127,744	164,754	118,236	0	118,236
Public Art (Continuing)	436,126	0	0	0	436,126	8,512	427,614
Parks Small Capital Projects (Continuing)	389,722	0	0	0	389,722	0	389,722
Ice Rink Improvements Project	1,200,000	0	0	0	1,200,000	0	1,200,000
Teen Center	3,835	0	0	0	3,835	0	3,835
Pajarito Mountain Bike Trails	496,566	0	0	0	496,566	0	496,566
Manhattan Project NHP WIFI	17,400	0	0	0	17,400	0	17,400
Golf Course Improvement	4,521,288	0	0	0	4,521,288	0	4,521,288
Pinion Park Splash Pad	720,000	0	0	0	720,000	0	720,000
Kiddie Pool	618,633	0	0	0	618,633	0	618,633
	<u>18,183,987</u>	<u>101,461</u>	<u>704,735</u>	<u>806,196</u>	<u>17,377,791</u>	<u>317,807</u>	<u>17,059,984</u>
PROJECTS COMPLETED IN FY2019							
Information Technology (Continuing)	164,901	0	164,901	164,901	0	0	0
Finance Enterprise Resource Planning (Residual)	4,001,820	3,311,219	690,601	4,001,820	0	0	0
Municipal Building Replacement (Residual)	14,824	0	14,824	14,824	0	0	0
White Rock Civic Center (Residual)	82,978	0	82,978	82,978	0	0	0
NM 502 Knecht to Tewa	257,478	257,478	0	257,478	0	0	0
Sherwood Boulevard	1,585,296	219,501	1,365,795	1,585,296	0	0	0
North Mesa Cumbres Del Sol	955,634	5,782	949,852	955,634	0	0	0
Public Art (Continuing)	49,832	0	49,832	49,832	0	0	0
Parks Small Capital Projects (Continuing)	73,184	0	73,184	73,184	0	0	0
Pajarito Mountain Bike Trails	3,434	0	3,434	3,434	0	0	0
Golf Course Improvement	2,712	0	2,712	2,712	0	0	0
Kiddie Pool	31,367	0	31,367	31,367	0	0	0
TOTAL PROJECTS COMPLETED IN FY2019	<u>7,223,460</u>	<u>3,793,980</u>	<u>3,429,480</u>	<u>7,223,460</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROJECT TOTALS FY2019	<u>\$ 25,407,447</u>	<u>3,895,441</u>	<u>4,134,215</u>	<u>8,029,656</u>	<u>17,377,791</u>	<u>0</u>	<u>17,059,984</u>



Joint Utility Sysyem 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, 2019

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL JOINT UTILITY SYSTEM
ASSETS					
CURRENT ASSETS					
Equity (deficit) in pooled cash and investments	\$ (845,452)	3,930,626	8,156,671	2,712,387	13,954,232
Receivables, net of allowance for uncollectibles					
Accounts	2,877,575	278,283	490,463	484,310	4,130,631
Unbilled	558,269	86,839	324,292	235,200	1,204,600
Due from other subfunds (not included in total column)	0	0	164,225	0	0
Inventories and prepayments					
Inventories	592,268	29,772	213,715	11,643	847,398
Power plant inventories	922,881	0	0	0	922,881
Prepayments	679,966	0	59,101	0	739,067
	<u>4,785,507</u>	<u>4,325,520</u>	<u>9,408,467</u>	<u>3,443,540</u>	<u>21,798,809</u>
RESTRICTED ASSETS					
Cash and cash equivalents					
Debt reserves and debt service	3,179,531	0	168,900	0	3,348,431
Operations and maintenance	10,891,275	0	0	717,755	11,609,030
Investments					
Debt reserves and debt service	2,714,623	0	0	0	2,714,623
	<u>16,785,429</u>	<u>0</u>	<u>168,900</u>	<u>717,755</u>	<u>17,672,084</u>
PROPERTY, PLANT AND EQUIPMENT					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	178,005,934	16,245,927	91,650,111	43,041,572	328,943,544
Machinery and equipment	2,776,082	179,710	897,109	388,084	4,240,985
Less accumulated depreciation	(110,457,324)	(5,605,526)	(30,983,577)	(13,455,300)	(160,501,727)
Construction in progress	3,254,973	461,068	1,553,227	125,417	5,394,685
	<u>73,579,665</u>	<u>11,281,179</u>	<u>63,116,870</u>	<u>33,059,101</u>	<u>181,036,815</u>
OTHER ASSETS					
Advances to other subfunds (not included in total column)	0	0	613,885	0	0
TOTAL ASSETS	<u>95,150,601</u>	<u>15,606,699</u>	<u>73,308,122</u>	<u>37,220,396</u>	<u>220,507,708</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts from refunding of debt (debits)	388,412	0	0	0	388,412
Deferred other post employment benefits	178,167	58,147	24,401	21,238	281,953
Deferred pensions	2,202,005	600,348	307,024	269,167	3,378,544
Deferred decommissioning cost	4,949,780				4,949,780
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,718,364</u>	<u>658,495</u>	<u>331,425</u>	<u>290,405</u>	<u>8,998,689</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	1,814,099	52,346	881,244	74,008	2,821,697
Accrued salaries including benefits payable	1,933	96	764	341	3,134
Accrued compensated absences	481,550	87,728	68,218	45,212	682,708
Customer deposits payable	75,759	58,025	54,099	0	187,883
Due to other governments	58,827	14,769	25,553	22,327	121,476
Due to other subfunds (not included in total column)	0	0	0	164,225	0
Donations held in trust	23,821	0	0	0	23,821
	<u>2,455,989</u>	<u>212,964</u>	<u>1,029,878</u>	<u>306,113</u>	<u>3,840,719</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Current portion of revenue bonds payable	2,910,377	0	49,623	0	2,960,000
Contracts and intergovernmental debt payable	0	0	102,606	351,815	454,421
Interest payable on debt	73,277	0	8,280	36,566	118,123
	<u>2,983,654</u>	<u>0</u>	<u>160,509</u>	<u>388,381</u>	<u>3,532,544</u>

NON-CURRENT LIABILITIES

Revenue bonds payable	17,226,038	0	1,378,513	0	18,604,551
Special closure costs	10,891,275	0	0	0	10,891,275
Accrued compensated absences	215,521	76,376	54,381	21,056	367,334
Advances from other subfunds (not included in total column)	0	0	0	613,885	0
Contracts and intergovernmental debt payable	0	0	1,325,585	6,363,673	7,689,258
Net other post employment benefits liability	3,484,111	1,134,341	456,371	414,313	5,489,136
Net pension liability	8,179,786	2,155,395	1,155,188	994,979	12,485,348
	<u>39,996,731</u>	<u>3,366,112</u>	<u>4,370,038</u>	<u>8,407,906</u>	<u>55,526,902</u>
TOTAL LIABILITIES	<u>45,436,374</u>	<u>3,579,076</u>	<u>5,560,425</u>	<u>9,102,400</u>	<u>62,900,165</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	898,764	292,748	118,747	106,925	1,417,184
Deferred pensions	88,891	13,741	20,647	3,273	126,552
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>987,655</u>	<u>306,489</u>	<u>139,394</u>	<u>110,198</u>	<u>1,543,736</u>

NET POSITION

Net investment in capital assets	53,831,662	11,281,179	60,260,543	26,343,613	151,716,997
Restricted assets for, net of related liabilities:					
Debt service	5,820,877	0	160,620	681,189	6,662,686
Unrestricted	(3,207,603)	1,098,450	7,518,565	1,273,401	6,682,813
TOTAL NET POSITION	<u>\$ 56,444,936</u>	<u>12,379,629</u>	<u>67,939,728</u>	<u>28,298,203</u>	<u>165,062,496</u>

See accompanying notes to financial statements



LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2019

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
OPERATING REVENUES					
Utility sales and service	\$ 43,761,338	5,455,727	5,862,435	5,492,597	60,572,097
Miscellaneous operating revenue	49,393	25,825	55,055	27,055	157,328
	<u>43,810,731</u>	<u>5,481,552</u>	<u>5,917,490</u>	<u>5,519,652</u>	<u>60,729,425</u>
OPERATING EXPENSES					
Employee salaries and benefits	6,694,343	890,490	1,631,174	1,267,958	10,483,965
Contractual services	31,383,531	3,571,157	3,095,507	1,541,011	39,591,206
Materials and supplies	316,841	185,067	39,005	218,208	759,121
Depreciation and amortization	4,595,132	392,600	1,925,607	854,767	7,768,106
Special closure costs	1,164,179	0	0	0	1,164,179
Other	5,394	3,372	737	144,043	153,546
	<u>44,159,420</u>	<u>5,042,686</u>	<u>6,692,030</u>	<u>4,025,987</u>	<u>59,920,123</u>
OPERATING INCOME (LOSS)	(348,689)	438,866	(774,540)	1,493,665	809,302
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposition of capital assets	(466,978)	(2,467)	(109,121)	0	(578,566)
Investment income (loss)	396,229	79,940	212,581	62,343	751,093
Interest on long-term debt	(903,138)	0	(84,990)	(165,164)	(1,153,292)
Interest on intra-subfund debt	0	0	28,127	(28,127)	0
Inventory adjustment	(30,966)	1,994	(8,629)	(534)	(38,135)
	<u>(1,004,853)</u>	<u>79,467</u>	<u>37,968</u>	<u>(131,482)</u>	<u>(1,018,900)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,353,542)	518,333	(736,572)	1,362,183	(209,598)
TRANSFERS AND CONTRIBUTIONS					
Transfers out	(592,262)	(194,513)	0	(47,458)	(834,233)
Intergovernmental - capital grants	95,607	0	510,427	0	606,034
NET INCOME (LOSS)	(1,850,197)	323,820	(226,145)	1,314,725	(437,797)
NET POSITION					
Beginning of fiscal year	52,726,630	12,055,809	68,165,873	26,983,478	159,931,790
Prior period restatement - GASB Statement 83	5,568,503	0	0	0	5,568,503
NET POSITION - END OF FISCAL YEAR	\$ 56,444,936	12,379,629	67,939,728	28,298,203	165,062,496

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2019

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
CASH FLOWS - OPERATING ACTIVITIES					
Cash received from customers and users	\$ 43,662,393	5,334,599	5,961,322	5,295,955	60,254,269
Cash paid to suppliers for goods and services	(33,013,809)	(3,771,193)	(2,531,333)	(1,833,819)	(41,150,154)
Cash paid to employees	(6,470,494)	(767,968)	(1,536,583)	(1,186,186)	(9,961,231)
Taxes received from customers and users	843,671	368,052	253,541	257,045	1,722,309
Taxes remitted to State (from customers and users)	(842,332)	(362,639)	(252,401)	(255,769)	(1,713,141)
NET CASH FLOWS - OPERATING ACTIVITIES	4,179,429	800,851	1,894,546	2,277,226	9,152,052
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(567,249)	(194,513)	0	0	(761,762)
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	(567,249)	(194,513)	187,569	(187,569)	(761,762)
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from capital grants	95,607	0	619,679	0	715,286
Proceeds received from loans	0	0	53,840	0	53,840
Principal repaid	(2,831,837)	0	(150,040)	(91,178)	(3,073,055)
Special closure costs paid	618,723	0	0	0	618,723
Interest and other debt service paid	(955,326)	0	(88,187)	(419,298)	(1,462,811)
Cash paid for acquisition of capital assets	(2,438,080)	(141,980)	(3,760,884)	(47,458)	(6,388,402)
Proceeds from sale of capital assets	0	0	0	(69,607)	(69,607)
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(5,510,913)	(141,980)	(3,325,592)	(627,541)	(9,606,026)
CASH FLOWS - INVESTING ACTIVITIES					
Proceeds from sale of investment securities	2,086,509	0	0	0	2,086,509
Interest received on investments	396,229	79,940	212,581	62,343	751,093
Purchase of investment securities	(121,497)	0	0	0	(121,497)
NET CASH FLOWS - INVESTING ACTIVITIES	2,361,241	79,940	212,581	62,343	2,716,105
NET INCREASE (DECREASE) IN CASH	462,508	544,298	(1,030,896)	1,524,459	1,500,369
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	12,762,846	3,386,328	9,356,467	1,905,683	27,411,324
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 13,225,354	3,930,626	8,325,571	3,430,142	28,911,693

(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)	\$	(348,689)	438,866	(774,540)	1,493,665	809,302
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES						
Depreciation and amortization expense		4,595,132	392,600	1,925,607	854,767	7,768,106
Amortization of special closure costs		1,164,179	0	0	0	1,164,179
Provision for uncollectible accounts receivable		(15,818)	3,372	737	3,453	(8,256)
Change in assets and liabilities:						
Accounts and other receivables		(145,435)	(159,944)	38,250	(223,697)	(490,826)
Inventories		(301,602)	5,541	(7,555)	1,396	(302,220)
Prepayments and other		6,695	0	18,664	0	25,359
Accounts and retentions payable		(235,023)	(20,510)	592,070	64,594	401,131
Salaries and benefits payable		223,849	122,522	94,591	81,772	522,734
Other current liabilities		(765,198)	12,991	5,582	0	(746,625)
Due to other governments		1,339	5,413	1,140	1,276	9,168
Total adjustments		4,528,118	361,985	2,669,086	783,561	8,342,750
NET CASH FLOWS - OPERATING ACTIVITIES	\$	4,179,429	800,851	1,894,546	2,277,226	9,152,052

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(25,013)	0	0	(47,458)	(72,471)
TOTAL NON CASH TRANSACTIONS	\$	(25,013)	0	0	(47,458)	(72,471)

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 129,502	129,502	606,034	476,532
Charges for services	63,816,799	65,816,799	60,713,591	(5,103,208)
Miscellaneous revenues	444,348	444,348	938,678	494,330
TOTAL REVENUES	64,390,649	66,390,649	62,258,303	(4,132,346)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric Subfund	45,399,927	52,989,245	46,423,656	6,565,589
Gas Subfund	4,302,782	6,695,327	6,467,570	227,757
Water Subfund	8,973,480	15,265,750	12,052,332	3,213,418
Wastewater Subfund	6,015,411	6,036,503	4,110,276	1,926,227
TOTAL EXPENSES AND ENCUMBRANCES	64,691,600	80,986,825	69,053,834	11,932,991
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(300,951)	(14,596,176)	(6,795,531)	7,800,645
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	(864,860)	(864,860)	(761,762)	103,098
Proceeds from long-term debt	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(864,860)	(864,860)	(761,762)	103,098
NET CHANGE IN FUND BALANCE	\$ (1,165,811)	(15,461,036)	(7,557,293)	7,903,743
ADJUSTMENTS TO GAAP				
Encumbrances			7,983,455	
Changes in compensated absences			(109,332)	
Bad debt adjustment			8,256	
Depreciation and amortization			(7,768,106)	
Adjustments to inventory			(38,136)	
Special closure costs			(1,164,179)	

Net book value of disposed capital assets	(578,566)
Assets transferred - proprietary funds	(72,471)
Capital outlay capitalized	6,458,007
Principal on interfund loan	(159,442)
Pension expense	(925,029)
Principal on debt service	3,485,039
	<u>7,119,496</u>
GAAP BASIS	(437,797)
NET POSITION	
Beginning of fiscal year	159,931,790
Prior period restatement - GASB Statement 83	5,568,503
NET POSITION - END OF FISCAL YEAR	\$ <u>165,062,496</u>

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal subsidy	\$ 101,926	101,926	95,607	(6,319)
Charges for services				
Residential	14,353,145	14,353,145	7,183,448	(7,169,697)
Commercial and industrial	0	0	4,365,731	4,365,731
Public street and highway lighting	0	0	78,252	78,252
Municipal	0	0	1,467,655	1,467,655
Educational	0	0	471,040	471,040
Wholesale	31,596,485	33,596,485	30,195,212	(3,401,273)
Miscellaneous services	103,601	103,601	33,575	(70,026)
	<u>46,053,231</u>	<u>48,053,231</u>	<u>43,794,913</u>	<u>(4,258,318)</u>
Miscellaneous revenues				
Interest income (loss)	96,191	96,191	375,924	279,733
Gain (loss) on investments	0	0	20,305	20,305
	<u>96,191</u>	<u>96,191</u>	<u>396,229</u>	<u>300,038</u>
TOTAL REVENUES	<u>46,251,348</u>	<u>48,251,348</u>	<u>44,286,749</u>	<u>(3,964,599)</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric production				
Employee salaries and benefits	1,533,719	1,544,716	1,592,478	(47,762)
Outside services	33,601,193	37,071,421	32,413,143	4,658,278
Materials and supplies	109,750	123,110	167,656	(44,546)
Intrafund/interfund services	1,089,258	1,089,258	931,554	157,704
Capital outlay	0	0	13,360	(13,360)
Debt and fiscal charges	2,774,417	2,774,417	2,488,717	285,700
	<u>39,108,337</u>	<u>42,602,922</u>	<u>37,606,908</u>	<u>4,996,014</u>
Electric distribution				
Employee salaries and benefits	1,209,654	1,556,003	1,599,301	(43,298)
Outside services	2,070,426	3,105,540	3,640,300	(534,760)
Materials and supplies	272,100	299,668	811,583	(511,915)

Intrafund/interfund services	1,448,452	1,448,452	1,361,607	86,845
Capital outlay	19,000	2,310,407	70,726	2,239,681
Debt and fiscal charges	1,271,958	1,271,958	1,251,651	20,307
	<u>6,291,590</u>	<u>9,992,028</u>	<u>8,735,168</u>	<u>1,256,860</u>
General and administrative				
Employee salaries and benefits	3,019,640	3,042,809	2,901,193	141,616
Outside services	1,221,895	1,593,021	572,756	1,020,265
Materials and supplies	146,850	146,850	68,018	78,832
Intrafund/interfund services	(4,423,385)	(4,423,385)	(3,460,387)	(962,998)
Capital outlay	35,000	35,000	0	35,000
	<u>0</u>	<u>394,295</u>	<u>81,580</u>	<u>312,715</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>45,399,927</u>	<u>52,989,245</u>	<u>46,423,656</u>	<u>6,565,589</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	851,421	(4,737,897)	(2,136,907)	2,600,990
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	(610,735)	(610,735)	(567,249)	43,486
Proceeds from issuance of long-term debt				
	<u></u>	<u></u>	<u></u>	<u></u>
NET CHANGE IN FUND BALANCE	\$ <u>240,686</u>	<u>(5,348,632)</u>	<u>(2,704,156)</u>	<u>2,644,476</u>
ADJUSTMENTS TO GAAP				
Encumbrances			2,580,737	
Changes in compensated absences			(142,410)	
Bad debt adjustment			15,818	
Depreciation and amortization			(4,595,132)	
Adjustments to inventory			(30,966)	
Special closure costs			(1,164,179)	
Net book value of disposed capital assets			(466,978)	
Assets transferred - proprietary funds			(25,013)	
Capital outlay capitalized			2,438,080	
Pension expense			(587,835)	
Principal on debt service			2,831,837	
			<u>853,959</u>	
GAAP BASIS			<u>(1,850,197)</u>	
NET POSITION				
Beginning of fiscal year			52,726,630	
Prior period restatement - GASB Statement 83			5,568,503	
NET POSITION - END OF FISCAL YEAR			\$ <u>56,444,936</u>	

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Residential	\$ 5,461,654	5,461,654	4,076,050	(1,385,604)
Commercial and industrial	0	0	1,004,232	1,004,232
Municipal	0	0	200,144	200,144
Educational	0	0	127,685	127,685
Miscellaneous services	0	0	73,441	73,441
	<u>5,461,654</u>	<u>5,461,654</u>	<u>5,481,552</u>	<u>19,898</u>
Miscellaneous revenues				
Interest income	30,496	30,496	79,940	49,444
	<u>30,496</u>	<u>30,496</u>	<u>79,940</u>	<u>49,444</u>
TOTAL REVENUES	<u>5,492,150</u>	<u>5,492,150</u>	<u>5,561,492</u>	<u>69,342</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Gas				
Employee salaries and benefits	560,116	713,005	762,799	(49,794)
Outside services	2,616,168	2,895,072	4,609,453	(1,714,381)
Materials and supplies	111,000	111,000	222,010	(111,010)
Intrafund/interfund services	1,015,498	1,015,498	873,308	142,190
Debt and fiscal charges	0	1,960,752	0	1,960,752
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,302,782</u>	<u>6,695,327</u>	<u>6,467,570</u>	<u>227,757</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,189,368	(1,203,177)	(906,078)	297,099

OTHER FINANCING SOURCES (USES)**Transfer out to:**

General Fund

(254,125)(254,125)(194,513)59,612**NET CHANGE IN FUND BALANCE**

\$

935,243(1,457,302)(1,100,591)356,711**ADJUSTMENTS TO GAAP**

Encumbrances

1,812,769

Changes in compensated absences

53,900

Bad debt adjustment

(3,372)

Depreciation and amortization

(392,600)

Adjustments to inventory

1,993

Net book value of disposed capital assets

(2,467)

Capital outlay capitalized

141,979

Pension expense

(187,791)

1,424,411**GAAP BASIS**323,820**NET POSITION**

Beginning of fiscal year

12,055,809**NET POSITION - END OF FISCAL YEAR**

\$

12,379,629

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal subsidy	\$ 27,576	27,576	25,867	(1,709)
State grants-other	0	0	484,560	484,560
Charges for services				
Residential	5,160,579	5,160,579	3,738,794	(1,421,785)
Commercial and industrial	0	0	499,347	499,347
Municipal	175,663	175,663	485,779	310,116
Educational	0	0	165,780	165,780
Wholesale	1,368,091	1,368,091	962,792	(405,299)
Miscellaneous services	15,000	15,000	64,982	49,982
	<u>6,719,333</u>	<u>6,719,333</u>	<u>5,917,474</u>	<u>(801,859)</u>
Miscellaneous revenues				
Interest income	94,426	94,426	212,581	118,155
Interest charges-delinquent accounts	0	0	16	16
Interfund loan repayment	187,568	187,568	187,569	1
	<u>281,994</u>	<u>281,994</u>	<u>400,166</u>	<u>118,172</u>
TOTAL REVENUES	<u>7,028,903</u>	<u>7,028,903</u>	<u>6,828,067</u>	<u>(200,836)</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Water distribution				
Employee salaries and benefits	699,930	699,930	556,504	143,426
Outside services	162,000	347,938	1,938,625	(1,590,687)
Materials and supplies	474,000	474,000	347,287	126,713
Intrafund/interfund services	1,013,098	1,013,098	823,552	189,546
Capital outlay	7,500	1,587,341	0	1,587,341
	<u>2,356,528</u>	<u>4,122,307</u>	<u>3,665,968</u>	<u>456,339</u>
Water production				
Employee salaries and benefits	913,483	960,249	989,619	(29,370)
Outside services	3,082,500	7,562,225	5,499,127	2,063,098
Materials and supplies	265,500	265,500	154,991	110,509
Intrafund/interfund services	1,972,036	1,972,036	1,507,597	464,439

Capital outlay	145,000	145,000	0	145,000
Debt and fiscal charges	238,433	238,433	235,030	3,403
	<u>6,616,952</u>	<u>11,143,443</u>	<u>8,386,364</u>	<u>2,757,079</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>8,973,480</u>	<u>15,265,750</u>	<u>12,052,332</u>	<u>3,213,418</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(1,944,577)	(8,236,847)	(5,224,265)	3,012,582
NET CHANGE IN FUND BALANCE	\$ <u>(1,944,577)</u>	<u>(8,236,847)</u>	<u>(5,224,265)</u>	<u>3,012,582</u>
ADJUSTMENTS TO GAAP				
Encumbrances			3,384,864	
Changes in compensated absences			(13,322)	
Bad debt adjustment			(737)	
Depreciation and amortization			(1,925,607)	
Adjustments to inventory			(8,629)	
Net book value of disposed capital assets			(109,121)	
Capital outlay capitalized			3,760,884	
Principal on interfund loans			(159,442)	
Pension expense			(80,810)	
Principal on debt service			150,040	
			<u>4,998,120</u>	
GAAP BASIS			(226,145)	
NET POSITION				
Beginning of fiscal year			68,165,873	
NET POSITION - END OF FISCAL YEAR			\$ <u>67,939,728</u>	

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Wastewater collection	\$ 5,582,581	5,582,581	5,492,597	(89,984)
Miscellaneous services	0	0	27,055	27,055
	<u>5,582,581</u>	<u>5,582,581</u>	<u>5,519,652</u>	<u>(62,929)</u>
Miscellaneous revenues				
Interest income	35,667	35,667	62,343	26,676
	<u>35,667</u>	<u>35,667</u>	<u>62,343</u>	<u>26,676</u>
TOTAL REVENUES	<u>5,618,248</u>	<u>5,618,248</u>	<u>5,581,995</u>	<u>(36,253)</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Wastewater				
Employee salaries and benefits	1,425,705	1,240,050	1,191,866	48,184
Outside services	1,540,100	1,666,847	427,235	1,239,612
Materials and supplies	271,000	271,000	218,208	52,792
Intrafund/interfund services	1,599,514	1,599,514	1,383,386	216,128
Capital outlay	212,200	292,200	52,539	239,661
Debt and fiscal charges	966,892	966,892	837,042	129,850
TOTAL EXPENSES AND ENCUMBRANCES	<u>6,015,411</u>	<u>6,036,503</u>	<u>4,110,276</u>	<u>1,926,227</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	<u>(397,163)</u>	<u>(418,255)</u>	<u>1,471,719</u>	<u>1,889,974</u>
NET CHANGE IN FUND BALANCE	<u>\$ (397,163)</u>	<u>(418,255)</u>	<u>1,471,719</u>	<u>1,889,974</u>

ADJUSTMENTS TO GAAP

Encumbrances	205,085
Changes in compensated absences	(7,500)
Bad debt adjustment	(3,453)
Depreciation and amortization	(854,767)
Adjustments to inventory	(534)
Assets transferred - proprietary funds	(47,458)
Capital outlay capitalized	117,064
Pension expense	(68,593)
Principal on debt service	503,162
	<u>(156,994)</u>
GAAP BASIS	1,314,725

NET POSITION

Beginning of fiscal year	26,983,478
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NET POSITION - END OF FISCAL YEAR	\$ <u>28,298,203</u>
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LOS ALAMOS



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
where discoveries are made

**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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 850,000	850,000	1,028,085	178,085
State grants-other	0	46,704	46,316	(388)
Charges for services				
Sales of food or merchandise (trash bags)	0	0	3,272	3,272
Residential	2,168,000	2,168,000	2,170,442	2,442
Commercial and industrial	800,000	800,000	638,688	(161,312)
Other charges for services	598,300	598,300	401,125	(197,175)
	<u>3,566,300</u>	<u>3,566,300</u>	<u>3,213,527</u>	<u>(352,773)</u>
Interfund/interdepartmental charges				
Interdepartmental services	74,000	74,000	67,613	(6,387)
Miscellaneous revenues				
Interest income	14,000	14,000	36,470	22,470
Other	120,000	120,000	99,678	(20,322)
	<u>134,000</u>	<u>134,000</u>	<u>136,148</u>	<u>2,148</u>
TOTAL REVENUES	<u>4,624,300</u>	<u>4,671,004</u>	<u>4,491,689</u>	<u>(179,315)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Environmental Services				
Employee salaries and benefits	1,371,692	1,382,181	1,278,416	103,765
Outside services	1,362,400	1,839,726	1,599,080	240,646
Materials and supplies	339,439	339,439	275,532	63,907
Intrafund/interfund services	874,512	874,512	849,307	25,205
Debt and fiscal charges	326,985	326,985	327,899	(914)
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,275,028</u>	<u>4,762,843</u>	<u>4,330,234</u>	<u>432,609</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	349,272	(91,839)	161,455	253,294

OTHER FINANCING SOURCES (USES)**Transfers out to:**

Emergency Declarations Fund

0(227,105)(227,105)0**NET CHANGE IN FUND BALANCE**\$ 349,272(318,944)(65,650)253,294**ADJUSTMENTS TO GAAP**

Encumbrances

158,062

Changes in compensated absences

(19,542)

Bad debt adjustment

(4,135)

Depreciation and amortization

(184,845)

Special closure costs

(489,871)

Principal on debt service

234,583

Pension expense

(108,976)(414,724)**GAAP BASIS**(480,374)**NET POSITION**

Beginning of fiscal year

1,601,614**NET POSITION - END OF FISCAL YEAR**\$ 1,121,240

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal direct	\$ 379,504	379,504	82,168	(297,336)
Federal indirect	2,550,288	2,658,649	1,577,420	(1,081,229)
Other intergovernmental (NCRTD)	1,487,835	1,487,835	1,466,600	(21,235)
	<u>4,417,627</u>	<u>4,525,988</u>	<u>3,126,188</u>	<u>(1,399,800)</u>
Interfund/interdepartmental charges				
Interdepartmental services	0	0	0	0
Miscellaneous revenues				
Interest income	52,000	52,000	27,348	(24,652)
TOTAL REVENUES	<u>4,469,627</u>	<u>4,577,988</u>	<u>3,153,536</u>	<u>(1,424,452)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Transit (Atomic City Transit)				
Employee salaries and benefits	2,404,479	2,424,758	2,278,846	145,912
Outside services	152,694	213,083	49,664	163,419
Materials and supplies	121,880	125,284	104,676	20,608
Intrafund/interfund services	1,205,217	1,205,217	1,205,259	(42)
Capital outlay	981,398	1,089,759	856,564	233,195
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,865,668</u>	<u>5,058,101</u>	<u>4,495,009</u>	<u>563,092</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	<u>(396,041)</u>	<u>(480,113)</u>	<u>(1,341,473)</u>	<u>(861,360)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 403,959</u>	<u>319,887</u>	<u>(541,473)</u>	<u>(861,360)</u>

ADJUSTMENTS TO GAAP

Encumbrances	767,146
Changes in compensated absences	957
Depreciation and amortization	(180,670)
Capital outlay capitalized	108,361
Assets transferred - proprietary funds	(108,361)
Pension expense	(202,803)
	<u>384,630</u>
GAAP BASIS	(156,843)

NET POSITION

Beginning of fiscal year	(463,087)
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NET POSITION - END OF FISCAL YEAR

\$	<u><u>(619,930)</u></u>
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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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Fire excise tax	\$ 1,691,000	1,691,000	2,056,170	365,170
Intergovernmental revenue				
Federal direct - NNSA cooperative agreement	19,339,305	19,183,208	17,597,085	(1,586,123)
State grants-other	0	200,000	333,805	133,805
Charges for services				
Ambulance services	450,000	490,000	575,377	85,377
Interfund/interdepartmental charges				
County share of fire services	5,207,149	5,207,149	4,934,607	(272,542)
Miscellaneous revenues				
Other	0	0	5,962	5,962
TOTAL REVENUES	<u>26,687,454</u>	<u>26,771,357</u>	<u>25,503,006</u>	<u>(1,268,351)</u>
EXPENSES AND ENCUMBRANCES				
Fire Department				
Operations				
Employee salaries and benefits	16,251,008	15,984,313	15,350,686	633,627
Outside services	152,320	189,885	133,559	56,326
Materials and supplies	618,568	587,329	488,389	98,940
	<u>17,021,896</u>	<u>16,761,527</u>	<u>15,972,634</u>	<u>788,893</u>
Life Safety				
Employee salaries and benefits	0	0	32	(32)
Outside services	15,000	15,000	14,786	214
Materials and supplies	36,583	36,583	26,653	9,930
	<u>51,583</u>	<u>51,583</u>	<u>41,471</u>	<u>10,112</u>
Training				
Employee salaries and benefits	0	0	1,713	(1,713)
Outside services	402,313	347,908	268,668	79,240
Materials and supplies	18,000	18,000	19,767	(1,767)
	<u>420,313</u>	<u>365,908</u>	<u>290,148</u>	<u>75,760</u>

Emergency Medical Services				
Outside services	193,944	140,784	117,877	22,907
Materials and supplies	216,543	202,455	160,763	41,692
	<u>410,487</u>	<u>343,239</u>	<u>281,177</u>	<u>62,062</u>
Non contract-administration				
Employee salaries and benefits	0	179,000	145,325	33,675
Materials and supplies	0	5,000	240	4,760
	<u>0</u>	<u>240,000</u>	<u>201,333</u>	<u>38,667</u>
Administration				
Employee salaries and benefits	2,759,359	2,781,634	2,604,284	177,350
Outside services	436,673	436,673	461,865	(25,192)
Materials and supplies	82,334	84,276	64,895	19,381
Intrafund/interfund services	4,182,281	4,442,936	4,118,646	324,290
	<u>7,460,647</u>	<u>7,745,519</u>	<u>7,249,690</u>	<u>495,829</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>25,364,926</u>	<u>25,507,776</u>	<u>24,036,453</u>	<u>1,471,323</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,322,528	1,263,581	1,466,553	(202,972)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	<u>(1,691,000)</u>	<u>(1,691,000)</u>	<u>(1,691,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u><u>(368,472)</u></u>	<u><u>(427,419)</u></u>	<u><u>(224,447)</u></u>	<u><u>(202,972)</u></u>
ADJUSTMENTS TO GAAP				
Encumbrances			212,928	
Changes in compensated absences			156,980	
Bad debt expense			(3,340)	
Depreciation and amortization			(510,080)	
Pension expense			(3,223,154)	
			<u>(3,464,092)</u>	
GAAP BASIS			(3,688,539)	
NET POSITION				
Beginning of fiscal year			(44,918,206)	
NET POSITION - END OF FISCAL YEAR			\$ <u><u>(48,606,745)</u></u>	

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, 2019

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Licenses and permits				
Intergovernmental				
Federal direct	433,000	1,107,815	613,468	(494,347)
State grants-other	59,500	119,227	100,806	(18,421)
	<u>492,500</u>	<u>1,227,042</u>	<u>714,274</u>	<u>(512,768)</u>
Charges for services				
Airport fees	92,000	92,000	115,787	23,787
Miscellaneous revenues				
Interest income	15,000	15,000	16,167	1,167
Facilities rental	34,500	34,500	0	(34,500)
	<u>49,500</u>	<u>49,500</u>	<u>16,167</u>	<u>(33,333)</u>
TOTAL REVENUES	634,000	1,368,542	846,228	(522,314)
EXPENSES AND ENCUMBRANCES				
Public Works				
Airport operations				
Employee salaries and benefits	111,993	113,013	124,009	(10,996)
Outside services	432,300	1,277,223	909,783	367,440
Materials and supplies	25,220	25,220	24,042	1,178
Intrafund/interfund services	181,393	181,393	177,845	3,548
Capital outlay	310,000	330,008	20,363	309,645
Debt and fiscal charges	1,500	1,500	570	930
TOTAL EXPENSES AND ENCUMBRANCES	1,062,406	1,928,357	1,256,612	671,745
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(428,406)	(559,815)	(410,384)	149,431

OTHER FINANCING SOURCES (USES)**Transfers in from:**

General Fund

478,611	478,611	238,126	(240,485)
<u>478,611</u>	<u>478,611</u>	<u>238,126</u>	<u>(240,485)</u>

NET CHANGE IN FUND BALANCE

\$ <u>50,205</u>	<u>(81,204)</u>	<u>(172,258)</u>	<u>(91,054)</u>
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ADJUSTMENTS TO GAAP

Encumbrances

1,483

Changes in compensated absences

(4,837)

Depreciation and amortization

(567,909)

Capital outlay capitalized

912,023

Assets transferred - proprietary funds

(5,682)

Pension expense

(13,762)

321,316149,058**GAAP BASIS****NET POSITION**

Beginning of fiscal year

13,439,112**NET POSITION - END OF FISCAL YEAR**

\$ <u>13,588,170</u>



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, 2019

	EQUIPMENT	RISK MANAGEMENT	TOTAL
ASSETS			
CURRENT ASSETS			
Equity in pooled cash and investments	\$ 5,595,779	10,755,951	16,351,730
Receivables, net of allowance for uncollectibles			
Accounts	198	2,299	2,497
Inventories and prepayments			
	<u>5,595,977</u>	<u>10,758,250</u>	<u>16,354,227</u>
PROPERTY, PLANT AND EQUIPMENT			
Machinery and equipment	27,347,116	0	27,347,116
Less accumulated depreciation	(17,937,570)	0	(17,937,570)
	<u>9,409,546</u>	<u>0</u>	<u>9,409,546</u>
TOTAL ASSETS	<u>15,005,523</u>	<u>10,758,250</u>	<u>25,763,773</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post employment benefits	26,644	9,018	35,662
Deferred pensions	311,664	94,785	406,449
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	52,726	395,395	448,121
Claims and judgments payable	0	2,392,439	2,392,439
Accrued salaries including benefits payable	0	0	0
Accrued compensated absences	77,994	30,697	108,691
	<u>130,720</u>	<u>2,818,531</u>	<u>2,949,251</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	41,215	6,038	47,253
Claims and judgments payable	0	1,381,166	1,381,166
Net other post employment benefits liability	523,181	202,979	726,160
Net pension liability	1,144,363	348,917	1,493,280
	<u>1,708,759</u>	<u>1,939,100</u>	<u>3,647,859</u>
TOTAL LIABILITIES	<u>1,839,479</u>	<u>4,757,631</u>	<u>6,597,110</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred other post employment benefits	134,854	51,053	185,907
Deferred pensions	7,475	3,285	10,760
NET POSITION			
Invested in capital assets, net of related debt	9,409,546	0	9,409,546
Unrestricted	3,952,477	6,050,084	10,002,561
TOTAL NET POSITION	\$ <u>13,362,023</u>	<u>6,050,084</u>	<u>19,412,107</u>

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, 2019

	EQUIPMENT	RISK MANAGEMENT	TOTAL
OPERATING REVENUES			
Interfund charges for services	\$ 3,207,033	423	3,207,456
Insurance and pension contributions			
County	0	8,473,822	8,473,822
Employees and retirees	0	1,735,602	1,735,602
Miscellaneous operating revenue	115,023	26,634	141,657
	3,322,056	10,236,481	13,558,537
OPERATING EXPENSES			
Employee salaries and benefits	938,016	313,805	1,251,821
Contractual services	662,747	10,529,553	11,192,300
Materials and supplies	1,321,605	2,925	1,324,530
Depreciation and amortization	2,213,589	0	2,213,589
	5,135,957	10,846,283	15,982,240
OPERATING INCOME (LOSS)	(1,813,901)	(609,802)	(2,423,703)
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of fixed assets	66,461	0	66,461
Investment income	133,591	254,584	388,175
	200,052	254,584	454,636
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,613,849)	(355,218)	(1,969,067)
TRANSFERS AND CONTRIBUTIONS			
Transfers in	186,514	0	186,514
Contributed capital assets - governmental activities	98,839	0	98,839
	285,353	0	285,353
NET INCOME (LOSS)	(1,328,496)	(355,218)	(1,683,714)
NET POSITION			
Beginning of fiscal year	14,690,519	6,405,302	21,095,821
NET POSITION - END OF FISCAL YEAR	\$ 13,362,023	\$ 6,050,084	19,412,107

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS**

COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2019

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES			
Cash received from customers and users	\$ 3,321,858	26,608	3,348,466
Cash received from contributions-employer and employees	0	10,209,424	10,209,424
Cash paid to suppliers for goods and services	(1,959,934)	(9,976,761)	(11,936,695)
Cash paid to employees	(881,273)	(279,476)	(1,160,749)
NET CASH FLOWS - OPERATING ACTIVITIES	480,651	(20,205)	460,446
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES			
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from grants	0		
Cash paid for acquisition of capital assets	(1,666,615)	0	(1,666,615)
Proceeds from sale of capital assets	68,960	0	68,960
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(1,597,655)	0	(1,597,655)
CASH FLOWS - INVESTING ACTIVITIES			
Interest received on investments	133,591	254,584	388,175
NET INCREASE (DECREASE) IN CASH	(983,413)	234,379	(749,034)
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	6,579,192	10,521,572	17,100,764
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 5,595,779	10,755,951	16,351,730

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	\$ (1,813,901)	(609,802)	(2,423,703)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES			
Depreciation and amortization expense	2,213,589	0	2,213,589
Change in assets and liabilities:			
Accounts and other receivables	(198)	(449)	(647)
Accounts payable	24,418	135,954	160,372
Salaries and benefits payable	56,743	34,329	91,072
Claims and judgments payable	0	419,764	419,764
Total adjustments	2,294,552	589,598	2,884,150
NET CASH FLOWS - OPERATING ACTIVITIES	\$ 480,651	(20,204)	460,447

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ 186,514	0	186,514
Contributed capital assets - governmental activities	98,839	0	98,839
TOTAL NON CASH CAPITAL ACQUISITIONS	\$ 285,353	0	285,353

**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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Interfund/interdepartmental charges				
Charges for special services	3,347,023	3,347,023	3,207,033	(139,990)
Miscellaneous revenues				
Investment income	144,000	144,000	133,591	(10,409)
Other	242,000	242,000	115,023	(126,977)
	<u>386,000</u>	<u>386,000</u>	<u>248,614</u>	<u>(137,386)</u>
TOTAL REVENUES	3,733,023	3,733,023	3,455,647	(277,376)
EXPENSES AND ENCUMBRANCES				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	898,055	898,055	854,186	43,869
Outside services	116,096	116,096	121,511	(5,415)
Materials and supplies	1,318,146	1,318,278	1,318,102	176
Intrafund/interfund services	6,000	6,000	533,634	(527,634)
Capital outlay	506,873	506,873	0	506,873
	<u>2,845,170</u>	<u>2,845,302</u>	<u>2,827,433</u>	<u>17,869</u>
Fleet management-equipment replacement				
Outside services	0	315,294	0	315,294
Materials and supplies	0	0	4,383	(4,383)
Capital outlay	1,918,000	1,918,000	2,403,766	(485,766)
	<u>1,918,000</u>	<u>2,233,294</u>	<u>2,408,149</u>	<u>(174,855)</u>
TOTAL EXPENSES AND ENCUMBRANCES	4,763,170	5,078,596	5,235,582	(156,986)
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(1,030,147)	(1,345,573)	(1,779,935)	(434,362)

OTHER FINANCING SOURCES (USES)**Transfers in from:**

Environmental Services	300,000	300,000	0	(300,000)
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Proceeds from sale of capital assets	103,000	103,000	66,461	(36,539)
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NET CHANGE IN NET POSITION	\$ (627,147)	(942,573)	(1,713,474)	(770,901)
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ADJUSTMENTS TO GAAP

Encumbrances	738,030
Changes in compensated absences	1,888
Depreciation and amortization	(2,213,589)
Capital outlay capitalized	1,666,616
Asset transfers - proprietary funds	186,514
Contributed capital assets - governmental activities	98,839
Pension expense	(85,717)
Payroll Clearing	(7,602)
	384,979

GAAP BASIS

(1,328,496)

NET POSITION

Beginning of fiscal year	14,690,519
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NET POSITION - END OF FISCAL YEAR	\$ 13,362,023
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**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, 2019

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services				
Administrative charges for services	\$ 0	0	423	423
Interfund/interdepartmental charges				
County insurance contributions	9,096,142	9,096,142	8,473,822	(622,320)
Miscellaneous revenues				
Investment income	186,000	186,000	254,584	68,584
Group insurance contributions				
Employees	1,840,265	1,840,265	1,735,602	(104,663)
Retirees and others	0	0	0	0
Other	0	0	26,918	26,918
	<u>2,026,265</u>	<u>2,026,265</u>	<u>2,017,104</u>	<u>(9,161)</u>
TOTAL REVENUES	11,122,407	11,122,407	10,491,349	(631,058)
EXPENSES AND ENCUMBRANCES				
Administrative Services - Human Resources				
Group insurance				
Outside services	683,276	683,276	543,867	139,409
Intrafund/interfund services	(51,712)	(51,712)	0	(51,712)
	<u>631,564</u>	<u>631,564</u>	<u>543,867</u>	<u>87,697</u>
Medical Insurance				
Outside services	7,502,617	7,502,617	7,878,174	(375,557)
Intrafund/interfund services				
Unemployment insurance				
Outside services	35,000	35,000	29,435	5,565
Workers' compensation insurance				
Outside services	700,000	700,000	732,893	(32,893)
Administration and other insurance				
Employee salaries and benefits	294,220	294,220	279,477	14,743
Outside services	1,190,295	1,213,603	1,246,142	(32,539)
Materials and supplies	12,800	12,800	2,925	9,875
Intrafund/interfund services	55,484	55,484	5,728	49,756
	<u>1,552,799</u>	<u>1,576,107</u>	<u>1,534,272</u>	<u>41,835</u>
TOTAL EXPENSES AND ENCUMBRANCES	10,421,980	10,445,288	10,718,641	(273,353)

NET CHANGE IN NET POSITION	\$	<u><u>700,427</u></u>	<u><u>677,119</u></u>	(227,292)	<u><u>(904,411)</u></u>
ADJUSTMENTS TO GAAP					
Encumbrances				42,792	
Changes in compensated absences				(7,951)	
Bad debt expense				(284)	
Incurred but not reported claims adjustment				(29,680)	
Pension expense				(26,378)	
Payroll Clearing				(106,425)	
				<u>(127,926)</u>	
GAAP BASIS				(355,218)	
NET POSITION					
Beginning of fiscal year				6,405,302	
NET POSITION - END OF FISCAL YEAR	\$			<u><u>6,050,084</u></u>	

**INCORPORATED COUNTY OF LOS ALAMOS
AGENCY FUND**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended June 30, 2019

	<u>BALANCE JUNE 30, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2019</u>
ASSETS				
Equity in pooled cash and investments	\$ 570,441	23,791,906	24,232,177	130,170
Receivables				
Property taxes	272,020	19,290,232	19,319,878	242,374
Other	2,309	6,211,421	6,104,568	109,162
TOTAL ASSETS	\$ <u>844,770</u>	<u>49,293,559</u>	<u>49,656,623</u>	<u>481,706</u>
LIABILITIES				
Due to other governments	\$ 828,055	21,522,023	21,887,552	462,526
Donations held in trust	16,715	6,450	3,985	19,180
TOTAL LIABILITIES	\$ <u>844,770</u>	<u>21,528,473</u>	<u>21,891,537</u>	<u>481,706</u>

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

Table 1

(ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities										
Net investment in capital assets	\$ 178,334,145	192,752,416	208,576,888	237,826,582	239,254,295	250,108,256	252,531,286	259,802,145	245,740,292	243,608,904
Restricted	28,325,491	35,352,438	33,651,944	35,537,750	34,988,485	34,249,549	33,470,637	36,167,913	37,428,930	38,583,131
Unrestricted	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	-14,208,320 [c]	-9,962,668
Total governmental activities net position [a]	<u>\$ 310,166,273</u>	<u>333,871,784</u>	<u>330,430,726</u>	<u>337,877,325</u>	<u>339,659,804</u>	<u>309,185,860</u>	<u>309,442,392</u>	<u>307,678,425</u>	<u>268,960,902</u>	<u>272,229,367</u>
Business-type activities										
Net investment in capital assets	\$ 158,548,491	161,529,616	167,570,211	167,060,666	181,756,242	179,372,871	184,426,198	188,228,999	189,991,534	190,686,814
Restricted	18,666,972	20,160,305	21,139,074	22,202,599	22,978,409	18,360,915	14,083,223	12,158,471	10,098,323	7,166,671
Unrestricted	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	-47,684,553 [c]	-45,260,431 [d]
Total business-type activities net position [a]	<u>\$ 211,595,324</u>	<u>220,782,312</u>	<u>226,351,124</u>	<u>224,555,846</u>	<u>237,454,978</u>	<u>184,702,250</u>	<u>187,353,439</u>	<u>181,178,182</u>	<u>152,405,304</u>	<u>152,593,054</u>
Primary government										
Net investment in capital assets	\$ 336,882,636	354,282,032	376,147,099	404,887,248	421,010,537	429,481,127	436,957,484	448,031,144	435,731,826	434,295,718
Restricted	46,992,463	55,512,743	54,791,018	57,740,349	57,966,894	52,610,464	47,553,860	48,326,384	47,527,253	45,749,802
Unrestricted	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	-61,892,873 [c]	-55,223,099 [d]
Total primary government net position [a]	<u>\$ 521,761,597</u>	<u>554,654,096</u>	<u>556,781,850</u>	<u>562,433,171</u>	<u>577,114,782</u>	<u>493,888,110</u>	<u>496,795,831</u>	<u>488,856,607</u>	<u>421,366,206</u>	<u>424,822,421</u>

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 liability. The reduction of net position is related to the recording of pension expense and the associated deferred inflows and outflows of resources.

[c] The County implemented GASB 75 during FY2018 which includes net other post employment benefits liability. The reduction of net position is related to the recording of other post employment expense and the associated deferred

[d] The County implemented GASB 83 during FY2019 for certain Asset Retirement Obligations and the associated deferred outflows of resources.

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

Table 2

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Expenses										
Governmental activities:										
General government	\$ 19,020,307	19,354,103	18,663,752	14,217,521	14,792,046	15,786,864	15,346,876	15,742,286	16,153,556	19,043,406
Public safety	11,307,944	12,360,479	12,763,626	14,126,300	13,888,177	12,144,576	13,360,596	16,408,125	16,302,563	15,797,548
Cerro Grande fire recovery	0	0	0	0	0	0	0	0	0	0
Physical and economic environment	1,545,719	2,099,635	3,900,321	1,820,183	1,704,968	1,625,567	2,958,513	3,153,938	3,720,214	4,163,026
Transportation	10,050,217	8,666,590	11,979,692	10,597,589	11,592,103	10,612,552	11,818,676	11,961,231	11,313,990	11,464,191
Health and welfare	2,068,607	2,154,670	2,671,201	2,812,257	2,413,003	3,454,239	3,365,393	3,875,543	3,852,592	4,057,282
Culture and recreation	8,865,528	9,053,137	9,327,340	8,630,805	8,539,264	8,499,131	9,048,935	10,887,483	10,597,328	10,314,762
Interest on long-term debt	3,699,791	3,595,170	3,476,881	3,651,044	3,143,244	3,089,731	2,918,556	2,729,727	2,525,526	1,666,726
Total governmental activities expenses	56,558,113	57,283,784	62,782,813	55,855,699	56,072,805	55,212,660	58,817,545	64,758,333	64,465,769	66,506,941
Business-type activities:										
Joint Utilities										
Electric	41,164,227	41,736,839	41,719,538	47,133,456	43,960,638	47,510,797	40,530,631	41,151,605	42,051,970	45,127,608
Gas	6,896,901	5,350,868	4,311,995	4,782,055	6,075,188	4,442,941	3,917,505	4,541,525	4,415,685	5,077,295
Water	5,877,689	5,949,329	5,551,378	6,743,730	6,663,350	7,037,166	7,476,966	7,204,526	6,683,631	6,955,455
Wastewater	3,137,595	4,159,837	3,771,483	4,013,751	3,943,016	4,294,289	4,013,980	4,136,049	4,189,896	4,242,789
Environmental Services	4,399,102	4,220,409	4,549,617	3,670,408	4,225,768	3,984,802	3,669,075	4,601,666	4,488,772	4,803,463
Golf	1,140,056	1,277,202	1,254,690	1,194,242	0 [a]	0	0	0	0	0
Transit (Atomic City Transit)	3,165,043	3,416,977	3,567,829	4,200,697	3,993,193	4,050,193	3,665,719	4,038,842	4,239,082	4,113,106
Fire	19,127,418	19,412,022	21,002,769	20,470,142	22,908,775	23,455,765	25,081,899	29,027,727	26,744,125	28,057,775
Airport	944,379	999,589	1,108,878	1,737,767	1,537,667	1,251,229	1,777,165	1,628,521	1,134,060	931,841
Total business-type activities expenses	85,852,410	86,523,072	86,838,177	93,946,248	93,307,595	96,027,182	90,132,940	96,330,461	93,947,221	99,309,332
Total primary government expenses	\$ 142,410,523	143,806,856	149,620,990	149,801,947	149,380,400	151,239,842	148,950,485	161,088,794	158,412,990	165,816,273
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 1,096,043	1,227,575	1,020,736	1,079,196	957,045	1,038,897	1,271,004	1,316,695	1,378,903	1,692,841
Public safety	84,106	72,192	39,254	30,892	10,075	27,970	21,186	33,262	32,631	38,749
Transportation	0	0	0	58,997	0	0	0	0	0	0
Physical and economic environment	696,216	281,256	229,336	278,557	297,164	285,865	267,346	350,571	394,274	391,345
Culture and recreation	608,966	558,720	500,258	485,245	1,095,508	1,054,444	1,049,593	1,002,205	884,437	549,841
Operating grants and contributions	1,896,905	1,710,444	2,188,367	2,944,958	3,193,079	1,686,315	2,215,748	2,775,875	1,167,725	482,275
Capital grants and contributions	2,582,496	5,678,971	462,299	1,254,628	710,953	895,715	702,911	2,937,044	3,253,923	2,273,796
Total governmental activities program revenues	6,964,732	9,529,158	4,440,250	6,132,473	6,263,824	4,989,206	5,527,788	8,415,652	7,111,893	5,428,847
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	40,668,122	42,894,754	44,840,758	49,066,724	46,479,599	41,641,654	45,701,692	40,655,034	42,778,437	43,810,731
Gas	7,954,116	6,239,881	5,453,744	5,496,085	6,714,276	5,383,259	4,910,279	4,502,630	4,213,834	5,481,552
Water	4,816,679	5,403,940	5,667,415	5,768,598	4,913,083	4,614,815	4,901,704	5,305,884	6,204,782	5,917,490
Wastewater	3,542,805	3,696,644	4,147,134	3,998,295	4,019,962	4,286,041	4,643,528	4,962,215	5,274,729	5,519,652
Environmental Services	3,126,334	3,250,412	2,827,628	2,701,807	3,096,701	2,719,249	2,951,773	3,180,855	3,359,964	3,380,819
Golf	641,433	584,432	521,004	505,080	0 [b]	0	0	0	0	0
Transit (Atomic City Transit)	18,548	68,944	39,132	150,092	150,000	0	0	11,701	18,830	0
Fire	3,813,047	3,980,920	4,111,381	4,485,389	4,702,845	4,399,490	4,829,236	5,415,618	5,597,906	5,515,946

Airport	82,883	86,784	88,933	85,324	100,434	88,639	87,389	90,208	96,492	115,787
Operating grants and contributions	16,456,680	16,941,411	18,545,761	18,639,957	20,631,902	20,167,450	20,747,128	22,035,279	22,230,633	21,041,542
Capital grants and contributions	7,230,200	5,764,144	1,734,061	1,863,427	11,953,592	2,484,713	1,577,799	777,875	766,530	1,382,160
Total business-type activities program revenues	<u>88,350,847</u>	<u>88,912,266</u>	<u>87,976,951</u>	<u>92,760,778</u>	<u>102,762,394</u>	<u>85,785,310</u>	<u>90,350,528</u>	<u>86,937,299</u>	<u>90,542,137</u>	<u>92,165,679</u>
Total primary government program revenues	<u>\$ 95,315,579</u>	<u>98,441,424</u>	<u>92,417,201</u>	<u>98,893,251</u>	<u>109,026,218</u>	<u>90,774,516</u>	<u>95,878,316</u>	<u>95,352,951</u>	<u>97,654,030</u>	<u>97,594,526</u>
Net (Expenses)/Revenues										
Governmental activities	\$ (49,593,381)	(47,754,626)	(58,342,563)	(49,723,226)	(49,808,981)	(50,223,454)	(53,289,757)	(56,342,681)	(57,353,876)	(61,078,094)
Business-type activities	2,498,437	2,389,194	1,138,774	(1,185,470)	9,454,799	(10,241,872)	217,588	(9,393,162)	(3,405,084)	(7,143,653)
Total primary government net expense	<u>\$ (47,094,944)</u>	<u>(45,365,432)</u>	<u>(57,203,789)</u>	<u>(50,908,696)</u>	<u>(40,354,182)</u>	<u>(60,465,326)</u>	<u>(53,072,169)</u>	<u>(65,735,843)</u>	<u>(60,758,960)</u>	<u>(68,221,747)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts taxes	\$ 28,948,180	32,669,923	29,348,286	24,328,784	22,376,156	22,340,980	25,455,540	24,315,050	26,366,908	31,443,202
Property taxes	6,585,887	5,082,288	5,181,012	5,266,033	5,328,528	5,336,098	6,974,747	7,020,492	7,183,982	7,295,432
Franchise taxes	451,423	445,786	470,897	464,719	481,665	472,261	512,974	566,033	491,995	528,970
Grants and contribution not restricted to specific programs	797,199	846,484	654,647	523,589	1,451,287	817,545	1,392,069	847,665	889,846	1,222,801
State shared tax revenue not restricted to specific programs	19,284,774	21,792,159	19,562,710	16,273,672	14,979,816	14,911,175	17,009,401	16,816,686	18,170,327	21,565,567
Unrestricted investment earnings	6,619,681	9,357,730	310,908	6,423,031	8,321,837	1,359,032	55,063	4,961,233	3,719,637	3,467,279
Gain on exchange of capital assets	0	4,267,857	0	0	0	337,133	0	0	(12,210,226)	(2,719,594)
Transfers	(3,711,426)	(3,002,090)	(626,955)	3,889,997	(807,895)	347,887	2,146,495	51,556	1,460,372	1,542,902
Total governmental activities	<u>58,975,718</u>	<u>71,460,137</u>	<u>54,901,505</u>	<u>57,169,825</u>	<u>52,131,394</u>	<u>45,922,111</u>	<u>53,546,289</u>	<u>54,578,715</u>	<u>46,072,841</u>	<u>64,346,559</u>
Business-type activities:										
Gross receipts taxes	2,841,265	3,212,873	2,884,446	2,392,659	2,197,573	2,190,204	2,498,560	2,382,482	2,584,525	3,084,255
Grants and contribution not restricted to specific programs	0	18,000	7,500	0	0	0	0	0	0	0
Unrestricted investment earnings	944,882	564,831	911,137	887,530	898,846	157,053	127,936	886,979	779,323	831,079
Gain on restructuring of San Juan ownership agreement	0	0	0	0	0	0 [c]	1,953,600	0	0	0
Gain (loss) on exchange of capital assets	0	0	0	0	0	0	0	0	(998,192)	(609,531)
Transfers	3,711,426	3,002,090	626,955	(3,889,997)	807,895	(347,887)	(2,146,495)	(51,556)	(1,460,372)	(1,542,902)
Total business-type activities	<u>7,497,573</u>	<u>6,797,794</u>	<u>4,430,038</u>	<u>(609,808)</u>	<u>3,904,314</u>	<u>1,999,370</u>	<u>2,433,601</u>	<u>3,217,905</u>	<u>905,284</u>	<u>1,762,901</u>
Total primary government	<u>\$ 66,473,291</u>	<u>78,257,931</u>	<u>59,331,543</u>	<u>56,560,017</u>	<u>56,035,708</u>	<u>47,921,481</u>	<u>55,979,890</u>	<u>57,796,620</u>	<u>46,978,125</u>	<u>66,109,460</u>
Change in Net Position										
Governmental activities	\$ 9,382,337	23,705,511	(3,441,058)	7,446,599	2,322,413	(4,301,343)	256,532	(1,763,966)	(11,281,035)	3,268,465
Business-type activities	9,996,010	9,186,988	5,568,812	(1,795,278)	13,359,113	(8,242,502)	2,651,189	(6,175,257)	(2,499,800)	(5,380,752)
Total primary government net expense	<u>\$ 19,378,347</u>	<u>32,892,499</u>	<u>2,127,754</u>	<u>5,651,321</u>	<u>15,681,526</u>	<u>(12,543,845) [b]</u>	<u>2,907,721</u>	<u>(7,939,223)</u>	<u>(13,780,835) [d]</u>	<u>(2,112,287)</u>

Source: Los Alamos County CAFRs

Notes:

[a] 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.

[b] 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.

[c] 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.

[d] The County implemented GASB Statement No. 75 in FY2018 which included restated beginning balances of (\$52.84M) related to the net effect of deferred inflows and outflows relative to net other post employment benefits liabilities.



LOS ALAMOS

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

Table 3

LAST TEN FISCAL YEARS

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 [d]	FY2016	FY2017	FY2018	FY2019
General Fund										
Reserved	7,454,198	0	0	0	0	0	0	0	0	0
Unreserved	31,678,425	0	0	0	0	0	0	0	0	0
Nonspendable	0	1,266,859	1,304,638	2,082,306	2,370,466	2,086,644	1,543,084	1,495,689	1,520,487	1,569,759
Restricted	0	4,414,738	4,573,909	4,704,218	4,578,105	4,662,147	4,725,850	4,817,028	4,719,414	4,904,811
Committed	0	12,761,219	4,879,110	10,576,477	11,216,517	0	0	0	0	0
Assigned	0	0	0	0	0	2,735,989	2,552,924	1,441,333	5,886,465	2,389,590 [e]
Unassigned	0	13,570,673	11,947,812	11,020,219	10,946,134	16,030,633	10,988,354	10,122,214	13,177,552	25,370,753 [f]
Total General Fund	<u>39,132,623</u>	<u>32,013,489</u>	<u>22,705,469</u>	<u>28,383,220</u>	<u>29,111,222</u>	<u>25,515,413</u>	<u>19,810,212</u>	<u>17,876,264</u>	<u>25,303,918</u>	<u>34,234,913</u>
All Other Governmental Funds										
Reserved	38,926,491	0	0	0	0	0	0	0	0	0
Unreserved, reported in:										
Special revenue funds	8,400,370	0	0	0	0	0	0	0	0	0
Debt service funds	6,424,030	0	0	0	0	0	0	0	0	0
Capital projects funds	38,276,395	0	0	0	0	0	0	0	0	0
Permanent funds [a]	1,498,489	0	0	0	0	0	0	0	0	0
Nonspendable	0	24,492,490	24,982,806	25,214,071	25,177,558	25,472,184	24,580,311	24,958,847	25,830,386	15,450
Restricted	0	7,512,658	4,808,769	6,169,905	5,377,454	4,153,960	3,426,972	5,617,945	6,094,484	32,850,984
Committed	0	80,339,764	72,140,568	43,106,108	43,694,827	787,738	522,781	509,644	475,383	436,126
Assigned	0	0	0	0	0	31,376,364	36,492,709	28,601,685	26,816,584	26,969,685
Unassigned	0	0	0	(605,171) [b]	(2,733,870) [c]	0	0	0	(796,699)	(510,303) [g]
Total All Other Governmental Funds	<u>93,525,775</u>	<u>112,344,912</u>	<u>101,932,143</u>	<u>73,884,913</u>	<u>71,515,969</u>	<u>61,790,246</u>	<u>65,022,773</u>	<u>59,688,121</u>	<u>58,420,138</u>	<u>59,761,942</u>

Source: Los Alamos County CAFRs

Notes:

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

[b] 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).

[c] 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).

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

[e] The increase in assigned fund balance is due to an increase in continuing appropriations carried forward to complete projects in the next fiscal year.

[f] The increase in unassigned fund balance is due to the \$8.5 million increase in Gross Receipts Tax Revenue from prior year.

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

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

Table 4

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Revenues:										
Taxes and special assessments	\$ 36,289,316	38,466,493	35,288,631	30,353,771	28,507,405	28,494,458	33,406,693	32,370,821	34,508,399	39,741,012
Licenses and permits	409,123	240,507	182,160	232,506	274,320	252,091	241,250	282,417	292,869	271,167
Intergovernmental	22,143,759	26,095,049	21,714,390	19,420,500	17,067,419	19,881,600	21,218,380	21,429,688	20,174,079	24,159,020
Fines forfeitures and penalties	194,532	174,671	160,777	171,567	167,241	154,697	185,658	208,610	190,910	142,993
Charges for services	1,201,023	1,115,663	939,550	1,014,457	1,230,420	1,204,594	1,217,041	1,282,751	1,273,973	1,023,331
Interfund/Interdepartmental charges	4,526,696	4,069,297	4,172,734	6,436,301	7,493,187	6,602,030	6,301,361	7,190,007	7,224,440	7,130,081
Investment Income	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 [b]	3,719,637 [b]	3,467,279 [b]
Other revenues	1,161,464	1,092,145	820,470	706,646	1,286,404	1,482,134	1,613,461	1,043,009	1,684,264	1,855,709
Total revenues	<u>72,545,594</u>	<u>80,611,555</u>	<u>63,589,620</u>	<u>64,758,779</u>	<u>64,348,233</u>	<u>59,430,636</u>	<u>64,238,907</u>	<u>68,768,536</u>	<u>69,068,571</u>	<u>77,790,592</u>
Expenditures										
General government	18,344,495	19,843,062	19,187,027	18,639,060	18,478,112	19,795,338	19,716,655	18,962,346	18,872,265	22,558,333
Public safety	11,526,276	11,651,434	12,157,139	13,510,694	13,365,914	11,897,415	13,083,180	15,115,676	14,813,375	14,078,315
Cerro Grande fire recovery [a]	0	0	0	0	0	0	0	0	0	0
Physical and economic environment	1,421,757	2,089,260	3,895,739	1,723,777	1,714,917	1,660,995	3,006,055	3,011,403	3,535,192	3,951,468
Transportation	4,478,447	3,068,034	4,889,279	4,511,094	4,613,400	3,737,857	4,296,240	3,749,900	3,519,442	4,907,804
Health and welfare	2,068,607	2,154,210	2,671,161	2,811,364	2,414,606	3,461,538	3,371,456	3,855,380	3,831,088	4,028,652
Culture and recreation	8,216,827	8,278,223	8,508,258	7,840,837	7,788,712	7,805,286	7,947,403	8,477,156	8,689,730	8,188,393
Capital Projects/Outlay	42,337,887	11,341,861	24,432,329	24,017,766	11,688,570	18,701,900	10,508,740	17,417,464	4,860,632	4,601,011 [e]
Debt service										
Principal	3,090,000	3,215,000	3,345,000	9,794,887 [c]	3,615,000	3,795,000	3,970,000	4,175,000	4,395,000	4,620,000
Interest	3,821,638	3,698,038	3,569,438	3,442,225	2,542,740	2,475,396	2,299,109	2,089,646	1,873,597	1,645,558
Bond issuance costs	0	0	0	375,113 [c]	0	0	0	0	0	0
Total expenditures	<u>95,305,934</u>	<u>65,339,122</u>	<u>82,655,370</u>	<u>86,666,817</u>	<u>66,221,971</u>	<u>73,330,725</u>	<u>68,198,838</u>	<u>76,853,971</u>	<u>64,390,321</u>	<u>68,579,534</u>
Excess of revenues over (under) expenditures	(22,760,340)	15,272,433	(19,065,750)	(21,908,038)	(1,873,738)	(13,900,089)	(3,959,931)	(8,085,435)	4,678,250	9,211,058
Other Financial Sources (Uses)										
Transfers in	28,158,656	35,599,850	27,418,134	15,264,237	21,359,159	17,779,053	25,518,449	15,751,408	13,417,513	14,779,710
Transfers out	(28,275,434)	(38,574,878)	(28,073,173)	(15,725,678)	(21,126,363)	(17,200,496)	(24,031,192)	(14,934,572)	(11,936,092)	(13,717,969)
Issuance of long-term debt	0	0	0	43,413,930 [d]	0	0	0	0	0	0
Payment to escrow - refunding debt	0	0	0	(43,413,930)	0	0	0	0	0	0
Loss on disposal of asset held for resale	0	(597,402)	0	0	0	0	0	0	0	0
Total other financial sources (uses)	<u>(116,778)</u>	<u>(3,572,430)</u>	<u>(655,039)</u>	<u>(461,441)</u>	<u>232,796</u>	<u>578,557</u>	<u>1,487,257</u>	<u>816,836</u>	<u>1,481,421</u>	<u>1,061,741</u>
Net change in fund balance	<u>\$ (22,877,118)</u>	<u>11,700,003</u>	<u>(19,720,789)</u>	<u>(22,369,479)</u>	<u>(1,640,942)</u>	<u>(13,321,532)</u>	<u>(2,472,674)</u>	<u>(7,268,599)</u>	<u>6,159,671</u>	<u>10,272,799 [f]</u>
Debt service as a percentage of non-capital expenditures	13.05%	12.80%	11.88%	21.13%	11.29%	11.48%	10.87%	10.54%	10.53%	9.79%

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] 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.

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

[e] The County significantly reduced capital outlay spending as many of the capital projects were completed in the prior year, and the majority of new capital project were not started until fiscal year 2019.

[f] The positive change in fund balance is due to a significant reduction in capital outlay.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM CUSTOMER BASE
LAST TEN FISCAL YEARS

Table 5

Fiscal Year	Number of customer accounts			
	Electric	Gas	Water	Wastewater
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
2018	8,774	7,602	7,088	6,721
2019	8,561	7,620	7,240	6,926

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

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE AND SALES
LAST TEN FISCAL YEARS

Table 6

Fiscal Year	ELECTRIC		GAS		WATER		Wastewater	Joint Utility System
	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]	Revenue	Revenue
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
2018	42,778,437	592,979,847	4,213,834	7,642,815	6,204,782	1,056,892	5,274,729	58,471,782
2019	43,810,731	558,286,940	5,481,552	9,229,011	5,917,490	963,397	5,519,652	60,729,425

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

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Type of Customer:										
Electric Utility										
Residential	\$ 5,730,319	5,594,525	5,878,664	5,744,107	5,801,691	6,203,978	7,113,594	6,949,869	6,812,700	7,183,448
Commercial and industrial	3,606,847	3,557,480	3,858,918	3,822,367	3,888,005	4,286,822	4,780,023	4,535,052	4,532,289	4,365,731
Public street and highway lighting	65,567	56,135	69,953	63,467	66,035	67,436	67,941	68,043	88,041	78,252
Municipal	1,313,543	1,728,801	1,554,427	1,683,615	1,444,776	1,402,431	1,563,086	1,673,078	1,544,364	1,467,655
Educational	357,528	359,585	425,151	447,456	473,886	469,886	530,129	531,812	499,448	471,040
Wholesale	29,325,387	31,406,424	32,888,233	36,932,693	34,425,200	29,056,585	31,402,138	26,577,782	29,133,071	30,195,212
Miscellaneous	268,931	191,804	279,515	512,838	474,721	249,001	244,781	319,398	168,524	33,575
Total electric utility	<u>40,668,122</u>	<u>42,894,754</u>	<u>44,954,861</u>	<u>49,206,543</u>	<u>46,574,314</u>	<u>41,736,139</u>	<u>45,701,692</u>	<u>40,655,034</u>	<u>42,778,437</u>	<u>43,794,913</u>
Gas Utility										
Residential	5,986,586	4,728,730	4,230,259	4,288,747	5,068,656	4,150,914	3,825,203	3,549,664	3,304,944	4,076,050
Commercial and industrial	1,245,762	926,796	783,425	782,496	879,141	786,424	704,292	593,836	585,317	1,004,232
Municipal	400,936	326,138	215,625	216,626	322,610	228,955	196,661	165,999	174,770	200,144
Educational	265,683	203,497	193,036	189,857	227,578	177,991	161,799	163,585	114,868	127,685
Miscellaneous	55,149	54,720	59,731	29,502	216,291	38,975	22,324	29,546	33,935	73,441
Total gas utility	<u>7,954,116</u>	<u>6,239,881</u>	<u>5,482,076</u>	<u>5,507,228</u>	<u>6,714,276</u>	<u>5,383,259</u>	<u>4,910,279</u>	<u>4,502,630</u>	<u>4,213,834</u>	<u>5,481,552</u>
Water Utility										
Residential	2,893,771	3,327,626	3,512,646	3,559,699	3,112,239	3,010,161	3,114,535	3,488,643	4,001,151	3,738,794
Commercial and industrial	375,903	475,727	515,633	479,456	418,078	459,150	431,565	457,437	504,663	499,347
Municipal	355,465	384,581	413,283	379,986	310,255	259,569	303,355	296,167	469,475	485,779
Educational	96,981	119,391	157,613	139,435	122,780	115,167	123,883	138,134	180,863	165,780
Wholesale	1,025,587	1,048,609	1,017,619	1,163,816	898,229	734,950	850,800	858,738	999,950	962,792
Miscellaneous	68,972	48,006	55,228	58,368	77,127	61,382	77,566	66,765	48,680	64,982
Total water utility	<u>4,816,679</u>	<u>5,403,940</u>	<u>5,672,022</u>	<u>5,780,760</u>	<u>4,938,708</u>	<u>4,640,379</u>	<u>4,901,704</u>	<u>5,305,884</u>	<u>6,204,782</u>	<u>5,917,474</u>
Wastewater Utility										
Wastewater collection	3,529,619	3,685,168	4,136,291	3,997,167	4,008,411	4,274,921	4,632,768	4,950,622	5,263,954	5,492,597
Municipal (non-potable water)	0	0	0	0	0	0	0	0	0	0
Miscellaneous	13,186	11,476	10,843	9,396	11,551	11,120	10,760	11,593	10,775	27,055
Total wastewater utility	<u>3,542,805</u>	<u>3,696,644</u>	<u>4,147,134</u>	<u>4,006,563</u>	<u>4,019,962</u>	<u>4,286,041</u>	<u>4,643,528</u>	<u>4,962,215</u>	<u>5,274,729</u>	<u>5,519,652</u>
Total operating revenues- Joint Utility System	<u>\$ 56,981,722</u>	<u>58,235,219</u>	<u>60,256,093</u>	<u>64,501,094</u>	<u>62,247,260</u>	<u>56,045,818</u>	<u>60,157,203</u>	<u>55,425,763</u>	<u>58,471,782</u>	<u>60,713,591</u>

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

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Electric Utility										
Residential										
Rate per kilowatt hour	\$0.0907	\$0.0952	\$0.0952	\$0.0952	\$0.1028	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152
Monthly flat service fee	\$5.67	\$5.95	\$5.95	\$5.95	\$6.43	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Commercial										
Rate per kilowatt hour	\$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	\$0.0821-0.1111	\$0.0821-0.1111
Monthly flat service fee	\$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	\$22.00 - 65.00	\$22.00 - 65.00
Demand Rate	\$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	\$10.50 - 11.00	\$10.50 - 11.00
Gas Utility										
Residential										
Rate per therm	\$0.70	\$0.55	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.30 - \$0.70	\$0.19 - \$0.58	\$0.19 - \$0.58	\$0.28 - \$0.60
Monthly flat service fee	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Commercial										
Rate per therm	\$0.70	\$0.55	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.30 - \$0.70	\$0.19 - \$0.58	\$0.19 - \$0.58	\$0.28 - \$0.60
Monthly flat service fee	\$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	\$9.50 - 28.50	\$9.50 - 28.50
Water Utility										
Residential										
Rate per 1000 Gallons	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19	\$4.19 - \$5.32	\$4.19 - \$5.32	\$4.61 - \$5.85	\$4.98 - \$6.32	\$5.29 - \$6.72
Monthly flat service fee	\$7.50	\$7.50	\$7.55	\$7.55	\$7.55 - \$8.80	\$7.93	\$7.93	\$8.72	\$9.42	\$10.01
Commercial										
Rate per 1000 Gallons	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19	\$4.19	\$4.19	\$4.61	\$4.98	\$5.29
Monthly flat service fee	\$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	\$9.42 - \$522.13	\$10.01 - \$554.75
Wastewater Utility										
Residential										
Rate per 1000 Gallons	\$5.35	\$5.35	\$5.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly flat service fees	\$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	\$41.24 - \$47.45	\$44.54 - \$51.24
Commercial										
Rate per 1000 Gallons	\$5.35	\$5.35	\$5.89	\$11.91	\$12.86	\$13.89	\$15.00	\$16.20	\$17.50	\$18.90
Monthly flat service fee	\$13.20	\$13.20	\$14.52	\$7.00	\$7.56	\$8.16	\$8.81	\$9.51	\$10.27	\$11.09

Source: Utility rates approved by County Council

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

Table 9

LAST TEN FISCAL YEARS

Business Sector	FY2010	FY2011	FY2012	FY2013	FY2014 [b]	FY2015	FY2016	FY2017	FY2018	FY2019
Services [a]	\$ 1,283,609	1,531,617	1,350,135	1,047,653	962,997	1,117,023	1,136,727	1,268,313	1,198,371	1,407,986
Construction	97,497	58,993	67,311	80,273	61,625	34,176	38,096	45,778	43,856	74,527
Retail & Food Service	64,603	62,959	59,933	64,501	58,195	79,997	74,711	74,780	81,417	78,321
Telecommunications	21,388	22,778	28,445	26,983	27,875	25,406	24,434	26,868	27,805	28,420
Manufacturing	2,883	4,727	3,706	5,471	6,042	5,370	4,935	5,205	6,922	6,704
Wholesale	6,418	4,397	6,195	2,944	1,555	2,121	2,280	2,263	2,853	3,409
Financial Services	10,036	10,088	11,456	8,962	9,594	12,240	12,050	13,571	13,967	15,581
Agriculture	0	0	0	0	9	47	99	86	110	85
Mining	0	0	0	4	0	0	0	1,722	3	0
Other	17,533	15,175	14,991	14,805	17,822	18,406	20,307	21,703	16,330	24,383
Totals	\$ 1,503,967	1,710,734	1,542,172	1,251,596	1,145,714	1,294,786	1,313,639	1,460,289	1,391,634	1,639,416

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 FY2014 are due to the Federal Government shutdown in October 2013. Los Alamos County's taxable receipts are highly dependent on the Federal Government and its contractors.

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

Table 10

LAST TEN FISCAL YEARS

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
GRT Revenues										
General Fund - Local - Municipal	\$ 21,079,046	23,835,717	21,399,137	17,750,645	16,303,296	16,248,652	18,536,296	17,678,062	19,174,189	22,881,732
General Fund - Local - County	5,682,530	6,425,679	5,768,820	4,785,252	4,395,075	4,380,342	4,997,049	4,766,376	5,169,020	6,168,510
General Fund - State Shared	19,149,417	21,653,702	19,440,165	16,125,672	14,810,815	14,761,175	16,839,401	16,060,293	17,418,955	20,787,142
General Fund - subtotal	45,910,993	51,915,098	46,608,122	38,661,569	35,509,186	35,390,169	40,372,746	38,504,731	41,762,164	49,837,384
Fire Protection Excise Tax	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,063	1,723,007	2,056,170
Health Care Assistance Fund	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,792	1,723,007	2,056,170
Capital Improvement Projects (CIP) Fund	0	0	0	0	0	0	0	0	0	0
Refuse Fund	947,088	1,070,980	961,506	797,575	732,548	730,090	832,877	794,419	861,518	1,028,085
Total GRT Revenues	\$ 50,646,435	57,269,864	51,415,508	42,649,312	39,171,784	39,040,487	44,536,989	42,476,005	46,069,696	54,977,809
Total GRT Revenues - Own source (excludes State Shared)	\$ 31,497,018	35,616,162	31,975,343	26,523,640	24,360,969	24,279,312	27,697,588	26,415,712	28,650,741	34,190,667
GRT Rates by Imposing Authority										
State Imposed Rate	5.0000%	5.1250% [a]	5.1250%	5.1250%	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%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - Correctional - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Correctional - CIP	0.0625%	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%	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%	0.1250%	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	7.1875%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%
GRT Rates by Recipient										
State Revenue	3.7750%	3.9000%	3.9000%	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%	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	7.1875%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%

Sources: Los Alamos County CAFRs and Adopted Budgets

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
LAST TEN TAX YEARS

Table 11

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
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%
2017		18,541,449	229,697	18,771,146	18,441,627	99.46%	167,243	18,608,870	99.14%
2018		19,290,232	271,477	19,561,710	19,173,391	99.39%	211,062	19,384,452	99.09%

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
LAST TEN TAX YEARS

Table 12

TAX YEAR [b]	ASSESSED VALUE [a]				TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]	Total Levy
	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]	EXEMPTIONS				
2009	700,878,040	10,531,960	5,973,100	(8,291,310)	709,091,790	2,152,149,300	2.375%	16,841,850
2010	682,140,660	10,955,750	7,027,020	(8,405,180)	691,718,250	2,100,370,290	2.219%	15,347,068
2011	692,219,200	11,563,780	7,300,910	(8,732,840)	702,351,050	2,133,251,670	2.208%	15,508,620
2012	693,444,690	9,321,500	6,051,950	(9,111,190)	699,706,950	2,126,454,420	2.230%	15,602,806
2013	687,495,870	8,850,630	5,478,780	(9,042,360)	692,782,920	2,105,475,840	2.248%	15,574,631
2014	661,177,270	9,403,680	5,601,990	(8,884,910)	667,298,030	2,028,548,820	2.303%	15,368,081
2015	675,527,010	9,742,600	5,762,060	(8,944,770)	682,086,900	2,073,095,010	2.488%	16,969,275
2016	685,091,450	9,612,180	6,165,250	(8,743,650)	692,125,230	2,102,606,640	2.483%	17,187,454
2017	713,745,340	9,636,160	6,048,100	(8,960,460)	720,469,140	2,188,288,800	2.574%	18,541,449
2018	747,963,370	9,892,020	4,787,970	(9,075,060)	753,568,300	2,287,930,080	2.560%	19,290,232

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, 2013.

[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						
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
2017	Residential	1.360	9.636	12.268	1.969	25.233
	Non-Residential	1.360	12.848	12.500	2.000	28.708
2018	Residential	1.360	9.542	12.235	1.950	25.087
	Non-Residential	1.360	12.848	12.502	2.000	28.710

Source: Adopted rates

**INCORPORATED COUNTY OF LOS ALAMOS
TEN PRINCIPAL PROPERTY TAXPAYERS**

Table 14

June 30, 2019

TAXPAYER	TYPE OF BUSINESS	FY 2019			FY 2010		
		TAX YEAR 2018 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2009 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-LOS ALAMOS INC	Medical Services	\$ 10,844,550	1	1.44%	\$ 9,650,080	1	1.36%
Central Park Square LLC	Real Estate	6,917,180	2	0.92%			
Topvalco, Inc.	Food & Drug	5,669,540	3	0.75%			
Los Alamos Commerce and Development Corp	Real Estate	4,490,560	4	0.60%	3,800,000	5	0.54%
Oppenheimer Place Condo Assoc Inc	Real Estate	3,699,300	5	0.49%	3,731,410	6	0.53%
Los Alamos National Bank	Banking	3,585,590	6	0.48%	5,668,190	2	0.80%
Canyon Village Housing Solutions	Apartments	2,886,860	7	0.38%			
Qwest Corp.	Telephone Utility	2,511,630	8	0.33%	4,700,860	3	0.66%
Smith's Food & Drug Centers, Inc.	Food & Drug	2,210,400	9	0.29%			
NMC Holdings LLC	Scientific	2,187,070	10	0.29%			
CC&F Los Alamos Invest Co.	Real Estate	-	-	-	2,000,620	10	0.28%
Shannon Corporation	Real Estate	-	-	-	2,384,990	8	0.34%
Netuschil Development Corporation	Real Estate	-	-	-	4,021,890	4	0.57%
Housing Solutions LLC	Real Estate	-	-	-	3,476,180	7	0.49%
Developers Diversified Realty	Real Estate	-	-	-			
Los Alamos Medical Center C/O PVS	Medical Services				2,062,320	9	0.29%
Total assessed valuation of ten principal taxpayers		45,002,680		5.97%	41,496,540		5.85%
Total assessed valuation of other taxpayers		708,565,620		94.03%	667,595,250		94.15%
Total assessed valuation		\$ 753,568,300		100.00%	\$ 709,091,790		100.00%

Source: Tax rolls book

INCORPORATED COUNTY OF LOS ALAMOS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 15

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Gross Receipts Tax Revenue Bonds	State Loans	Joint Utility System Revenue Bonds	State Loans			
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 [a]	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 [b]	0	39,879,153	18,784,979	112,620,973	10%	6,199
2014	0	59,912,216 [c]	0	32,822,680 [c]	18,113,022	110,847,918	10%	6,211
2015	0	56,056,683	0	33,137,373 [d]	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
2018	0	43,413,930	0	24,568,949	12,781,783	80,764,662	7%	4,310
2019	0	38,140,939	0	21,564,551	12,155,444	71,860,934	5%	3,762

[a] 2010 Series revenue bonds issued for approximately \$13.2 million.

[b] Includes the 2013 Series refunding revenue bonds issued for approximately \$38.5 million.

[c] 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.

[d] 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
2010	18,150	709,091,790	0	0	0	0.00%	0
2011	17,950	691,718,250	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	692,782,920	0	0	0	0.00%	0
2015	17,718	667,298,030	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
2018	18,738	720,469,140	0	0	0	0.00%	0
2019	19,101	753,568,300	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, 2019

NAME OF GOVERNMENTAL UNIT	2018 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	\$ 753,625,320	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	753,625,320	38,140,939	100.00%	38,140,939
Overlapping Debt [a]				
State of New Mexico	60,698,948,671	411,525	1.24%	5,109
Los Alamos School District	753,625,320	32,236,776	100.00%	32,236,776
University of New Mexico - Los Alamos	753,625,320	0	100.00%	0
Total overlapping debt				32,241,885
Total direct and overlapping debt				\$ 70,382,824

Ratio of estimated direct and overlapping debt to 2018 assessed valuation: 9.34

Ratio of direct general obligation debt to 2018 assessed valuation: .00%

Per capita direct and overlapping debt: \$3,685

Per capita direct G.O. debt: \$0

County population - 2019 estimate: 19,101

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, 2019

Assessed valuation, tax year 2017 (One third of full valuation)	<u>\$ 753,625,320</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	30,145,013
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 30,145,013</u></u>

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
LAST TEN FISCAL YEARS

Table 19

FISCAL YEAR	GROSS REVENUES[a]	EXPENSES[b]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS [c]			DEBT SERVICE COVERAGE RATIO
				PRINCIPAL	INTEREST	TOTAL	
ELECTRIC UTILITY							
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
2018	42,967,519	37,145,307	5,822,212	2,753,296	986,073	3,739,369	1.56
2019	44,271,601	40,156,550	4,115,051	2,831,837	903,138	3,734,975	1.10
WATER UTILITY							
2010-2011	0	0	0	0	[d]	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
2018	6,478,611	4,540,914	1,937,697	145,590	86,858	232,448	8.34
2019	6,631,869	4,766,423	1,865,446	0	84,990	84,990	21.95

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
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%
2018	18,738	1,227,227	65,494	3,714	3.48%
2019	19,101	1,308,476	68,503	3,754	3.33%

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. Personal Income data is from NM Dept. of Workforce Solutions data for the most recent year available.

INCORPORATED COUNTY OF LOS ALAMOS
LARGEST EMPLOYERS (with greater than 2% of the total workforce)

Table 21

June 30, 2019

EMPLOYER	TYPE OF BUSINESS	FY2019			FY2010		
		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	11,970	1	72.04%	10,927	1	64.09%
Los Alamos Public Schools	Education	638	2	3.84%	750	2	4.40%
Los Alamos County	Government	670	3	4.03%	684	3	4.01%
N3B Los Alamos	Legacy Waste Cleanup	390	4	2.35%	0	-	-
Other employers		2,947		17.74%	4,689		27.50%
Total workforce [b]		16,615		100.00%	17,050		100.00%

Sources: Individual Employers, New Mexico Department of Workforce Solutions

Notes:

[a] Schedule includes only those employers who have greater than 2% of the total workforce for the fiscal year ending June 30, 2019.

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

[c] Top four employers shown, which collectively represent greater than 82.26% 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	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
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	4.75	4.75	4.75	5.50	5.30
County Manager	12.00	13.23	11.00	23.50	22.00	20.00	21.00	21.00	20.00	18.00 [5]
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	6.70	6.70	6.70	6.70	6.69	6.69	7.94	8.16	8.16	7.77
County Sheriff	1.90	1.90	1.90	2.04	2.04	1.94	1.94	1.00	1.00	1.00
Administrative Services	55.25	58.25	60.22	47.76	50.00	50.00	48.01	46.01	46.01	46.01
Public Works [2]	12.14	12.00	12.00	12.00	10.00	11.46	42.46	43.46	45.18	45.18
Capital Projects & Facilities (new FY2009) [3]	38.50	37.00	37.00	37.00	39.00	37.00	0.00	6.00 [4]	6.00 [4]	1.60 [4]
Public Safety										
Police	77.53	76.54	77.54	77.98	77.99	78.02	75.00	73.00	74.75	74.75
Physical and economic environment [2]	13.00	13.00	13.00	13.00	14.00	12.00	15.00	15.00	16.00	18.00 [5]
Transportation	27.41	27.37	26.87	26.62	26.60	26.23	25.00	24.00	24.00	24.00
Health and welfare	0	0.00	1.25	1.25	2.00	2.00	2.50	3.00	3.00	2.50
Culture and recreation [1]	86.67	88.36	86.88	86.26	97.67	97.92	91.99	92.04	91.15	89.23
Business-type activities										
Joint Utilities										
Electric	54.00	54.00	54.00	52.00	54.44	54.02	55.02	51.02	50.56	50.30
Gas	25.83	24.39	23.40	25.17	24.04	24.18	24.05	29.07	30.49	27.91
Water	10.25	10.25	10.25	10.25	10.25	10.25	10.25	9.25	9.25	9.49
Wastewater	9.13	9.13	9.13	9.00	9.00	9.00	9.00	9.00	8.00	9.90 [6]
Environmental Services	18.75	18.75	19.00	18.50	18.00	18.17	17.17	17.24	17.24	18.24
Golf [1]	13.60	13.02	12.48	12.20	0.00	0.00	11.44	0.00	0.00	0.00
Fire	148.00	150.00	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	2.08	1.00	1.00	1.00	1.00
Transit (new FY2008)	24.00	31.50	31.75	32.00	40.00	39.37	36.20	36.13	38.13	38.13
Equipment-internal service	11.00	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	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	673.46	684.19	683.17	681.53	692.02	687.08	681.72	672.13	677.42	670.31

[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.

budget, human resources, payroll, utilities billing and operation management. The project was implemented in FY2019 which resulted in a reduction of limited term employees associated with the project.

[5] The two FTE's for Economic Development are a part of the County Manager's Office, but are in the FY2019 CAFR are shown under the Physical and economic environment function.

[6] Environmental Services added an Equipment Operator in FY2019 for the yard waste pickup program.

Source: Administrative Services Department

INCORPORATED COUNTY OF LOS ALAMOS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 24

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
General Government										
Assessor-number of parcels by tax year	9,139	9,078	9,079	9,047	9,194	9,189	9,165	9,169	9,207	9,224
Clerk-number of elections managed	2	2	2	3	2	2	2	4	1	1
Sheriff-number of processes administered [b]	284	322	169	138	151	148	154	n/a	n/a	n/a
IT-Number of networked devices supported	1,567	1,569	1,585	1,592	1,453	1,480	1,770	1,514	1,310	1,450
IT-Number of virtual networked devices suppo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	677	912	600
Public Safety										
Police-Part 1 UCR Offenses [a]	349	364	258	358	204	187	169	124	141	125
Police-number of service call responses	17,172	16,882	17,513	17,647	16,700	14,316	18,319	17,151	15,393	13,533
Police-number of reported traffic accidents	242	225	366	310	305	229	239	224	180	212
Police-number animal control cases	350	305	265	385	182	98	130	130	103	63
Police-number of processess administered [b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	125	156	154
Physical & Economic Development										
Number of construction permits issued	94	108	96	578	681	579	697	801	827	795
Transportation										
Traffic-miles of lane lines striped	88	56	84	84	84	51	141	70	73	49
Culture and Recreation										
Library-Number of circulations	394,736	411,356	413,291	389,719	396,768	379,991	391,992	392,213	412,745	367,065
Number of park acres maintained	609	616	936	944	944	944	944	944	944	944
Number of cemetery internments	34	36	59	55	55	41	67	57	51	50
Number of aquatic center visits	99,759	85,658	91,972	134,143	135,916	193,398	194,946	164,366	172,527	175,444
Number of rink visits	27,443	28,663	22,817	28,286	30,150	30,805	27,228	23,016	24,258	18,962
Sr. Center-number of seniors served	3,800	4,040	3,790	2,787	3,732	3,898	4,047	4,695	1,528	4,633
Joint Utility System										
EP-Number of megawatt hrs supplied	559,542	563,109	589,362	570,883	531,796	514,619	566,018	572,260	592,980	558,287
ED-Number of electric utility customers	8,733	8,610	8,660	8,741	8,900	8,647	8,796	8,830	8,774	8,561
Gas-Number of therms delivered	9,761,560	8,754,903	8,475,984	8,711,200	9,389,410	8,446,420	8,580,270	7,649,471	7,890,930	9,449,825
WP-K gallons water produced	1,308,069	1,422,096	1,382,268	1,376,746	1,166,692	1,105,780	1,176,804	1,186,747	1,245,609	1,175,972
WD-K gallons of water sold	741,277	800,842	876,360	842,344	683,637	706,356	693,335	755,656	781,818	670,815
WW-K gallons sewage conveyed	447,516	445,685	479,870	429,117	421,319	437,938	408,234	426,898	429,129	397,929
Golf Course										
Number of golf rounds provided	27,844	25,841	24,249	22,186	27,284	29,359	29,733	24,455	17,370	20,745
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	433,512	449,987	491,315	573,967	517,638	548,331	494,444	454,755	448,366	451,793
Number of miles of service provided	516,013	627,309	675,157	785,697	714,815	721,357	704,072	617,566	636,210	621,744
Fire Protection Services										
Number of responses	2,001	2,110	1,951	1,841	1,838	1,766	1,804	2,252	2,367	2,294

Sources: County departments.

[a] Only calendar year data available

[b] Responsibility 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

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	50	50	47	47	47	43	45	45	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	106.6	106.6	106.5	106.5	106.5	106.5	106.5	106.5	106.5	108.3
Sidewalk, square yards	241,612	241,612	245,440	245,440	245,440	246,009	246,009	246,009	247,997	248,531
Street lights, county owned	1,292	1,292	1292	1292	1292	1292	1414	1466	1473	1476
Traffic signals	11	11	11	11	11	12	12	12	12	12
School and station flashers	10	10	10	10	10	10	10	10	10	10
Public Parking Lots	34	35	37	38	38	39	40	40	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	35	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	61	61	61	62	62	62	62	62	62
Electric distribution line miles	143.0	143.0	143.0	143.0	144.0	144.0	144.0	144.0	144.0	144.0
Water production wells	12.0	12.0	12	12	12	12	12	12	12	12
Water distribution line miles	148.5	148.5	148.5	149.5	149.5	149.8	150.7	150.7	150.7	150.7
Gas distribution line miles	122.0	122.0	122.0	125.0	125.5	125.5	125.5	125.5	125.5	125.5
Wastewater collection line miles	118.0	118.0	118.0	118.0	118.9	118.9	118.9	118.9	118.9	118.9
Environmental Services										
Collection trucks	10	10	10	10	10	10	10	10	10	11
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
LAST TEN FISCAL YEARS

Table 26

Fiscal Year	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL JOINT UTILITY SYSTEM
	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	
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
2018	241,046	80,107	63,146	248,680	103,080	574,246	207,175	1,517,480
2019	272,331	107,965	59,318	269,828	104,179	567,249	194,513	1,575,383

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

where discoveries are made



Other Supplementary Information

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF RECONCILIATION OF TAX RECEIPTS AND DISBURSEMENTS

Year ended June 30, 2019

PROPERTY TAX RECEIVABLE, JUNE 30, 2018	\$ 272,020
Net taxes charged to treasurer	19,290,232
Collections	(19,376,348)
Adjustments	56,469
PROPERTY TAX RECEIVABLE, JUNE 30, 2019	\$ 242,374

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2019, LISTED BY YEAR:	TOTAL	INCORPORATED COUNTY OF LOS ALAMOS	STATE OF NEW MEXICO	UNIVERSITY OF NEW MEXICO	LOS ALAMOS PUBLIC SCHOOLS
2009	757	291	37	29	400
2010	1,599	560	134	65	840
2011	1,288	459	77	54	698
2012	439	146	35	19	239
2013	1,095	414	87	44	550
2014	1,406	522	85	59	740
2015	2,631	1,136	161	101	1,233
2016	12,953	5,576	702	500	6,175
2017	42,950	17,847	2,220	3,161	19,722
2018	177,256	72,044	9,235	13,209	82,768
	\$ 242,374	98,995	12,773	17,241	113,365

DISTRIBUTION OF COLLECTED PROPERTY TAXES:

Incorporated County of Los Alamos	\$ 7,581,145
State of New Mexico	1,029,632
University of New Mexico	1,477,590
Los Alamos Schools	9,287,981
	\$ 19,376,348

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

Year ended June 30, 2019

<u>Agency</u>	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	Receivable at Year End
Incorporated County of Los Alamos:							
2009	6,683,375	287	6,683,085	287	6,683,085	0	291
2010	5,137,331	220	5,136,771	220	5,136,771	0	560
2011	5,312,320	213	5,311,861	213	5,311,861	0	459
2012	5,401,108	2,607	5,400,963	2,607	5,400,963	0	145
2013	5,460,016	289	5,459,602	289	5,459,602	0	415
2014	5,477,744	2,021	5,477,223	2,021	5,477,223	0	521
2015	7,160,040	7,595	7,158,903	7,595	7,158,903	0	1,136
2016	7,188,409	26,431	7,182,832	25,152	7,181,553	1,279	5,576
2017	7,366,509	51,208	7,348,661	48,195	7,345,649	3,013	17,848
2018	7,648,100	7,489,993	7,576,056	7,397,934	7,483,997	92,059	72,044
	62,834,952	7,580,862	62,735,957	7,484,512	62,639,606	96,350	98,995

State of New Mexico:

2009	816,755	37	816,717	37	816,717	0	37
2010	1,059,010	48	1,058,876	48	1,058,876	0	134
2011	969,215	41	969,138	41	969,138	0	77
2012	964,738	347	964,703	347	964,703	0	35
2013	955,454	53	955,367	53	955,367	0	87
2014	920,281	351	920,197	351	920,197	0	85
2015	940,389	929	940,228	929	940,228	0	162
2016	954,153	3,190	953,452	3,018	953,280	172	702
2017	992,887	6,349	990,668	6,097	990,416	252	2,219
2018	1,039,745	1,018,245	1,030,510	1,007,192	1,019,456	11,054	9,236
	9,612,628	1,029,589	9,599,855	1,018,112	9,588,378	11,477	12,773

University of New Mexico:

2009	643,341	29	643,312	29	643,312	0	29
2010	646,524	29	646,459	29	646,459	0	65
2011	671,321	28	671,267	28	671,267	0	54
2012	689,880	254	689,861	254	689,861	0	19
2013	702,075	39	702,031	39	702,031	0	44
2014	676,320	258	676,262	258	676,262	0	59
2015	691,048	680	690,947	680	690,947	0	101
2016	693,975	2,328	693,476	2,245	693,392	83	500
2017	1,440,068	9,198	1,436,907	8,840	1,436,549	358	3,161
2018	1,495,513	1,464,719	1,482,304	1,448,863	1,466,449	15,855	13,210
	8,350,066	1,477,562	8,332,826	1,461,265	8,316,529	16,297	17,241

Los Alamos Public Schools:

2009	8,716,635	394	8,716,236	394	8,716,236	0	399
2010	8,505,974	381	8,505,135	381	8,505,135	0	840
2011	8,747,934	366	8,747,236	366	8,747,236	0	698
2012	8,749,323	3,188	8,749,084	3,188	8,749,084	0	239
2013	8,657,150	476	8,656,601	476	8,656,601	0	550
2014	8,492,230	3,238	8,491,490	3,238	8,491,490	0	740
2015	8,396,982	8,298	8,395,749	8,298	8,395,749	0	1,233
2016	8,573,006	28,775	8,566,830	27,744	8,565,798	1,031	6,176
2017	8,976,497	57,386	8,956,774	55,154	8,954,543	2,232	19,723
2018	9,378,351	9,185,246	9,295,583	9,085,843	9,196,180	99,403	82,768
	87,194,083	9,287,748	87,080,718	9,185,082	86,978,052	102,666	113,365

Grand Total	\$ 167,991,729	19,375,761	167,749,355	19,148,970	167,522,565	226,790	242,374
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INCORPORATED COUNTY OF LOS ALAMOS **SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2019

	ENTERPRISE TRUST & BANK	WELLS FARGO	TOTAL
TOTAL AMOUNT OF DEPOSITS (bank balances)	\$ 16,665,535	28,446	16,693,981
	0	0	0
Less: FDIC coverage	250,000	250,000	500,000
TOTAL UNINSURED PUBLIC FUNDS	16,415,535	(221,554)	16,415,535
COLLATERAL REQUIRED			
Deposits	8,207,767 [a] [a]	(110,777)	8,096,990
	0	0	0
COLLATERAL			
Letters of Credit, Agencies, Municipal Bonds	24,999,123 [b] [b]	0	24,999,123
OVER(UNDER) SECURED	\$ 16,791,355	110,777	16,902,133

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, 2019

	ACQUISITION DATE	MATURITY DATE	CUSIP NUMBER	TYPE	PAR VALUE	BOOK/MARKET PER BANK
LOS ALAMOS NATIONAL BANK						
Agency Notes/Bonds	05/10/19	04/15/48	3137F5AE9	FREDDIE MAC CMO SERIES 4792	16,540,022	16,715,840
	05/10/19	10/20/47	38380KUN3	GINNIE MAE CMO SERIES 2017-170	8,469,665	8,283,283
					<u>25,009,687</u>	<u>24,999,123</u>
TOTAL PLEDGED COLLATERAL						
					<u>\$ 25,009,687</u>	<u>24,999,123</u>

LOS ALAMOS

The logo for Los Alamos National Laboratory, featuring a blue circle with white atomic orbits.The logo for Los Alamos National Laboratory, featuring a red circle with white atomic orbits.

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF DEPOSITORY ACCOUNTS

June 30, 2019

NAME OF DEPOSITORY	ACCOUNT NAME	TYPE OF ACCOUNT	TOTAL DEPOSITORY BALANCES
Alliance Benefits Group	L.A.C. Employee Pension Plan	Participant Investment	\$ 53,706,027
Bank of Albuquerque	Los Alamos County	FHLB	1,994,561
Bank of Albuquerque	Los Alamos County	FHLMC	4,982,300
Bank of Albuquerque	Los Alamos County	FNMA	4,994,950
Bank of Albuquerque	Los Alamos County	T-Note	23,062,880
Bank of Albuquerque	Los Alamos County	T-Bill	5,400,808
Enterprise Bank & Trust	Library Gift Fund	C.D.	12,300
Enterprise Bank & Trust	Employee Fund	Checking	9,462
Enterprise Bank & Trust	Employee Fund	C.D.	9,718
Enterprise Bank & Trust	Flexible Spending Account	Checking	15,520
Enterprise Bank & Trust	General County	Checking	12,950,712
Enterprise Bank & Trust	GRT Bonds Debt Service	Checking	34,949
Enterprise Bank & Trust	Landfill Closure	Checking	358,312
Enterprise Bank & Trust	Municipal Court Bond	Checking	9,218
Enterprise Bank & Trust	Police Operations	Checking	4,795
Enterprise Bank & Trust	Small Purchase	Checking	19,461
Enterprise Bank & Trust	Manual Checks	Checking	20,001
Enterprise Bank & Trust	Utility Resource Pool	Checking	3,117,430
Enterprise Bank & Trust	NMEDD LEDA	Checking	103,657
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	518,827
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	4,451,040
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	3,587,186
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	875,679
State Investment Council	Permanent Fund	Pool	27,000,999
State Investment Council	General Fund	Pool	17,721,961
State Investment Council	Cemetery Perpetual Care	Pool	973,975
NM Local Government Investment Pool	LGIP	Pool	24,500,000
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,600,188
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	28,446
Total Depository Balances			192,065,362
Reconciling items to Bank Reconciliation			(1,537,254)
Petty Cash and Change Funds			4,573
Total Deposits and Investments reported in financial statements			\$ 190,532,681

INCORPORATED COUNTY OF LOS ALAMOS SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS

June 30, 2019

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 acts as the investment manager for County funds deposited with the SIC, and invests County funds in accordance with the guidelines provided in the County's Investment Policy; provided 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 on 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, 2019, the County had approximately \$45.7 million invested with the SIC. The County paid approximately \$91,500 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 formalize the 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 of LANL Communities (RCLC), a separate entity from coalition members, which develops 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 (the County) by and among the City of Las Cruces, the City of Gallup, and the City of Farmington establishing the New Mexico Municipal Energy Acquisition Authority (NMMEAA)

This Joint Powers Agreement (JPA) was entered into by and among the City of Las Cruces and the City of Gallup on June 19, 2008. The County entered this JPA by adoption of Amendment Number 1 on September 30, 2008. The JPA establishes the NMMEAA to act as the administering agency to acquire long-term energy supplies, including the purchase of natural gas for retail gas customers or for sale to other municipal or governmentally-owned utilities, to produce electricity for retail customers or for sale to other municipal or governmentally-owned utilities; and to fuel the pipeline and related transportation costs of gas supply. This agreement establishes the governance structure that includes a representative from each party.

This agreement is perpetual unless terminated by mutual consent of the parties.

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2019

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED	CASH	OTHER	FEDERAL	ACCRUED
		REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2018			PARTICIPATING EXPENDITURES	REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2019
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	4,351,885	18,931,146	3,912,107	[1] 21,509,192	3,017,824
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	0	254,150	0	254,150	0
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5311						
FY18 Contract MO1539	20.509	296,849	682,186	0	385,337	0
FY19 Contract MO1599	20.509	0	652,558	0	1,083,722	431,164
TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE		4,648,734	20,520,040	3,912,107	23,232,401	3,448,988
NONMAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Agriculture:						
	10-665					
United States National Forest Reserve	Public Law 106-393	0	4,305	0	4,305	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
Emergency Management Performance Grant (FY18)	97.042	27,447	27,447	0	0	0
Emergency Management Performance Grant (FY19)	97.042	0	0	0	22,258	22,258
State Homeland Security Grant-LEPTA	97.067	78,470	78,468	2	[2] 0	0
State Homeland Security Grant-Interoperable Communications	97.067	0	3,178	0	44,797	41,619
State Homeland Security Grant-Interoperable Communications	97.067	0	0	0	63,405	63,405
Hazardous Materials Public Sector Training and Planning Grants	20.703	0	0	0	16,876	16,876
Wildfire Mitigation and Education Project Phase 1	97.039	26,003	26,003	0	0	0
Wildfire Mitigation and Education Project Phase 2	97.039	0	0	0	2,857	2,857
Flood Mitigation Grant-Canyon Road Stabilization-Phase 1	97.039	0	43,787	0	76,633	32,846
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	707,426	55,143	(39,013)	[3] 0	691,296
FEMA, Region 6						
Assistance to Firefighters Grant-Mobile Data Terminals	97.044	158,299	185,883	(27,584)	[2] 0	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	93,625	186,505	0	92,880	0
National Park Service	15.954					
Cooperative Agreement-Bandelier National Park-FY20 Season	P17AC00081	0	0	0	49,335	49,335
Cooperative Agreement-Bandelier National Park-FY19 Season	P17AC00081	11,722	44,555	0	32,833	0
United States Department of Justice:						
Drug Enforcement Administration-Asset Forfeiture	16.xxx	(242)	0	0	242	0
Office of Justice-Bulletproof Vest Partnership	Public Law 106-517	0	6,290		6,290	0
Office of Justice-National Crime Victims Reparation Awareness	16.582	0	818	0	818	0
Flow through New Mexico Crime Victims Reparation Commission						
STOP Violence Against Women Formula Grant Program (FY18)	16.588	3,004	3,004	0	0	0
STOP Violence Against Women Formula Grant Program (FY19)	16.588	0	6,909		10,073	3,164
Victims of Crime Assistance Formula Grant Program (FY18/19)	16.575	2,716	5,188	0	2,472	0
Victims of Crime Assistance Formula Grant Program (FY19/20)	16.575	0	5,402	0	7,769	2,367

United States Department of Transportation-Federal Aviation Administration						
Airport Perimeter Fencing Project - Design Phase	20.106	6,019	6,019	0	0	0
Airport Perimeter Fencing Project - Construction Phase	20.106	0	547,945	0	613,468	65,523
United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
100 Days and Nights of Summer (18-ST-RF-056)	20.600	0	525	0	525	0
Federal Aid Project-Canyon Rim Trail Underpass	20.205	14,078	102,166	0	109,144	21,056
United States Department of Transportation-Federal Transit Administration						
Enhanced Mobility of Seniors and Individuals with Disabilities Section 5310						
FY18 Contract MO1538	20.513	0	108,361	0	108,361	0
TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE		<u>1,116,460</u>	<u>1,447,901</u>	<u>(66,595)</u>	<u>1,265,341</u>	<u>1,000,495</u>
TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE		<u>\$ 5,765,194</u>	<u>21,967,941</u>	<u>3,845,512</u>	<u>24,497,742</u>	<u>4,449,483</u>
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:						
Change in dererred revenue and reserved balances					234,460	
Federal Subsidy Build America Bonds					121,472	
Ambulance billing and other receipts DOE Cooperative Agreement for fire services					(543,252)	
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000					(3,368,855)	
North Central Regional Transit District revenues					1,466,600	
INTERGOVERNMENTAL REVENUES - FEDERAL					<u>22,408,168</u>	
INTERGOVERNMENTAL REVENUES - STATE					<u>24,174,553</u>	
TOTAL INTERGOVERNMENTAL REVENUES					<u>\$ 46,582,720</u>	
INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:						
Governmental funds					\$ 24,159,020	
Proprietary funds						
Intergovernmental charges for services					17,597,085	
Intergovernmental - non capital revenue					3,444,457	
Other sources and uses - intergovernmental capital revenue					1,382,160	
TOTAL INTERGOVERNMENTAL REVENUES					<u>\$ 46,582,720</u>	

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] Unspent Portion Back to State

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year ended June 30, 2019

STATE GRANTOR /PROGRAM TITLE	PROGRAM OR AWARD AMOUNT	ACCRUED	CASH RECEIVED	OTHER (SEE NOTES)	STATE	ACCRUED
		(RESERVED BALANCE)			PARTICIPATING	REIMBURSEMENT
		JUNE 30, 2018			EXPENDITURES	(RESERVED BALANCE) JUNE 30, 2019
STATE OF NEW MEXICO:						
Fire Marshal's Office:						
Fire Protection Fund Distribution		(25,293)	478,400	4,831 [1]	452,812	(55,712)
Fire Protection Grant		0	99,000	0	70,306	(28,694)
Total Fire Marshal's Office		(25,293)	577,400	4,831	523,118	(84,406)
Children, Youth and Families Department						
Juvenile Justice Continuum (19-690-15184)		0	166,369	0	187,768	21,399
Juvenile Justice Continuum (18-690-14477)		27,183	27,183	0	0	0
Total Children, Youth and Families Department		27,183	193,552	0	187,768	21,399
Department of Finance and Administration:						
LDWI-Local Distribution (FY19)		0	62,000	(8,230) [2]	53,770	0
DWI Grant (18-D-G-16)		6,895	15,370	0	11,229	2,754
Juvenile Adjudication Grant Fund (17-J-16)		0	1,200	0	3,320	2,120
Enhanced E911 (19-E-12)		0	0	127,778 [3]	134,867	7,089
Enhanced E911 (18-E-12)		6,522	6,522	0	0	0
Law Enforcement Protection Fund Distribution		(573)	39,200	0	27,974	(11,799)
Capital Grant Project-Jemez Mountains Regional Fire Protection		109,251	109,251	0	0	0
Total Department of Finance and Administration		122,095	233,543	119,548	231,160	164
Department of Health - Public Health Office						
Primary Care and EMS Distribution - Fire		(397)	10,288	0	10,685	0
Los Alamos Community Health Council Pass Through (FY19)		0	4,730	0	4,730	0
Total Department of Health		(397)	15,018	0	15,415	0

Transportation Department					
Cooperative Agreement, Local Government Road Funds (SP-5-19(181))	0	146,101	0	146,101	0
Cooperative Agreement, School Bus Route (SB-7803(100)19)	0	130,069	0	130,069	0
Cooperative Agreement, County Arterial Program (CAP-5-17(467))	0	47,853	0	47,853	0
Cooperative Agreement, Local Government Road Funds (SP-5-18(181))	0	62,405	0	62,405	0
Cooperative Agreement, School Bus Route (SB-7803(100)18)	0	70,000	0	70,000	0
Cooperative Agreement, County Arterial Program (CAP-5-18(467))	0	21,515	0	21,515	0
Selective Traffic Enforcement Program (STEP) (19-PT-RF-056)	0	0	0	628	628
Selective Traffic Enforcement Program (STEP) (18-ST-RF-056)	0	0	0	3,333	3,333
Airport Maintenance Program (LAM-19-01)	1,224	4,315	0	3,811	720
Airfield Pavement Maintenance Grant (LAM-19-02)	0	42,698	0	42,698	0
Airport Perimeter Fence Project - Construction Phase (LAM-19-03)	0	21,999	0	54,297	32,298
Airport Perimeter Fence Project - Design Phase (LAM-17-02)	334	334	0	0	0
Total Transportation Department	1,558	547,289	0	582,710	36,979
Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA DR 4079	(781)	0	0	0	(781)
Disaster Assistance - FEMA DR 4152	119,800	9,190	(6,502) [2]	0	117,112
Executive Order 2019-008 (Severe Winter Storms)	0	0	0	319,405	319,405
Executive Order 2019-009 (Severe Wind Event)	0	0	0	12,346	12,346
Total Homeland Security Department	119,019	9,190	(6,502)	331,751	448,082
New Mexico Environment Department					
Recycling and Illegal Dumping Act Grant - Yard Trimming Roll Carts	0	31,626	0	31,626	0
Recycling and Illegal Dumping Act Grant - Water Bottle Filling	0	14,690	0	14,690	0
Recycling and Illegal Dumping Act Grant - Used Oil Heater	1,939	1,939	0	0	0
Total Environment Department	1,939	48,255	0	46,316	0
New Mexico Aging and Long Term Services Department					
Capital Outlay Grant - White Rock Senior Center Kitchen	0	0	0	82,978	82,978
New Mexico Administrative Office of the Courts					
Municipal Automation Fund	0	6,968	0	6,968	0
New Mexico Finance Authority					
Water Trust Board - Project Number 3557	0	484,560	0	484,560	0
New Mexico Tourism Department					
Cooperative Marketing Flex Grant Agreement	0	3,000	0	3,000	0
Office of Cultural Affairs:					
New Mexico State Library 2010 General Obligation Bond	0	13,471	0	13,471	0
New Mexico State Library Grant - Operations	0	11,265	0	11,265	0
Total Office of Cultural Affairs	0	24,736	0	24,736	0
TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE	\$ 246,104	2,143,511	117,877	2,520,480	505,196
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:					
State-shared Revenues				21,577,718	
State-Emergency Mutual Aid Deployment Revenues				333,805	
Change in reserved balances				71,613	
Change in Deferred Revenue				(329,063)	
TOTAL INTERGOVERNMENTAL REVENUES - STATE				\$ 24,174,553	

NOTES:

- [1] Interest earned on reserved fund balance
[2] Unspent Distribution back to State
[3] Grant expenditures made by State on County's behalf

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

June 30, 2019

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
ASSETS AND OTHER DEBITS					
UTILITY PLANT					
Utility plant in service	\$ 180,782,016	16,425,637	92,547,220	46,388,985	336,143,858
Construction work in progress	3,254,973	461,068	1,553,227	125,417	5,394,685
Less accumulated depreciation	(110,457,324)	(5,605,526)	(30,983,577)	(13,455,301)	(160,501,728)
NET PLANT IN SERVICE	<u>73,579,665</u>	<u>11,281,179</u>	<u>63,116,870</u>	<u>33,059,101</u>	<u>181,036,815</u>
OTHER PROPERTY AND INVESTMENTS					
Investments and special funds	<u>16,785,429</u>	<u>0</u>	<u>168,900</u>	<u>0</u>	<u>16,954,329</u>
	16,785,429	0	168,900	0	16,954,329
CURRENT AND ACCRUED ASSETS					
Cash and short-term investments	(845,452)	3,930,626	8,156,671	3,430,142	14,671,987
Customer accounts receivable	2,897,784	284,689	500,033	495,458	4,177,964
Less provision for uncollectible accounts	(20,209)	(6,406)	(9,570)	(11,148)	(47,333)
Due from other governments	0	0	0	0	0
Due from associated subfunds (not included in total column)	0	0	164,225	0	164,225
Fuel stock	495,377	0	0	0	495,377
Materials and supplies	1,019,772	29,772	213,715	11,643	1,274,902
Prepayments	126,990	0	59,101	0	186,091
Accrued utility revenues	558,269	86,839	324,292	235,200	1,204,600
Miscellaneous current and accrued assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	4,232,531	4,325,520	9,408,467	4,161,295	22,127,813
OTHER NONCURRENT ASSETS AND DEFERRALS					
Advances to associated subfunds (not included in total column)	0	0	613,885	0	613,885
Deferred pension & OPEB	2,933,148	658,495	331,425	290,405	4,213,473
Deferred San Juan Decommissioning Costs	4,949,780	0	0	0	4,949,780
Unamortized deferral on refunding of debt	<u>388,412</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>388,412</u>
	8,271,340	658,495	945,310	290,405	10,165,550
TOTAL ASSETS AND OTHER DEBITS	\$ <u>102,868,965</u>	<u>16,265,194</u>	<u>73,639,547</u>	<u>37,510,801</u>	<u>230,284,507</u>

LIABILITIES AND OTHER CREDITS

EQUITY

Retained earnings	\$ 56,444,936	12,379,629	67,939,728	28,298,203	165,062,496
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LONG-TERM DEBT

Bonds	16,649,971	0	1,370,029	0	18,020,000
Plus unamortized premium on long-term debt	576,067	0	8,484	0	584,551
Contracts and intergovernmental debt payable	0	0	1,325,585	6,363,673	7,689,258
	<u>17,226,038</u>	<u>0</u>	<u>2,704,098</u>	<u>6,363,673</u>	<u>26,293,809</u>

OTHER NONCURRENT LIABILITIES AND DEFERRALS

Accumulated provision for benefits	215,520	76,376	54,381	21,056	367,333
Advances from associated subfunds (not included in total column)	0	0	0	613,885	613,885
Asset retirement obligations	10,891,275	0	0	0	10,891,275
Pension & OPEB liability	11,663,897	3,289,736	1,611,559	1,409,292	17,974,484
Deferred pension & OPEB	987,655	306,489	139,394	110,198	1,543,736
	<u>23,758,347</u>	<u>3,672,601</u>	<u>1,805,334</u>	<u>2,154,431</u>	<u>31,390,713</u>

CURRENT AND ACCRUED LIABILITIES

Accounts payable	1,811,165	52,345	881,255	74,304	2,819,069
Customer deposits	75,759	58,025	54,099	0	187,883
Tax collections payable	58,827	14,769	25,553	22,327	121,476
Current portion of revenue bonds payable	2,910,377	0	49,623	0	2,960,000
Current portion of contracts and other debt	0	0	102,606	351,815	454,421
Interest accrued	73,278	0	8,280	36,566	118,124
Due to associated subfunds (not included in total column)	0	0	0	164,225	164,225
Miscellaneous current and accrued liabilities	510,238	87,825	68,971	45,257	712,291
	<u>5,439,644</u>	<u>212,964</u>	<u>1,190,387</u>	<u>694,494</u>	<u>7,537,489</u>

TOTAL LIABILITIES AND OTHER CREDITS

\$ <u>102,868,965</u>	<u>16,265,194</u>	<u>73,639,547</u>	<u>37,510,801</u>	<u>230,284,507</u>
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**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, 2019

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
UTILITY OPERATING REVENUES					
Sales for resale	\$ 30,195,212	0	0	0	30,195,212
Residential	7,146,661	4,076,050	3,738,794	4,615,837	19,577,342
Commercial and industrial	4,365,731	1,004,232	499,347	876,760	6,746,070
Sale to public authorities	1,938,695	327,830	1,614,352	0	3,880,877
Street lighting	78,252	0	0	0	78,252
Other operating revenues	181,787	73,440	575,409	27,055	857,691
TOTAL OPERATING REVENUES	43,906,338	5,481,552	6,427,902	5,519,652	61,335,444
OPERATING EXPENSES					
Purchased power or natural gas	(13,205,813)	(2,537,899)	0	0	(15,743,712)
Distribution	(779,458)	(1,075,336)	(2,002,614)	(659,267)	(4,516,675)
Administrative and general	(4,562,389)	(872,448)	(1,835,784)	(1,236,808)	(8,507,429)
Customer accounts	0	(3,372)	(737)	(3,453)	(7,562)
Steam power generation	(9,437,665)	0	0	0	(9,437,665)
Transmission	(5,283,071)	0	0	0	(5,283,071)
Other production expenses	(2,041,823)	0	0	0	(2,041,823)
Hydraulic power generation	(278,645)	0	0	0	(278,645)
	(35,588,864)	(4,489,055)	(3,839,135)	(1,899,528)	(45,816,582)
MAINTENANCE EXPENSES					
Distribution	(1,625,450)	(355,544)	(927,289)	(1,319,151)	(4,227,434)
Steam power generation	(1,251,565)	0	0	0	(1,251,565)
Hydraulic power generation	(547,611)	0	0	0	(547,611)
Carbon free generation	(177,716)	0	0	0	(177,716)
Transmission	(423,182)	0	0	0	(423,182)
	(4,025,524)	(355,544)	(927,289)	(1,319,151)	(6,627,508)
DEPRECIATION AND AMORTIZATION EXPENSE	(4,595,132)	(392,600)	(1,925,607)	(854,767)	(7,768,106)
TAXES	(542,159)	0	0	0	(542,159)
TOTAL UTILITY OPERATING EXPENSES	(44,751,679)	(5,237,199)	(6,692,031)	(4,073,446)	(60,754,355)

UTILITY OPERATING INCOME	<u>(845,341)</u>	<u>244,353</u>	<u>(264,129)</u>	<u>1,446,206</u>	<u>581,089</u>
Other income (investment loss)	396,226	79,940	240,724	62,343	779,233
Other deductions	<u>(497,944)</u>	<u>(473)</u>	<u>(117,749)</u>	<u>(534)</u>	<u>(616,700)</u>
UTILITY INCOME	<u>(947,059)</u>	<u>323,820</u>	<u>(141,154)</u>	<u>1,508,015</u>	<u>743,622</u>
Interest on long-term debt	<u>(903,138)</u>	<u>0</u>	<u>(84,990)</u>	<u>(193,290)</u>	<u>(1,181,418)</u>
INCOME BEFORE EXTRAORDINARY ITEMS	<u>(1,850,197)</u>	<u>323,820</u>	<u>(226,144)</u>	<u>1,314,725</u>	<u>(437,796)</u>
Proprietary capital, beginning of year	52,726,630	12,055,809	68,165,872	26,983,478	159,931,789
Prior year restatement - GASB Statement 83	<u>5,568,503</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,568,503</u>
PROPRIETARY CAPITAL, END OF FISCAL YEAR	<u>\$ 56,444,936</u>	<u>12,379,629</u>	<u>67,939,728</u>	<u>28,298,203</u>	<u>165,062,496</u>



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**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**

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Brian S. Colón, 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 1, 2019.

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

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Brian S. Colón, New Mexico State Auditor

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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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
December 1, 2019



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

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, 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, 2019. 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, 2019.

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.

Dr. Sara Scott, Chair, County Council
Members of the Council, and Harry Burgess, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, 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
December 1, 2019



LOS ALAMOS

where discoveries are made

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INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

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 the 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	
3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
81.140	Fire Protection, Emergency Medical and Rescue Services – Cooperative Agreement
20.509	Nonurbanized Area Formula Grant Program Section 5311

Dollar threshold used to distinguish between Type A and Type B Programs	\$756,474
Auditee qualified as a Low-Risk Auditee	Yes

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION II – FINDINGS

2019-001 Internal Control over Payroll Transactions (Finding Required by Section 12-6-5 NMSA 1978)

Condition:

The County proactively, through internal audit procedures, or via employee/department notification, identified various corrections/adjustments to payroll disbursements throughout the fiscal year. These corrections/adjustments were a result of user and system implementation issues related to the implementation of a new accounting system on 7/1/18. The issues identified are as follows:

- Inaccurate time reported in the original timesheet or timecard related to employee implementation of new timekeeping system. In some instances, incorrect time was approved/certified by both employees and supervisors, then later corrections were requested. (User Implementation)
- Time sheets were correct, but system underreported total hours. (System Implementation)
- Original time sheets included coding errors, later corrected. (User Implementation)
- System did not include total hours in "Totals" column on printed paystub. (System Implementation)
- Incorrect payrate carried forward into System. (System Implementation)

During our test work over payroll disbursements, we noted the following exceptions (uncorrected errors) related to two police department employees:

1. A difference of \$30.45 between calculated Medicare wages and Taxable Wages to calculated amounts on full year of paystubs was identified (W-2 was lower). Additionally, for same employee, the calculated Public Employees Retirement Association contributions calculated were \$7.95 lower than those reported on employee's last pay stub of the year.

In order to estimate the possible misstatement resulting from the errors noted above on the financial statements, we extrapolated the actual error to all Police Department payroll expenses subject to blended rates (16 employees). The estimates of possible misstatements calculated to \$487.20 and \$127.20, respectively, based on the errors in our sample.

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INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION II – FINDINGS

2019-001 Internal Control over Payroll Transactions (Finding Required by Section 12-6-5 NMSA 1978), (Continued)

2. A difference of \$32.13 between calculated Taxable Wages and those reported on employee Form W-2 was identified (W-2 was higher).

In order to estimate the possible misstatement resulting from the errors noted above on the financial statements, we extrapolated the actual error to all Police Department payroll expenses subject to blended rates (16 employees). The estimate of possible misstatement calculated to \$514.08.

At year end, it also appears that there is specific risk related to the Police Department payroll transactions. As noted earlier, these transactions are more complex given the various pay levels involved per the bargaining agreement, and methods applied to the averaging of pay. Additionally, there appears to be excessive adjustments to time reported per original timesheets and previously approved payroll amounts, requiring subsequent corrections.

Criteria:

Internal controls over payroll disbursements should allow for timely and accurate recording and disbursing of funds and should contain adequate documentation to support transactions. Payroll transactions should reflect actual time reported and authorized, as well as accurate pay rates authorized in personnel action forms. Payroll module should reflect and allow for accurate coding of time and use of the correct associated payrates. All personnel involved in the entry and certification of time worked, should be apprised of all relative personnel rules and other bargaining unit agreements that affect pay.

Cause:

Conversion to a new payroll module was required as a result of the new accounting system implementation. There were issues with the initial system configuration, specifically related to the various pay levels/shift differentials for employees subject to collective bargaining agreements and related incentives, and in the method of averaging of pay specifically related to the Police Department. The conversion initially required various corrections to the configuration as well as resolving system glitches related to the automation of electronic timekeeping in general

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION II – FINDINGS

2019-001 Internal Control over Payroll Transactions (Finding Required by Section 12-6-5 NMSA 1978), (Continued)

for the County. The County discovered that the payroll module contained various system glitches which required the use of manual intervention in some areas of processing payroll and have scheduled a system upgrade that will address some of these glitches. Additionally, there were some issues with learning curve related to user (employee) implementation, primarily related to use of the new electronic timekeeping system (coding and reporting of time) and incorrect approval of time reported.

Effect:

Potential over and underpayment of payroll disbursements. Potential errors in W-2 reporting at year end. Potential time fraud in cases where unauthorized/inaccurate time is approved.

Recommendation:

We recommend that individual departments, specifically the Police Department, implement a rigorous review and approval process for time recorded to minimize subsequent corrections to authorized time - which may reduce the negative impacts to all payroll obligations, reconciliations, and reporting. Further, we recommend that the finance and human resources departments conduct a thorough test of the payroll and HR system, specifically after upgrade, to identify any issues with configuration (pay rates/pay differentials) and ensure that system calculations are accurate. We have noted many manual controls already put in place by payroll to proactively address any potential pay errors, and recommend a continuation of rigorous processing controls and testing.

Response:

The County payroll and human resources staff have worked diligently with all corresponding departments and county personnel to diagnose and correct any pay issues that have been identified and/or continue to be identified as a result of the conversion of the payroll system and new implementation of electronic time-keeping software. Although rigorous testing occurred prior to the Go-Live date of July 1, 2018, the County could not fully predict all production and processing challenges that have occurred, but continues to troubleshoot and make necessary pay adjustments that arise.

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INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION II – FINDINGS

2019-001 Internal Control over Payroll Transactions (Finding Required by Section 12-6-5 NMSA 1978), (Continued)

The County agrees that solid and timely controls are necessary to address the understanding, approval and certification of pay, including knowledge and application of the personnel rules and more complex pay structures identified in bargaining agreements. The Police Department has implemented a tracking mechanism for any pay issues inclusive of what type of error (system or user) to assist in the corrections, process improvements and diagnosing of system related problems. The PD will continue to work closely in conjunction with payroll and human resources to implement more controls over time approvals and accurate time reporting.

Payroll has experienced turnover in key staffing during the implementation year, and has worked extensively to take over all configuration issues, processing procedures, and employee training of timekeeping and payroll functions. This continues to be a challenge, and the County has begun to address the need and assignment of more resources to the overall Countywide payroll function.

Payroll has put into place many pre-audit controls to identify and diagnose potential payroll entry errors at the time of processing each by-weekly payroll – which has significantly decreased the need for payroll adjustments. Payroll and human resources staff meet bi-weekly to collaborate on all interrelated pay topics, and will continue to build more controls and implement more timekeeper and system user training to reach an even more seamless process.

Although the two exceptions noted above and assumptions therein of potential impact may have a minimal effect to employees identified, the County will perform further investigation and more testing of upcoming W-2 reporting. It is important to note that the remainder of the extensive payroll sampled did not indicate significant errors in payroll reporting. The representative sample above made up a very small percentage of total reported taxable wages for the entire County, which supports our own internal sampling, recalculations and representation of a successful conversion and implementation of our new software. Ultimately, the County is committed to putting forth the efforts and tools for all employees to utilize to address the need for complete accuracy in the calculation and reporting of pay.

The Chief Financial Officer and the Human Resources Director will be responsible for leading the efforts noted above. Implementation will begin immediately (during Fiscal Year 2020).

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION IV – PRIOR YEAR FINDINGS

The following findings were *resolved* in the current year:

2018-001 Internal Control Over Payroll Transactions (Finding Required by Section 12-6-5 NMSA 1978)

2018-002 Internal Control Over Procurement (Compliance)

**INCORPORATED COUNTY OF LOS ALAMOS
EXIT CONFERENCE
June 30, 2019**

An exit conference was held on Tuesday, November 26, 2019. 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:

Randal Ryti, County Councilor
James Robinson, County Councilor
Harry Burgess, County Manager
Robert Westervelt, Deputy Utilities Manager - Finance & Administration
Helen M. Perraglio, Chief Financial Officer

County Staff:

Steven Lynne, Deputy County Manager
Melissa Meyer, Deputy Chief Financial Officer
Karen Kendall, Budget and Performance Manager
Julie Brothers, Accounting Operations Manager
Reese Chavarria-Quam, Accounting Operations Manager

Morton Accounting Services, LLC:

Janet Pacheco-Morton, Principal



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where discoveries are made

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