

Incorporated County of Los Alamos, New Mexico



LOS ALAMOS

Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2020

Prepared by Finance of Administrative Services

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December 1, 2020

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 2020. Finance of Administrative Services has prepared this report to present the financial position of the County at June 30, 2020, 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

Randall T. Rytí
Council Vice-Chair

COUNCILORS

David Izraelevitz
Antonio Maggiore
Katrina Martin

James N. Robinson
Pete Sheehey

COUNTY MANAGER

Harry Burgess

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

INTERNAL CONTROL AND MANAGEMENT'S RESPONSIBILITY

County management is responsible for the accuracy of the County's financial statements and the completeness and fairness of their presentation. The County maintains a system of internal accounting controls that is intended to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements according to generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed the benefits to be derived.

The County had no findings from the independent auditors' which would have been described in their Schedule of Findings and Questioned Costs, which is included in the Other Financial Information Section of this report.

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 proposed budget was developed prior to the COVID-19 (coronavirus) outbreak.

On March 18, 2020, Council Chair Sara Scott declared a local public health emergency because of the novel coronavirus COVID-19. “Declaring this public health emergency is a prudent step for us to take at this time. It opens the door for us to allocate resources to immediate needs, as well as being able to access state or federal funds for recovery and response,” Scott said. The County Office of Emergency Management is working closely with LA Medical Center, LANL, other local entities, and State health officials to prepare for Coronavirus to emerge here in Los Alamos.

We worked together with the County’s senior management team to formulate a plan to keep our community and County employees safe, as well as to comply with emerging health guidance from the Governor and state agencies. County facilities including the library, senior centers and recreation facilities were closed to the public on March 16th.

As of March 18th, County employees providing essential services who had the ability to work from home (telecommute) were assigned work and County-issued laptops. Department Directors identified employees that fell within this category, including any employee who may be at higher health risk if they contract COVID-19. Employees providing essential services who have a job that requires them to be in the field, such as public safety or utilities’ workers, reported to work as scheduled. All other employees who provide non-essential services, as defined and determined by Department Directors and with approval from the County Manager, remained at home. Employees on special Emergency Paid Leave status must be in contact with their Supervisor daily, and could be recalled to work at any time. County employees continue to provide the citizens of Los Alamos with necessary, essential services.

A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) accounts for 72% and Property Taxes accounts for 10.3% of the total General Fund budgeted revenues. The remaining General Fund revenues are comprised of user fees, interdepartmental charges, investment income, and grants. GRT is primarily from the community’s largest employer, Los Alamos National Laboratory (LANL).

The County began preparing the budget in December. Our guidance for budget development was for a 3% increase in salaries for non-collective bargaining employees, a 10% increase in medical premiums and other expenditure categories flat to the FY2020 adopted amounts except for contractually obligated increases. Based on the current projected revenues and Council’s guidance to maintain a 20% reserve, there was an opportunity for Council to 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. The budget as adopted by Council included \$12.17 million in approved budget options.

The overall County adopted FY2021 expenditure budget is \$239.5 million as compared to FY2020 adopted expenditures of \$199.6 million. Overall County budgeted revenues are \$230.3 million as compared to FY2020 adopted revenues of \$202.9 million.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

The County's major accomplishments in FY2020 include the Diamond Drive pavement rehab project. Diamond Drive required pavement rehabilitation due to excessive damage caused by past winter snowstorms and extreme freeze thaw cycles to the top layer of asphalt. The asphalt improvements significantly improved the condition of the surface by removing a section of the asphalt surface and replacing it with traditional asphalt mix to extend the life of Diamond Drive pavement structure by approximately a decade.

The County also experienced a major accomplishment in the remote technology and realized advances of the efforts put forth into conversion of the ERP system which went live July 1, 2018. Because of the efforts to design, build, and maintain paperless transactions along with electronic workflow, the County was able to continue most work as usual, almost seamlessly, through telework in key financial processes during the Covid-19 pandemic.

Other major accomplishments and future initiatives include: 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 the design of 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. 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, 2019. 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 2019). 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 2020. 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 fourth year it has been compiled for FY2020. 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.

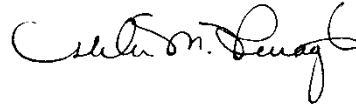
ACKNOWLEDGEMENTS

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 be 'H. Burgess'.

Harry Burgess,
County Manager

A handwritten signature in black ink, appearing to be 'Helen M. Perraglio'.

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, 2019

Christopher P. Morill

Executive Director/CEO

Attachment B

INCORPORATED COUNTY OF LOS ALAMOS
ORGANIZATIONAL CHART

viii.

Legend:



Community
Services
Department,
Linda Matteson (Acting)

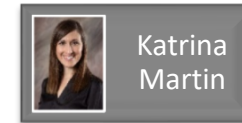
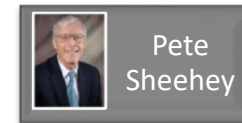
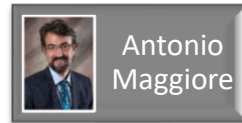
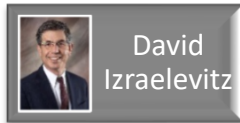
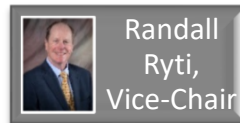
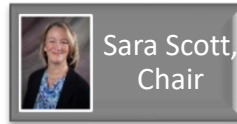


INCORPORATED COUNTY OF LOS ALAMOS

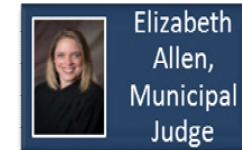
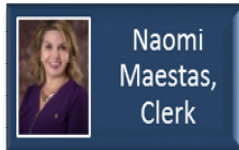
ELECTED AND APPOINTED OFFICIALS

As of June 30, 2020

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
Philo Shelton
Paul Andrus
Linda Matteson (Acting)
Troy Hughes
Dino Sgambellone
Anne Laurent
Marty Martinez
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
Incorporated County of Los Alamos, New Mexico
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, 2020, 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 26 and the schedule of the County's proportionate share of the net pension liability, other post-employment benefits liability, and the schedules of the County's contributions on pages 121 to 130 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
Incorporated County of Los Alamos, New Mexico
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 1-5, as listed in the table of contents, required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MORTON ACCOUNTING SERVICES, LLC



Santa Fe, New Mexico
November 30, 2020

LOS ALAMOS
where discoveries are made



Management's Discussion and Analysis

INCORPORATED COUNTY OF LOS ALAMOS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

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, 2020. 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 181.

FINANCIAL HIGHLIGHTS

New Accounting Standards

In fiscal year 2020, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) related to fiduciary activities, leases, equity interests and debt:

- GASB Statement No. 84 (GASB 84), "Fiduciary Activities"
- GASB Statement No. 87 (GASB 87), "Leases"
- GASB Statement No. 90 (GASB 90), "Majority Equity Interests"
- GASB Statement No. 91 (GASB 91), "Conduit Debt Obligations"

GASB 84 establishes criteria for identifying fiduciary activities. The criteria focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Fiduciary activities that meet these criteria should be reported in a fiduciary fund in the basic financial statements and should also present a statement of fiduciary net position and a statement of changes in fiduciary net position. GASB 84 primarily affects the Los Alamos County Pension Plan at June 30, 2020. The County will implement GASB 84 when it is effective in fiscal year 2021.

GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB 87 potentially affects the County's operating leases. The County will implement GASB 87 when it is effective in fiscal year 2021.

GASB 90 establishes that ownership of a majority equity interest in a legally separate organization result in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. GASB 90 does not impact Los Alamos County.

GASB 91 establishes a single method for reporting conduit debt obligations by issuers. A conduit debt obligation is defined as a debt instrument that has all of the following characteristics: (1) There are at least three parties involved: (a) an issuer, (b) a third-party obligor, and (c) a debt holder

or a debt trustee. (2) The issuer and the third-party obligor are not within the same financial reporting entity. (3) The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer. (4) The third-party obligor ultimately receives the proceeds from the debt issuance. (5) The third-party obligor is primarily obligated for the payment of all amounts associated with the debt obligation. An issuer should recognize a liability associated with an additional commitment to support debt service if certain recognition criteria are met. AGASB 91 primarily affects the County's Local Economic Development Act (LEDA) project with Pebble Labs. The County's implementation of GASB 91 becomes effective in fiscal year 2022 but is not anticipated to have any reporting change on its conduit debt disclosure.

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 \$431.0 million at fiscal year-ended June 30, 2020. This represents an increase of \$6.2 million in net position, or approximately 1.46%, as compared to the prior fiscal year-end. The largest contributor to this increase related to a decrease in the County's net pension liability of \$6.0 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 \$5.7 million to \$278.0 million for the fiscal year-ended June 30, 2020. The largest contributing factors to this increase was from a \$5.0 million decrease in program expenses. Revenues exceeded expenses by \$4.8 million and the County's program expenses decreased by \$5.0 million from \$66.6 million in fiscal year 2019 to \$61.6 million in fiscal year 2020. Expenses decreased largely in the general government function when compared to the prior year due to the timing of a significant major facilities maintenance (MFM) project and decreased spending in contractual services across the County.
- Business-type activities increased the County's net position by \$.5 million to \$153.1 million for the fiscal year-ended June 30, 2020. This compares to a \$.2 million increase during the previous fiscal year. The largest contributing factor to this increase was due to the \$.1 million gain on exchanges of capital assets. Expenses also exceeded revenues for total business-type activities by \$1.4 million exclusive of transfers. Total revenue from business-type activities was \$96.2 million for fiscal year 2020, approximately \$.8 million more than the previous year. The increase was due to the increase in gain on exchange of capital assets. Expenses in fiscal year 2020 decreased by \$4.5 million or 4.53 percent. This change was primarily due to a \$3.2 million decrease in Electric contractual services and salaries and benefits, a \$.8 million decrease in Gas contractual services, materials and supplies, and salaries and benefits, a \$.2 million increase in Water materials and supplies, a \$.3 million increase in Wastewater contractual services and salaries and benefits, a \$1.0 million decrease in Environmental Services contractual services and materials and supplies.
- For the fiscal year-ended June 30, 2020, the County's Governmental Funds reported combined ending fund balance of approximately \$102.1 million. This is an \$8.1 million increase from the end of fiscal year 2019. In large part, the increase in fund balance is attributable to expenditures in contractual services being significantly under the revised budget in the current fiscal year. The fund balance in the General Fund increased by \$8.3 million from prior year to \$42.6 million in fiscal year 2020. Cumulatively all other governmental fund balances decreased by \$.2 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 67-119 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 \$431.1 million at fiscal year-ended June 30, 2020. This is an increase of \$6.3 million in net position, or 1.46%, 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 2020 compared to fiscal year 2019.

Table 2
Los Alamos County's Net Position
As of June 30, 2020
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Assets:						
Current and other assets	\$ 110.1	96.4	69.3	67.0	179.4	163.4
Capital assets	<u>271.6</u>	<u>276.2</u>	<u>220.2</u>	<u>224.0</u>	<u>491.8</u>	<u>500.2</u>
Total assets	<u>381.7</u>	<u>372.6</u>	<u>289.5</u>	<u>291.0</u>	<u>671.2</u>	<u>663.6</u>
 Deferred outflows of resources	 <u>13.7</u>	 <u>19.9</u>	 <u>16.7</u>	 <u>23.0</u>	 <u>30.4</u>	 <u>42.9</u>
 Liabilities:						
Current and other liabilities	5.2	2.9	4.5	6.4	9.7	9.3
Long-term liabilities	<u>98.3</u>	<u>110.9</u>	<u>129.2</u>	<u>142.8</u>	<u>227.5</u>	<u>253.7</u>
Total liabilities	<u>103.5</u>	<u>113.8</u>	<u>133.7</u>	<u>149.2</u>	<u>237.2</u>	<u>263.0</u>
 Deferred inflows of resources	 <u>13.9</u>	 <u>6.5</u>	 <u>19.4</u>	 <u>12.2</u>	 <u>33.3</u>	 <u>18.7</u>
 Net position:						
Net investment in capital assets	241.8	243.6	190.3	190.7	432.1	434.3
Restricted	41.2	38.6	18.7	7.2	59.9	45.8
Unrestricted	<u>(5.0)</u>	<u>(10.0)</u>	<u>(55.9)</u>	<u>(45.3)</u>	<u>(60.9)</u>	<u>(55.3)</u>
Total net position	<u>\$ 278.0</u>	<u>272.2</u>	<u>153.1</u>	<u>152.6</u>	<u>431.1</u>	<u>424.8</u>

The largest portion of the County's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment). As of June 30, 2020, this amount was \$432.1 million (100.3% 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 \$434.3 million (102.2% of total) net investment in capital assets for the previous fiscal year-end, a net decrease of \$2.2 million or .51%. 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.

The balance of restricted net position is \$59.9 million (13.9% of total net position) at fiscal year-end 2020, an increase of \$14.1 million or 30.57% compared to the prior year. Restricted net position balances in the business-type activities increased \$11.5 million as additional cash and investments were set aside in the current fiscal year to establish reserves for operational expenses, capital expenses, and contingency expenses in the Joint Utility Fund. Restricted net position balances in the government-type activities increased \$2.5 million. The most significant changes were in the General Fund where the restricted balance for cash requirements increased \$1.6 million due to the increase in the current year revised budget and a \$.8 million increase in grants from granting agencies. Cumulatively other net position balances increased by \$.1 million.

The remaining negative \$60.9 million of the County's net position is categorized as unrestricted. Unrestricted net position decreased in fiscal year 2020 by \$5.6 million, which differs significantly from the prior year \$6.6 million increase. The most significant reason for the decrease is due to the establishment of operating, capital and contingency restrictions in the Joint Utility Fund in the current fiscal year.

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, 2020 (in millions of \$)						
	Governmental Activities		Business-type Activities		Total	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Revenues:						
Program revenues:						
Charges for services	\$ 2.6	2.7	68.8	69.7	71.4	72.4
Operating grants and contributions	1.5	0.5	22.6	21.0	24.1	21.5
Capital grants and contributions	4.0	2.3	0.9	1.4	4.9	3.7
Total program revenues	8.1	5.5	92.3	92.1	100.4	97.6
General revenues:						
Gross receipts taxes	31.2	31.4	3.1	3.1	34.3	34.5
Property taxes	7.8	7.3	0.0	0.0	7.8	7.3
Franchise taxes	0.5	0.5	0.0	0.0	0.5	0.5
Grants and contributions not restricted to specific programs	0.9	1.2	0.0	0.0	0.9	1.2
State shared revenue	21.3	21.6	0.0	0.0	21.3	21.6
Unrestricted interest and investment earnings (loss)	2.6	3.5	0.7	0.8	3.3	4.3
Gain (Loss) on exchange of capital assets	(6.0)	(2.7)	0.1	(0.6)	(5.9)	(3.3)
Total general revenues	58.3	62.8	3.9	3.3	62.2	66.1
Total Revenues	66.4	68.3	96.2	95.4	162.6	163.7
Program expenses:						
General government	14.2	19.0	0.0	0.0	14.2	19.0
Public safety	16.7	15.8	0.0	0.0	16.7	15.8
Physical and economic environment	3.7	4.2	0.0	0.0	3.7	4.2
Transportation	9.9	11.5	0.0	0.0	9.9	11.5
Health and welfare	4.8	4.1	0.0	0.0	4.8	4.1
Culture and recreation	10.5	10.3	0.0	0.0	10.5	10.3
Interest on long-term debt	1.7	1.7	0.0	0.0	1.7	1.7
Electric	0.0	0.0	41.9	45.1	41.9	45.1
Gas	0.0	0.0	4.3	5.1	4.3	5.1
Water	0.0	0.0	7.2	7.0	7.2	7.0
Wastewater	0.0	0.0	4.5	4.2	4.5	4.2
Environmental services	0.0	0.0	3.8	4.8	3.8	4.8
Transit (Atomic City Transit)	0.0	0.0	4.2	4.1	4.2	4.1
Fire	0.0	0.0	28.0	28.1	28.0	28.1
Airport	0.0	0.0	0.9	0.9	0.9	0.9
Total expenses	61.5	66.6	94.8	99.3	156.3	165.9
Change in net position before transfers	4.9	1.7	1.4	(3.9)	6.3	(2.2)
Transfers	0.9	1.5	(0.9)	(1.5)	0.0	0.0
Total Change in net position	5.8	3.2	0.5	(5.4)	6.3	(2.2)
Beginning net position	272.2	269.0	152.6	152.4	424.8	421.4
Prior period adjustment	0.0	0.0	0.0	5.6	0.0	5.6
Ending net position	\$ 278.0	272.2	153.1	152.6	431.1	424.8

Governmental Activities

Governmental activities during the year increased the County's net position by \$4.8 million for fiscal year 2020 as compared to the prior year. This section compares results of governmental activities for fiscal year 2020 to fiscal year 2019 as summarized in Table 3.

Total revenues were \$66.4 million in fiscal year 2020, approximately \$1.9 million less than the previous year. Key variances include:

- An increase of \$1.7 million in capital grants and contributions;
- A decrease of \$.2 million in gross receipts taxes and \$.3 million in state shared revenue from fiscal year 2019 primarily due to decreases in spending at LANL, the largest single employer in the county affected the taxable revenue base and the remainder due to the economic impact of COVID-19 on decreases in retail gross receipts
- A \$6.0 million loss on capital assets which is a decrease of \$3.3 million from prior year. The loss is due to construction work in progress projects being captured as maintenance expenditures primarily on road projects, versus being capitalized;
- A \$.1 million decrease in charges for services and a \$.3 million decrease in grants and contributions;
- Interest and investment earnings decreased by \$.9 million compared to the prior fiscal year which was reflected primarily in balances invested in market based funds with the New Mexico State Investment Council;
- Property taxes increased by \$.5 million; and
- Operating grants and contributions increased by \$1.0 million from fiscal year 2019.

Total expenses for governmental activities were \$61.5 million in fiscal year 2020, or approximately \$5.1 million less than the previous year. Key variances include:

- A decrease of \$4.8 million in General Government which includes reductions of roughly \$3.1 million in contractual services related to major fund maintenance projects, reduced debt service expenses of \$1.2 million, and \$.5 million decrease in capital projects related to information technology.;
- An increase of \$.9 million in Public Safety costs mainly related to indirect costs charged to Fire and a \$.5 million decrease in Physical and Economic Environment contractual services and materials costs;
- A decrease in Transportation of \$1.6 million which includes a \$1.5 million decrease in contractual services and a \$.1 million decrease in supplies;
- An increase in Health and Welfare expenses of \$.7 million which includes increases in contractual and professional services; and
- An increase of \$.2 million in Culture and Recreation related to ice rink and golf course capital improvements.

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year-end 2020. 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 \$53.5 million in general revenues and accumulated net position from governmental activities. Approximately 13.1% of governmental program expenses were covered by program revenues during fiscal year 2020, which is an increase compared to last year, at 8.3%.

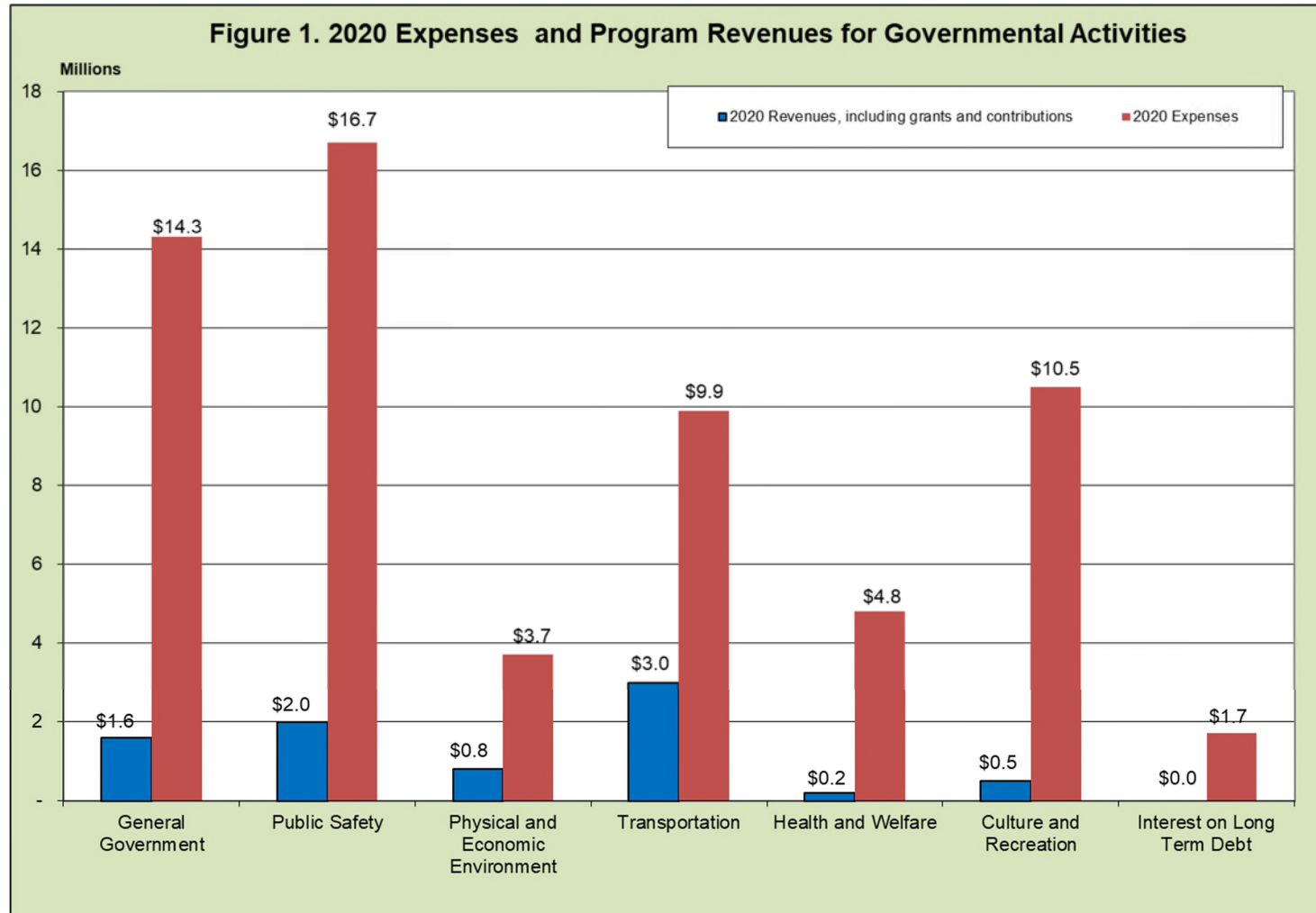
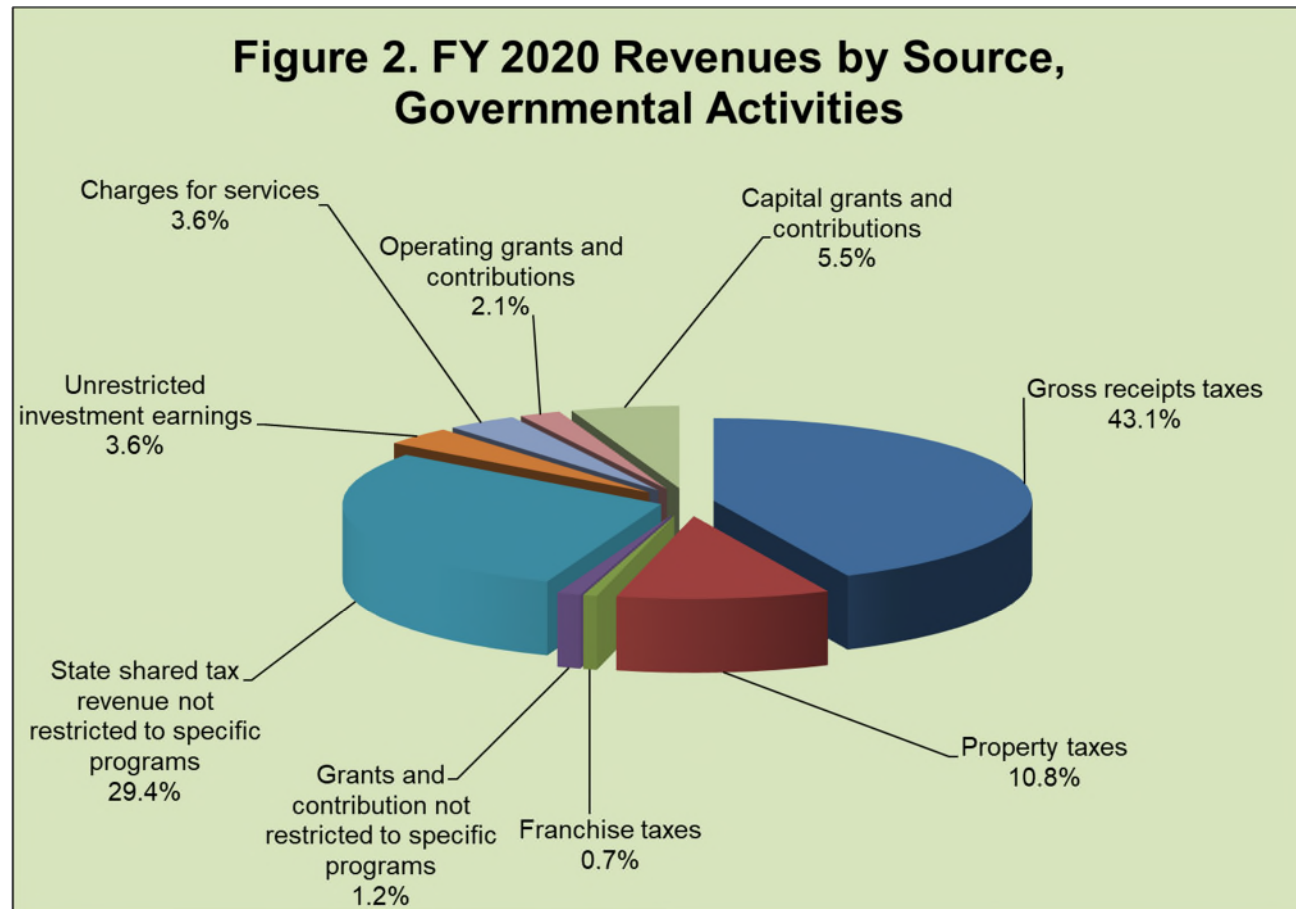


Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2020. It should be noted that the State shared tax revenue not restricted to specific programs is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 72.5% of Governmental Activities revenues, which is a 2.14% decrease from the prior year. This change is primarily due to the \$.2 million increase in GRT and \$.3 million in State Shared GRT from fiscal year 2020.



Business-type Activities

Business-type activities increased the County's net position by \$.5 million for the fiscal year-ended June 30, 2020. This compares to a \$5.4 million decrease during the previous fiscal year. This section compares results of business-type activities for fiscal year 2020 to fiscal year 2019 as summarized in Table 3.

Total revenues and contributions were \$96.2 million in fiscal year 2020; approximately \$.8 million more than the previous year. This includes a decrease of \$.9 million in charges for services due to lower utility electric consumption. There was also a \$1.1 million increase in operating and

capital grants and contributions received. There was an increase in the gain on sale of capital of \$.7 million and a decrease in investment earnings of \$.1 million from the previous year.

Total expenses were \$94.8 million in fiscal year 2020, a \$4.5 million decrease over the previous year. The total Joint Utility System experienced a decrease of \$3.5 million in expenses from prior year. The Electric fund experienced a \$3.4 million decrease in cost of purchased power. The Gas fund had a \$.5 million decrease in cost of gas while the Water fund had an increase of \$.2 million in materials and supplies. The Waste Water fund had an increase of \$.2 million in salaries and benefits over prior year and a \$.1 million increase in contractual services. The Environmental Services fund had a \$.9 million decrease in contractual services.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2020. 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 \$2.5 million in fiscal year 2020 as compared to fiscal year 2019 where program revenues exceeded program expenses by \$7.2 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.

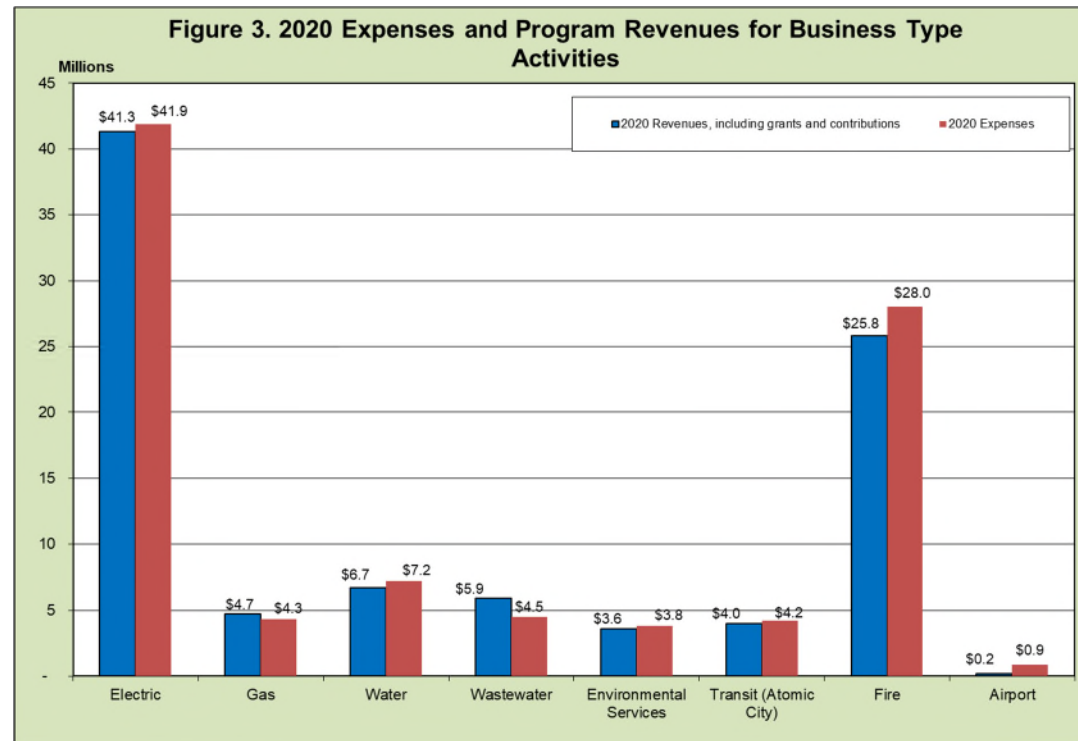
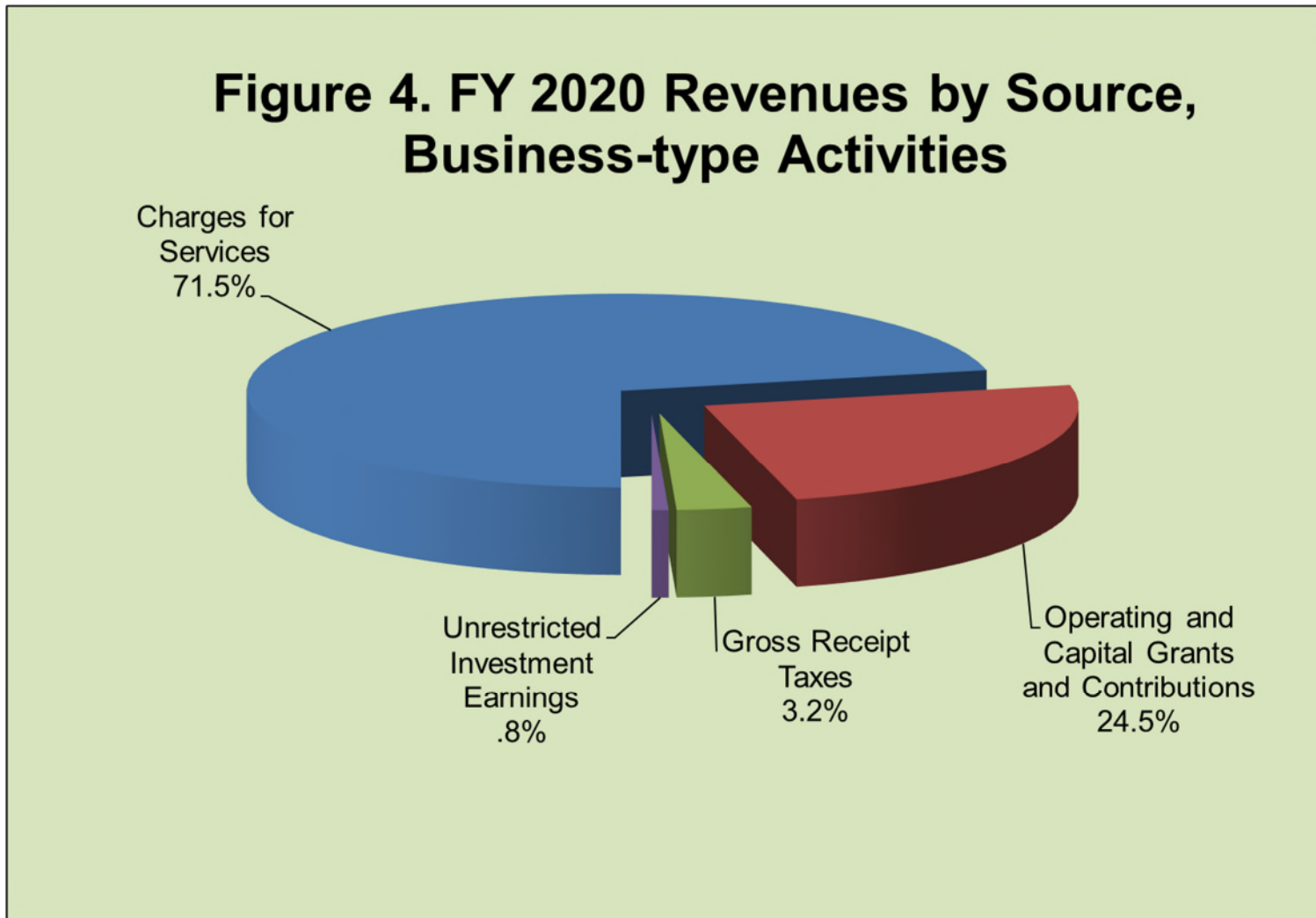


Figure 4 demonstrates that approximately 71.5% of business-type activities revenues were generated from user charges for services in fiscal year 2020, which remained respectively unchanged when compared to fiscal year 2019. In fiscal year 2020, operating and capital grants made up 24.5%

of revenues, up approximately 1.1% from fiscal year 2019. Investment earnings made up .8% of revenues, which remained respectively unchanged when compared to fiscal year 2019.



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, 2020, the County's governmental funds reported combined ending fund balance of approximately \$102.1 million. Overall, this was an \$8.1 million increase from the prior year. Activities that impacted fund balance compared to the prior year include a \$.9 million increase in interdepartmental services and a \$.5 million increase in property taxes in the governmental funds. Licenses and permits increased a total of \$.1 million from prior year while general government expenditures decreased by \$2.4 million related to materials and supplies, along with decreased spending of roughly \$3.7 million in contractual services and capital projects, and physical and economic environment expenditures decreased by \$.5 million from the prior year. Fund balances are comprised of four categories:

- \$1.8 million was nonspendable at fiscal year-end 2020, a \$.2 million increase over the prior year. The nonspendable balances are reported separately to indicate that certain assets do not represent available, spendable resources even though they are a component of net position. These assets are not expected to be converted to cash in time to pay current obligations. Nonspendable balances typically includes long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale (only in the general fund).
- \$40.3 million of fund balance in governmental funds was restricted at fiscal year-end 2020, a \$2.6 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 (\$27.1M) and income stabilization (\$3.0M) 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 \$3.0 million mainly due to an increase in restricted cash requirements.
- \$.5 million of governmental funds' fund balance was committed at fiscal year-end 2020. 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 increased by \$.1 million from the prior year.
- \$29.0 million of governmental funds' fund balance was assigned at fiscal year-end 2020 which was a \$.4 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 FY2020 decreased \$2.2 million as capital expenditures to fund new and existing projects exceeded transfers-in. The balance assigned for *continuing appropriations* increased \$1.2 million as \$2.4 million was approved to be carried over to fiscal year 2021 compared to \$1.2 million which was approved to be carried over to fiscal year 2020 from fiscal year 2019. 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 increased \$.3 million from prior year.
- The remaining \$30.5 million of fund balance was unassigned. \$30.4 in the General Fund and (\$.5) million in the Emergency Declarations Fund. This is a \$5.0 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 a reduction in expenditures in the current fiscal 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, 2020 was approximately \$42.6 million as compared to \$34.2 million at the prior year-end, amounting to a net \$8.3 million increase. Revenues exceeded expenditures by \$8.3 million, and some notable differences over prior year include an increase in Interdepartmental revenue in fiscal year 2020 by \$.9 million; a decrease in General government expenditures related to salary savings, contractual services, capital projects and materials

and supplies of \$6.8 million; and a decrease of Transportation expenditures by \$.6 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 79.5% of expenditures and the spendable/unrestricted component was 64.0% of expenditures. Both liquidity measures increased as compared to the prior year as a result of the larger fund balance increase in fiscal year 2020. Significant account balances and transactions in the General Fund included:

- \$11.6 million transferred out to other funds which includes \$4.5 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service). Other notable transfers out were \$5.6 million to the Capital Improvement Projects Fund (for capital projects). \$.8 million to the Transit Fund (to support operations), \$.3 million to the Health Care Assistance Fund (to support community programs), and \$.2 million to the Airport Fund (to support operations).
- \$12.0 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 \$3.2 million higher than the prior year as a result of increased grant revenue accruals recorded in fiscal year 2020.
- \$6.4 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 \$5.5 million, as a result of the County spending significantly less than its current year budgeted expenditures.

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 \$6.0 million total fund balance at the end of fiscal year 2020 was \$.3 million higher than in the prior fiscal year. Expenditures exceeded revenues by \$.6 million with the balance resulting from transfers in of \$1.5 million.

Housing Sub-fund: During fiscal year 2020, the County issued mortgage loans totaling \$107 thousand under its Housing Rehabilitation Program and \$103 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 declared emergencies including the Las Conchas Fire which began July 26, 2011, flooding events within the community in September 2013, and the public health emergency resulting from the COVID-19 pandemic which began in March 2020. The fund reflects a fund balance of \$0.2 million, an increase of \$.7 million from the prior 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 \$19.8 million, which represents the unspent portion of previously approved and funded capital projects. The fund balance decreased by \$2.0 million from the prior fiscal year as expenditures exceeded transfers-in to fund new and existing projects. Significant capital expenditures in fiscal year 2020 include the following: \$4.0 million on the Diamond Drive pavement rehab, \$.9 million on the Golf Course improvement project, and \$.9 million on the Ice Rink improvement 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 \$27.1 million, as of June 30, 2020 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 2020, \$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, 2020 was \$30.1 million, an increase of \$.1 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:

- \$178.2 million in capital assets (net of accumulated depreciation of \$168.0 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 \$2.8 million in fiscal year 2020;
- \$26.5 million in debt related to the Utility plant in service, which is \$3.2 million lower than the prior year with the fiscal year regularly scheduled debt service payments;
- \$11.2 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This increased \$.4 million from the prior year as more restricted funds were set aside for the County's share.
- \$11.7 million in pension liability decreased by \$.8 million, deferred pension outflows decreased by \$1.2 million from a \$1.1 million increase in prior year, and \$.9 million in deferred pension inflows increased by \$.7 million from the prior year, all related to the increase in the County's share of the pension liability.
- Operating revenues were \$58.6 million in fiscal year 2020, a decrease of \$2.1 million compared to the prior year. The decrease is the result of a \$2.5 million decrease in revenues in electric (due mostly to a decrease in wholesale sales to LANL based on its demand) and a \$.4 million increase in revenues in wastewater (due to higher demand);
- Operating expenses were \$3.1 million lower at \$56.8 million in fiscal year 2020, compared to \$59.9 million in fiscal year 2019. The decrease is the net result of: a decrease of \$3.3 million in the Electric subfund, related to decreased contractual services and materials and supplies, and; a \$.2 million increase in the Water subfund materials and supplies costs.

Environmental Services Fund – The Environmental Services Fund has a long-term liability balance of \$5.6 million. Of this, \$.3 million is for landfill closure and monitoring and \$3.5 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 \$1.8 million. Total operating and non-operating revenues of \$4.6 million exceeded expenses of \$3.8 million by \$.8 million in fiscal year 2020, compared to a \$0.3 million loss in the prior year. This increase is due to a \$.8 million decrease in contractual services expenses.

Transit Fund – The Transit Fund accounts for public transportation services provided to the community, with no additional user fees or charges, under the name Atomic City Transit (ACT). The fund is funded primarily through state and federal grants (\$2.8 million), payments from the North Central Regional Transit District (\$1.2 million), and transfers in from the general fund (\$.8 million). Other notable balances include the net other post employment benefits liability of \$.8 million, a decrease of \$.4 million from the prior year and the net pension liability of \$2.7 million, an decrease of \$.2 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 2020 was \$5.8 million. The intergovernmental revenue of \$19.2 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. The Fire Fund has an ending negative net position of \$50.9 million, a decrease of \$2.3 million from fiscal year 2019, primarily related to the cumulative result of recording pension and post employment benefit liabilities in prior years. Total expenses of \$28.0 million exceeded operating and non-operating revenues of \$27.8 million by \$.2 million in fiscal year 2020.

Airport Fund – Net position decreased \$0.4 million as expenses of \$.9 million exceeded revenues of \$.3 million and transfers-in of \$.2 million. Depreciation on capital assets represents 62% 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 \$1.7 million less than the final revised budget of \$73.1 million. The variance between actual revenue and the revised budget was largely due to the variance in Intergovernmental revenues of \$1.1 million. Interest Income revenue was \$.6 million less than projected.

Actual General Fund expenditures were approximately \$10.4 million less than the final revised fiscal year 2020 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 \$3.3 million or 41.8% under budget, Public Works was \$2.4 million or 17.9% below budget, Community Services was \$1.8 million or 14.5% below budget, Fire was \$1.1 million or 16.4% below budget, Police was \$.7 million or 7.1% below budget, Administrative services were \$.4 million or 5.3% below budget and the Public Works Department was 4.5% or \$.7 million under in its expenditure budget.

The revised budget for revenues of \$73.1 million was \$1.5 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of \$65.1 million was \$4.0 million higher than the adopted budget. The increase is comprised of the following: approximately \$1.2 million for encumbrance carry overs, \$.3 million for Pavement Preservation, \$1.5 million for Major Facilities Maintenance, \$.2 million for Organization Excellence, \$.1 million for Public Health Office, and \$.4 million for Fire Mitigation.

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, 2020 was \$491.8 million, net of \$379.5 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 \$8.4 million from 2019 to 2020 or -1.68%. Capital assets associated with governmental activities decreased by \$4.6 million mostly due to the \$1.3 million disposal of land, \$.8 million cumulative disposal of machinery and equipment and infrastructure, depreciation of \$8.5 million, a \$.2 million transfer of assets to proprietary funds, and net increase to equipment, infrastructure and construction in progress of \$6.2 million. Capital assets associated with business-type activities decreased by \$3.9 million due to the cumulative effect of \$10.1 million increase in accumulated depreciation, \$.1 million addition in

utility plant in service, \$.1 million increase in improvements, \$1.3 million increase in machinery and equipment, and an increase of \$4.7 million in construction work in progress. Additional information about the County's capital assets can be found on pages 88-90.

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, 2020 and 2019
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Land	\$ 42.6	\$ 43.2	8.4	8.4	51.0	51.6
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	329.1	328.9	329.1	328.9
Buildings	143.9	143.6	25.0	25.0	168.9	168.6
Improvements other than buildings	21.1	21.1	18.2	18.0	39.3	39.1
Machinery and Equipment, Art and Historic Treasures	23.0	22.0	35.1	33.9	58.1	55.9
Infrastructure	193.6	194.2	0.0	0.0	193.6	194.2
Less Accumulated Depreciation	(173.7)	(166.7)	(205.8)	(195.6)	(379.5)	(362.3)
Construction in Progress	3.1	0.8	10.2	5.4	13.3	6.2
Total	<u>\$ 271.6</u>	<u>276.2</u>	<u>220.2</u>	<u>224.0</u>	<u>491.8</u>	<u>500.2</u>

Administration of Debt - From fiscal year 2019 to 2020, the County's total debt payable for governmental and business-type activities combined decreased by \$7.0 million as regularly scheduled debt service payments of \$7.3 million were made and debt issuance of a \$.3 million New Mexico Environment loan was made to finance the construction of a new wastewater treatment facility. The total cost for the wastewater treatment facility is estimated to be \$17 million. The facility will be completed in fiscal year 2022 at which time the County will be issued a debt service schedule and will start making payments on the loan in fiscal year 2023. Closure costs for the landfill decreased by \$.3 million as the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the Los Alamos County Landfill for the remaining 22 years of the post closure care period. Based on the updated estimate, as of June 30, 2020, the County adjusted the total landfill closure liability to the estimated \$1,277,700. The County has applied a method to reserve 5 years or \$348,463 of the total cost for the remainder of the long-term liability. This reserve is in excess of the financial assurance requirements, and has been put in place for any additional costs that may arise due the nature of continuous monitoring of the landfill. The reserve of \$358,491 is reflected in restricted assets in the Environmental Services Fund as of June 30, 2020. Closure costs for the Joint Utility System Fund increased by \$.3 million. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 103.

ECONOMIC FACTORS AND THE FISCAL YEAR 2021 ADOPTED BUDGET

The proposed budget was developed prior to the COVID-19 (coronavirus) outbreak. On March 18, 2020, Council Chair Sara Scott declared a local public health emergency because of the novel coronavirus COVID-19. "Declaring this public health emergency is a prudent step for us to take at this time. It opens the door for us to allocate resources to immediate needs, as well as being able to access state or federal funds for recovery and response," Scott said. The County Office of Emergency Management is working closely with LA Medical Center, LANL, other local entities, and State health officials to prepare for Coronavirus to emerge here in Los Alamos.

The County's senior management team and the County Manager worked together to formulate a plan to keep our community and County employees safe, as well as to comply with emerging health guidance from the Governor and state agencies. County facilities including the library, senior centers and recreation facilities were closed to the public on March 16th.

As of March 18th, County employees providing essential services who had the ability to work from home (telecommute) were given assigned work and County-issued laptops. Department Directors identified employees that fall within this category, including any employee who may be at higher health risk if they contract COVID-19. Employees providing essential services who have a job that requires them to be in the field, such as public safety or utilities' workers, will report to work as scheduled. All other employees who provide non-essential services, as defined and determined by Department Directors and with approval from the County Manager, will remain at home. They will be on special Emergency Paid Leave status, must be in contact with their Supervisor daily, and could be recalled to work at any time. County employees continue to provide the citizens of Los Alamos with necessary, essential services.

A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) accounts for 72% and Property Taxes accounts for 10.3% of the total General Fund budgeted revenues. The remaining General Fund revenues are comprised of user fees, interdepartmental charges, investment income, and grants. GRT is primarily from the community's largest employer, Los Alamos National Laboratory (LANL). LANL spending projections remain positive and are estimated to increase during the FY21 budget year, which adds stability to the County's primary revenue source, even with the downturn in economic conditions related to retail business from the COVID-19 emergency.

The County began preparing the budget in December. Guidance for budget development was for a 3% increase in salaries for non-collective bargaining employees, a 10% increase in medical premiums and other expenditure categories flat to the FY2020 adopted amounts except for contractually obligated increases. Based on the current projected revenues and Council's guidance to maintain a 20% reserve, there was an opportunity for Council to 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.

The overall County adopted FY2021 expenditure budget is \$239.5 million as compared to FY2020 adopted expenditures of \$199.6 million. Overall County budgeted revenues are \$230.3 million as compared to FY2020 adopted revenues of \$202.9 million. The budget as adopted by Council included \$12.17 million in approved budget options, a 3% salary increase for non-collective bargaining employees and a 10% increase in medical premiums.

At a total of \$65.7 million, the General Fund FY2021 Adopted Budget expenditures are \$4.6 million or 7.5%, higher than in the FY2020 Adopted Budget. During the budget hearings, Council adopted \$4.2 million in budget options for the General Fund which included \$1 million for the County's COVID-19 response. The Capital Improvement Projects Fund increased by \$6.8 million which included \$1 million for the allotment for Los Alamos Public Schools' capital improvements. The Joint Utilities Fund is budgeted at \$18.1 million above fiscal year 2020 due primarily to \$14.8 million for

the White Rock Treatment Plant scheduled for construction in FY2021 and FY2022. The Fire Fund expenses are \$1.1 million higher than the fiscal year 2020 budget due to contracted changes in the Cooperative Agreement. The Fleet Fund is \$1.1 million higher than the prior year which accounts for increased replacement costs and scheduled maintenance. The remaining funds collectively were an increase of \$8.2 million over the prior fiscal year budget.

The increase in revenues is due to \$2.7 million increase in General Fund due primarily to increases in GRT. The Enterprise Funds have an increase of \$3.1 million, the Joint Utilities Fund has a \$14.8 million increase for the wastewater treatment plant loan and an additional \$6.8 million in grant/loans for various water projects, the Internal Service Funds have a \$1 million increase due primarily to the increased medical premiums. 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

Attachment B



LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Net Position

June 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in pooled cash and investments	\$ 61,535,798	22,762,469	84,298,267
Investments	29,174,459	0	29,174,459
Receivables, net of allowance for uncollectibles			
Accounts	72,580	5,352,006	5,424,586
Interest	225,274	0	225,274
Pension forfeitures	38,934	0	38,934
Property taxes	99,225	0	99,225
Unbilled	0	1,636,894	1,636,894
Loans receivable, net of discounts/reserve for loan losses	994,840	0	994,840
Due from other governments	17,211,858	6,442,498	23,654,356
Internal balances	(416,420)	416,420	0
Inventories and prepayments			
Inventories	727,311	850,382	1,577,693
Power plant inventories	0	671,039	671,039
Prepayments	25,213	760,918	786,131
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	35,828	3,963,166	3,998,994
Operations and maintenance	0	26,450,935	26,450,935
Investments			
Premiums and discounts	364,778	0	364,778
Capital assets			
Land	42,600,004	8,427,544	51,027,548
Right of way	17,993,250	0	17,993,250
Utility plant in service	0	329,068,084	329,068,084
Buildings	143,860,798	24,993,055	168,853,853
Improvements other than buildings	21,068,687	18,161,174	39,229,861
Machinery, equipment, art and historic treasures	23,048,495	35,126,776	58,175,271
Infrastructure	193,625,794	0	193,625,794
Less accumulated depreciation	(173,691,071)	(205,766,685)	(379,457,756)
Construction in progress	3,094,531	10,158,883	13,253,414
TOTAL ASSETS	381,690,166	289,475,558	671,165,724
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts (debits) from refunding of debt	4,826,909	310,901	5,137,810
Deferred other post employment benefits	1,029,120	994,508	2,023,628
Deferred pension	7,874,450	11,079,065	18,953,515
Deferred decommissioning cost	0	4,331,058	4,331,058
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,730,479	16,715,532	30,446,011

LIABILITIES

Accounts payable	3,131,984	1,968,048	5,100,032
Claims and judgments payable	0	1,715,799	1,715,799
Accrued salaries and benefits payable	1,174,590	330,388	1,504,978
Customer deposits payable	505,217	362,685	867,902
Due to other governments	34,434	134,462	168,896
Due to fiduciary funds	189,603	0	189,603
Donations held in trust	41,606	27,311	68,917
Unearned revenue	99,917	0	99,917
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	2,587,227	2,613,342	5,200,569
Revenue bonds payable	3,215,000	3,069,999	6,284,999
Contracts and intergovernmental debt payable	0	702,313	702,313
Special closure costs	0	58,077	58,077
Deferred revenues	1,072,943	0	1,072,943
Interest payable on non-current liabilities	111,430	121,773	233,203
Due in more than one year			
Accrued compensated absences	1,092,065	1,191,362	2,283,427
Claims and judgments payable	0	923,794	923,794
Revenue bonds payable	31,390,578	15,407,445	46,798,023
Contracts and intergovernmental debt payable	0	11,048,354	11,048,354
Special closure costs	0	11,496,022	11,496,022
Other post employment liability	15,974,972	15,324,131	31,299,103
Pension liability	42,824,300	67,207,135	110,031,435

TOTAL LIABILITIES	103,445,866	133,702,440	237,148,306
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DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	10,816,101	10,344,174	21,160,275
Deferred pension	3,142,007	9,069,481	12,211,488
TOTAL DEFERRED INFLOWS OF RESOURCES	13,958,108	19,413,655	33,371,763

NET POSITION

Net investment in capital assets	241,821,819	190,251,621	432,073,440
Restricted for (Restricted by):			
Capital projects (Bond agreements)	27,129,501	0	27,129,501
Debt service (Bond and loan agreements)	312,648	18,728,201	19,040,849
Perpetual care (County code)	855,364	0	855,364
Lodgers' tax (State law)	521,960	0	521,960
Clerk records and files (State law)	106,240	0	106,240
Health care assistance (State law)	474,314	0	474,314
Property tax valuation (State law)	599,133	0	599,133
Grants (Granting entities)	784,416	0	784,416
Cash requirements (State law)	6,416,880	0	6,416,880
Recreation (County code and contributors)	198,788	0	198,788
Library operations (Contributors)	136,192	0	136,192
Major street maintenance (State law)	658,440	0	658,440
Income stabilization (County code)	2,967,295	0	2,967,295
Unrestricted	(4,966,319)	(55,904,827)	(60,871,146)
TOTAL NET POSITION	\$ 278,016,671	153,074,995	431,091,666

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Activities

Year ended June 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating Grants	Capital Grants	Governmental	Business-type	Total
	Expenses	Services	and Contributions	and Contributions	Activities	Activities	
FUNCTIONS / PROGRAMS							
Governmental activities							
General government	\$ 14,263,560	1,541,893	42,682	7,555	(12,671,430)	0	(12,671,430)
Public safety	16,656,101	103,530	1,145,225	722,384	(14,684,962)	0	(14,684,962)
Physical and economic environment	3,663,039	585,986	0	230,543	(2,846,510)	0	(2,846,510)
Transportation	9,926,041	0	0	3,078,920	(6,847,121)	0	(6,847,121)
Health and welfare	4,834,931	0	193,779	0	(4,641,152)	0	(4,641,152)
Culture and recreation	10,508,678	417,634	78,178	0	(10,012,866)	0	(10,012,866)
Interest on long-term debt	1,694,656	0	0	0	(1,694,656)	0	(1,694,656)
Total governmental activities	61,547,006	2,649,043	1,459,864	4,039,402	(53,398,697)	0	(53,398,697)
Business-type activities							
Joint Utilities							
Electric	41,918,130	41,311,524	0	96,241	0	(510,365)	(510,365)
Gas	4,328,197	4,729,484	0	0	0	401,287	401,287
Water	7,239,170	6,749,100	0	26,038	0	(464,032)	(464,032)
Wastewater	4,453,683	5,856,991	0	0	0	1,403,308	1,403,308
Environmental Services	3,833,069	3,597,243	0	0	0	(235,826)	(235,826)
Transit (Atomic City Transit)	4,236,488	0	3,228,913	765,148	0	(242,427)	(242,427)
Fire	27,975,499	6,461,392	19,283,728	0	0	(2,230,379)	(2,230,379)
Airport	924,622	130,428	79,579	38,528	0	(676,087)	(676,087)
Total business-type activities	94,908,858	68,836,162	22,592,220	925,955	0	(2,554,521)	(2,554,521)
Total government	\$ 156,455,864	71,485,205	24,052,084	4,965,357	(53,398,697)	(2,554,521)	(55,953,218)
General revenues:							
Gross receipts taxes and excise tax					31,193,301	3,063,986	34,257,287
Property taxes					7,757,444	0	7,757,444
Franchise taxes					524,930	0	524,930
Grants and contributions not restricted to specific programs					934,392	0	934,392
State shared tax revenue not restricted to specific programs					21,320,542	0	21,320,542
Unrestricted investment earnings					2,623,382	737,305	3,360,687
Gain (loss) on exchange of capital assets					(6,038,219)	105,401	(5,932,818)
Transfers					870,229	(870,229)	0
Total general revenues, and transfers					59,186,001	3,036,463	62,222,464
Change in net position					5,787,304	481,942	6,269,246
Net position - beginning					272,229,367	152,593,054	424,822,421
Net position - ending					\$ 278,016,671	153,074,995	431,091,666

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 declared emergencies including the response and recovery to the Las Conchas Fire, which began June 26, 2011 and flooding events in the community in September 2013. During 2020, the County added a sub-fund related to the COVID-19 emergency to account for the related activity. 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, 2020

	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	\$ 29,229,574	5,990,846	0	21,433,621	1,938,076	2,943,681	61,535,798
Investments	1,015,739	0	0	0	28,158,720	0	29,174,459
Receivables, net of allowance for uncollectibles							
Accounts	51,390	0	0	0	0	21,190	72,580
Interest	147,154	78,103	0	0	0	17	225,274
Property taxes	99,225	0	0	0	0	0	99,225
Loans receivable, net of discounts/reserve for loan losses	0	994,840	0	0	0	0	994,840
Due from other governments	11,999,157	0	4,343,849	295,089	0	573,763	17,211,858
Due from other funds	2,321,604	0	0	0	0	0	2,321,604
Inventories and prepayments							
Inventories	727,311	0	0	0	0	0	727,311
Prepayments	9,763	0	0	0	0	15,450	25,213
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	35,828	35,828
Cash and cash equivalents	0	364,778	0	0	0	0	364,778
TOTAL ASSETS	\$ 45,747,716	7,428,567	4,343,849	21,728,710	30,096,796	3,589,929	112,935,567
LIABILITIES							
Accounts payable	\$ 1,450,594	12,858	0	1,637,007	0	31,525	3,131,984
Accrued salaries and benefits payable	1,170,242	0	0	0	0	4,348	1,174,590
Customer deposits payable	140,496	364,721	0	0	0	0	505,217
Due to other governments	0	0	0	0	0	34,434	34,434
Due to other funds	189,603	0	420,085	0	0	7,699	617,387
Donations held in trust	41,606	0	0	0	0	0	41,606
Unearned revenue	39,246	0	60,671	0	0	0	99,917
Deferred revenues	0	1,072,943	0	0	0	0	1,072,943
Net other post employment benefits liability							
TOTAL LIABILITIES	3,031,787	1,450,522	480,756	1,637,007	0	78,006	6,678,078
DEFERRED INFLOWS OF RESOURCES:							
Federal and state grants (unavailable)	148,818	0	3,699,998	275,109	0	0	4,123,925
TOTAL DEFERRED INFLOWS OF RESOURCES	148,818	0	3,699,998	275,109	0	0	4,123,925
FUND BALANCE							
Nonspendable							
Principal - Perpetual care	855,364	0	0	0	0	0	855,364
Advances	146,799	0	0	0	0	0	146,799
Inventories	727,311	0	0	0	0	0	727,311
Prepaid items	9,763	0	0	0	0	15,450	25,213
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	106,240	106,240
Debt service (Bond and loan agreements)	0	0	0	0	0	312,648	312,648
Grants (Granting entities)	0	0	0	0	0	784,416	784,416
Library operations (County code and contributors)	132,559	0	0	0	0	3,633	136,192
Lodgers' tax (State law)	0	0	0	0	0	521,960	521,960
Health care claims (State law)	0	0	0	0	0	474,314	474,314
Principal (Capital projects)	0	0	0	0	27,129,501	0	27,129,501
Property tax valuation (State law)	0	0	0	0	0	599,133	599,133
Recreation (County code and contributors)	0	0	0	163,099	0	35,689	198,788
Income stabilization (County code)	0	0	0	0	2,967,295	0	2,967,295
Major street maintenance (State law)	0	0	0	0	0	658,440	658,440

Cash requirements (State law)	6,416,880	0	0	0	0	0	6,416,880
Committed to							
Art in Public Places (County code)	0	0	0	544,471	0	0	544,471
Assigned for							
Capital projects	0	0	0	19,109,024	0	0	19,109,024
Fire services	1,447,449	0	0	0	0	0	1,447,449
Continuing appropriations	2,421,958	0	0	0	0	0	2,421,958
Economic development	0	5,978,045	0	0	0	0	5,978,045
Emergency response and recovery	0	0	93,101	0	0	0	93,101
Unassigned	30,409,028	0	69,994	0	0	0	30,479,022
TOTAL FUND BALANCE (deficit)	<u>42,567,111</u>	<u>5,978,045</u>	<u>163,095</u>	<u>19,816,594</u>	<u>30,096,796</u>	<u>3,511,923</u>	<u>102,133,564</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ <u>45,747,716</u>	<u>7,428,567</u>	<u>4,343,849</u>	<u>21,728,710</u>	<u>30,096,796</u>	<u>3,589,929</u>	<u>112,935,567</u>

See accompanying notes to financial statements

Attachment B

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Reconciliation of Balance Sheet to the Statement of Net Position June 30, 2020

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:	\$ 102,133,564
Capital assets (\$445,291,559), net of accumulated depreciation (\$173,691,071), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	271,600,488
Long-term liabilities, including bonds payable (\$30,525,000), bond premium/discount (\$4,080,578), net pension liability (\$42,824,300), net other post employments liability (\$15,974,972) and compensated absences (\$3,679,292) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(97,084,142)
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.	4,826,909
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.	8,903,570
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.	(111,430)
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.	(13,958,108)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	4,123,925
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.	(2,418,105)
Net position of governmental activities	<u>\$ 278,016,671</u>

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, 2020

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
REVENUES							
Taxes							
Property taxes-current	\$ 7,757,444	0	0	0	0	0	7,757,444
Local units in-lieu taxes	414,626	0	0	0	0	0	414,626
Gross receipts taxes	28,859,362	0	0	0	0	2,042,657	30,902,019
Lodgers' tax	0	0	0	0	0	291,282	291,282
Franchise tax-privately owned	165,408	0	0	0	0	0	165,408
Franchise tax-County owned	359,522	0	0	0	0	0	359,522
Penalties and interest-taxes	44,556	0	0	0	0	0	44,556
	37,600,918	0	0	0	0	2,333,939	39,934,857
Licenses and permits							
Business	49,378	0	0	0	0	0	49,378
Nonbusiness	347,891	0	0	0	0	0	347,891
	397,269	0	0	0	0	0	397,269
Intergovernmental							
Federal indirect	388,227	0	585,280	19,980	0	0	993,487
Federal shared revenues	6,461	0	0	0	0	0	6,461
Federal in-lieu taxes	368,809	0	0	0	0	0	368,809
State grants-fire	0	0	0	0	0	882,102	882,102
State grants-library	27,578	0	0	0	0	0	27,578
State grants-police	314,146	0	0	0	0	40,400	354,546
State grants-other	181,392	2,648	93,359	48,548	0	60,544	386,491
State shared revenues	20,836,514	0	0	0	0	490,032	21,326,546
	22,123,127	2,648	678,639	68,528	0	1,473,078	24,346,020
Fines and forfeitures							
Fines	41,663	0	0	0	0	0	41,663
Correction fees	19,268	0	0	0	0	0	19,268
Special fees	8,335	0	0	0	0	0	8,335
Court ordered reimbursements	27,014	0	0	0	0	2,366	29,380
Noncourt fines and forfeitures	2,808	0	0	0	0	0	2,808
	99,088	0	0	0	0	2,366	101,454
Charges for services							
Court fees	1,046	0	0	0	0	0	1,046
Clerk fees	71,501	0	0	0	0	28,592	100,093
Planning fees	154,020	0	0	0	0	0	154,020
Finance/treasurer fees	0	0	0	0	0	201,738	201,738
Administrative charges for services	63,831	0	0	0	0	0	63,831
Sales of food or merchandise	20,518	0	0	0	0	0	20,518
Other charges for services	10,391	0	0	0	0	0	10,391
Sheriff fees	3,770	0	0	0	0	0	3,770
Police charges for services	100,390	0	0	0	0	0	100,390
Miscellaneous services	687	0	0	0	0	0	687
Cemetery services	34,196	0	0	0	0	0	34,196
Perpetual care services	46,713	0	0	0	0	0	46,713
Animal shelter fees	3,140	0	0	0	0	0	3,140
Daily fees/passes	45,482	0	0	0	0	0	45,482

Annual passes	55,743	0	0	0	0	0	55,743
Three-month passes	24,006	0	0	0	0	0	24,006
Punch passes	45,727	0	0	0	0	0	45,727
Recreation fees	63,965	0	0	0	0	0	63,965
Other fees	25,428	0	0	0	0	0	25,428
	<u>770,554</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,330</u>	<u>1,000,884</u>
Interfund/interdepartmental charges							
Interdepartmental services	8,023,975	0	0	0	0	0	8,023,975
Miscellaneous revenue							
Investment income (loss)	1,278,363	80,196	0	0	1,221,317	43,506	2,623,382
Interest charges-delinquent accounts	514	0	0	0	0	0	514
Building rental	473,176	24,430	0	0	0	36,471	534,077
Land rental	380,414	0	0	0	0	33,888	414,302
Miscellaneous rentals	40,133	0	0	0	0	0	40,133
Pension forfeitures	98,993	0	0	0	0	0	98,993
Economic development loan principal	0	34,697	0	0	0	0	34,697
Economic development loan interest	0	947	0	0	0	0	947
Proceeds from sale of assets	0	0	0	394,964	0	0	394,964
Donations	51,315	0	0	0	0	0	51,315
Other	117,402	0	0	0	0	8,311	125,713
	<u>2,440,310</u>	<u>140,270</u>	<u>0</u>	<u>394,964</u>	<u>1,221,317</u>	<u>122,176</u>	<u>4,319,037</u>
TOTAL REVENUES	71,455,241	142,918	678,639	463,492	1,221,317	4,161,889	78,123,496

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, 2020

	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	338,104	0	0	0	0	0	338,104
Municipal Court	543,063	0	0	0	0	28,366	571,429
County Manager	1,510,620	0	0	0	0	0	1,510,620
County Manager-Comm. and Public Relations	412,069	0	0	0	0	0	412,069
County Manager-Human Resources	1,316,852	0	0	0	0	0	1,316,852
County Assessor	474,885	0	0	0	0	190,214	665,099
County Attorney	822,440	0	0	0	0	0	822,440
County Clerk	641,966	0	0	0	0	12,766	654,732
County Probate Clerk	5,310	0	0	0	0	0	5,310
County Sheriff	13,731	0	0	0	0	0	13,731
Administrative Services-Human Resources	0	0	0	0	0	0	0
Administrative Services-Information Technologies	4,842,655	0	0	0	0	0	4,842,655
Administrative Services-Finance Office	1,598,143	0	0	0	0	0	1,598,143
Administrative Services-Procurement	1,086,741	0	0	0	0	0	1,086,741
Public Works	6,295,276	0	0	0	0	0	6,295,276
	19,901,855	0	0	0	0	231,346	20,133,201
Public safety							
Fire Department-County share	5,832,023	0	0	0	0	0	5,832,023
Emergency response and recovery	0	0	105,241	0	0	0	105,241
Fire Marshal	0	0	0	0	0	10,004	10,004
Fire Mitigation	151,414	0	0	0	0	0	151,414
Fire-E.M.S. grant	354,609	0	0	0	0	9,800	364,409
Police	8,524,302	0	0	0	0	33,086	8,557,388
	14,862,348	0	105,241	0	0	52,890	15,020,479
Physical and economic environment							
County Manager	685,978	0	0	0	0	0	685,978
Community Development	1,781,323	713,415	0	0	0	290,631	2,785,369
	2,467,301	713,415	0	0	0	290,631	3,471,347
Transportation							
Public Works	4,274,507	0	0	0	0	0	4,274,507
Health and welfare							
Community Services-Social Services	2,093,254	0	0	0	0	2,715,936	4,809,190
Culture and recreation							
Community Services-Administration	1,208,306	0	0	0	0	0	1,208,306
Community Services-Library	2,162,359	0	0	0	0	0	2,162,359
Community Services-Parks	2,147,102	0	0	0	0	0	2,147,102
Community Services-Recreation	2,769,108	0	0	0	0	243	2,769,351
	8,286,875	0	0	0	0	243	8,287,118

Capital outlay:							
General government							
Administrative Services	146,194	0	0	1,014,265	0	0	1,160,459
County Assessor	0	0	0	0	0	3,000	3,000
County Clerk	0	0	0	0	0	6,258	6,258
Public Works	99,093	0	0	13,697	0	0	112,790
County Manager	603,984	0	0	0	0	0	603,984
County Council	23,973	0	0	0	0	0	23,973
Public safety							
Fire	0	0	0	0	0	216,110	216,110
Police	141,006	0	0	0	0	18,831	159,837
Emergency response and recovery	429,634	0	0	0	0	0	429,634
Transportation							
Public Works	112,498	0	0	4,565,983	0	0	4,678,481
Culture and recreation							
Community Services	77,862	0	0	2,413,054	0	0	2,490,916
	<u>1,634,244</u>	<u>0</u>	<u>0</u>	<u>8,006,999</u>	<u>0</u>	<u>244,199</u>	<u>9,885,442</u>
Debt service:							
Principal	0	0	0	0	0	3,090,000	3,090,000
Interest	0	0	0	0	0	1,460,759	1,460,759
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,550,759</u>	<u>4,550,759</u>
TOTAL EXPENDITURES	<u>53,520,384</u>	<u>713,415</u>	<u>105,241</u>	<u>8,006,999</u>	<u>0</u>	<u>8,086,004</u>	<u>70,432,043</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	17,934,857	(570,497)	573,398	(7,543,507)	1,221,317	(3,924,115)	7,691,453
OTHER FINANCING SOURCES (USES)							
Transfers in	2,054,958	1,500,000	100,000	6,943,871	0	4,903,709	15,502,538
Transfers out	(11,657,617)	0	0	(1,500,000)	(1,289,963)	(12,300)	(14,459,880)
Gain (loss) on disposition of asset	0	(597,402)	0	-	0	0	(597,402)
	<u>(9,602,659)</u>	<u>902,598</u>	<u>100,000</u>	<u>5,443,871</u>	<u>(1,289,963)</u>	<u>4,891,409</u>	<u>445,256</u>
NET CHANGE IN FUND BALANCE	8,332,198	332,101	673,398	(2,099,636)	(68,646)	967,294	8,136,709
FUND BALANCE							
Beginning of fiscal year	34,234,913	5,645,944	(510,303)	21,916,230	30,165,442	2,544,629	93,996,855
FUND BALANCE - END OF FISCAL YEAR	<u>\$ 42,567,111</u>	<u>5,978,045</u>	<u>163,095</u>	<u>19,816,594</u>	<u>30,096,796</u>	<u>3,511,923</u>	<u>102,133,564</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, 2020

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:	\$ 8,136,709
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$9,885,442) exceeded depreciation (\$8,510,120) in the current period.	1,375,322
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.	(5,835,781)
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.	(172,429)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.	3,090,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.	445,361
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.	10,300
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.	(232,141)
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.	(3,355,833)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,797,743
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.	217,611
Change in net position of governmental activities	<u>\$ 5,787,304</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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Property taxes-current	\$ 7,507,879	7,507,879	7,757,444	249,565
Local units in-lieu taxes	403,801	403,801	414,626	10,825
General gross receipts taxes	29,414,000	29,414,000	28,859,362	(554,638)
Franchise tax-privately owned	145,000	145,000	165,408	20,408
Franchise tax-County owned	370,000	370,000	359,522	(10,478)
Penalties and interest-taxes	50,000	50,000	44,556	(5,444)
	37,890,680	37,890,680	37,600,918	(289,762)
Licenses and permits				
Business	46,700	46,700	49,378	2,678
Nonbusiness	240,730	240,730	347,891	107,161
	287,430	287,430	397,269	109,839
Intergovernmental				
Federal direct	0	2,507	0	(2,507)
Federal indirect	0	826,177	388,227	(437,950)
Federal shared revenues	0	0	6,461	6,461
Federal in-lieu taxes	340,000	340,000	368,809	28,809
State grants-library	0	51,571	27,578	(23,993)
State grants-police	0	4,489	314,146	309,657
State grants-other	155,000	755,581	181,392	(574,189)
State shared revenues	21,222,000	21,222,000	20,836,514	(385,486)
	21,717,000	23,202,325	22,123,127	(1,079,198)
Fines and forfeitures				
Fines	67,000	67,000	41,663	(25,337)
Correction fees	49,000	49,000	19,268	(29,732)
Special fees	12,300	12,300	8,335	(3,965)
Court ordered reimbursements	43,600	43,600	23,279	(20,321)
Noncourt fines and forfeitures	3,500	3,500	2,808	(692)
Magistrate Court Ordered Reimbursements	14,750	14,750	3,735	(11,015)
	190,150	190,150	99,088	(91,062)

Charges for services

Court fees	900	900	1,046	146
Clerk fees	56,220	56,220	71,501	15,281
Planning fees	40,000	40,000	154,020	114,020
Administrative charges for services	45,300	45,300	63,831	18,531
Sales of food or merchandise	83,000	83,000	20,518	(62,482)
Other charges for services	23,000	23,000	10,391	(12,609)
Sheriff fees	4,200	4,200	3,770	(430)
Police charges for services	21,600	21,600	100,390	78,790
Miscellaneous services	850	850	687	(163)
Cemetery services	28,150	28,150	34,196	6,046
Perpetual care services	55,000	55,000	46,713	(8,287)
Animal shelter fees	5,500	5,500	3,140	(2,360)
Daily fees/passes	232,200	232,200	45,482	(186,718)
Annual passes	162,900	162,900	55,743	(107,157)
Three-month passes	38,800	38,800	24,006	(14,794)
Monthly passes	20,000	20,000	0	(20,000)
Punch passes	83,000	83,000	45,727	(37,273)
Recreation fees	159,300	159,300	63,965	(95,335)
Other fees	20,350	20,350	25,428	5,078
	1,080,270	1,080,270	770,554	(309,716)

Interfund/interdepartmental charges

Interdepartmental services	3,686,647	3,686,647	3,839,786	153,139
Indirect overhead-fire services	3,925,689	3,925,689	4,184,189	258,500
	7,612,336	7,612,336	8,023,975	411,639

Miscellaneous revenue

Interest income	1,865,000	1,865,000	1,278,363	(586,637)
Interest charges-delinquent accounts	0	0	514	514
Buildings rental	136,500	136,500	473,176	336,676
Land rental	446,150	446,150	380,414	(65,736)
Other rental	149,500	149,500	40,133	(109,367)
Pension forfeitures	80,000	80,000	98,993	18,993
Donations	50,000	50,000	51,315	1,315
Other	141,200	141,200	104,557	(36,643)
	2,868,350	2,868,350	2,427,465	(440,885)

TOTAL REVENUES	71,646,216	73,131,541	71,442,396	(1,689,145)
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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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES AND ENCUMBRANCES				
County Council				
Employee salaries and benefits	95,827	95,827	95,452	375
Outside services	304,000	304,000	228,227	75,773
Materials and supplies	18,000	18,000	12,457	5,543
Intrafund/interfund services	1,719	1,719	1,968	(249)
Capital outlay	0	23,973	23,973	0
	419,546	443,519	362,077	81,442
County Courts (Municipal judge)				
Employee salaries and benefits	449,190	452,555	442,575	9,980
Outside services	93,904	100,637	80,813	19,824
Materials and supplies	18,727	18,727	14,087	4,640
Intrafund/interfund services	8,212	8,212	8,208	4
Debt and fiscal charges	1,000	1,000	1,224	(224)
	571,033	581,131	546,907	34,224
County Manager				
Operations				
Employee salaries and benefits	1,031,532	1,035,876	1,050,721	(14,845)
Outside services	1,759,800	1,779,800	442,600	1,337,200
Materials and supplies	7,047	7,047	6,452	595
Intrafund/interfund services	10,847	10,847	10,848	(1)
Capital outlay	0	605,000	603,984	1,016
	2,809,226	3,438,570	2,114,605	1,323,965
Communications and Public Relations				
Employee salaries and benefits	323,712	325,172	327,768	(2,596)
Outside services	92,126	92,126	87,318	4,808
Materials and supplies	13,200	13,200	14,493	(1,293)
	429,038	430,498	429,579	919
Human Resources				
Employee salaries and benefits	1,133,806	1,194,964	1,085,340	109,624
Outside services	369,455	542,978	260,170	282,808
Materials and supplies	38,959	38,959	29,069	9,890
Intrafund/interfund services	9,126	9,126	9,132	(6)
	1,551,346	1,786,027	1,383,711	402,316

Economic Development Admin

Employee salaries and benefits	264,275	265,466	176,406	89,060
Outside services	2,054,000	2,063,855	539,034	1,524,821
Materials and supplies	5,000	5,000	2,083	2,917
	<u>2,323,275</u>	<u>2,334,321</u>	<u>717,523</u>	<u>1,616,798</u>
Total County Manager	7,112,885	7,989,416	4,645,418	3,343,998

County Assessor

Employee salaries and benefits	477,504	480,940	456,953	23,987
Outside services	11,500	11,500	6,938	4,562
Materials and supplies	1,000	1,000	2,247	(1,247)
Intrafund/interfund services	8,738	8,738	8,748	(10)
	<u>498,742</u>	<u>502,178</u>	<u>474,886</u>	<u>27,292</u>

County Attorney

Employee salaries and benefits	654,020	656,372	675,870	(19,498)
Outside services	68,368	168,368	129,712	38,656
Materials and supplies	16,236	16,236	11,433	4,803
Intrafund/interfund services	5,429	5,429	5,424	5
	<u>744,053</u>	<u>846,405</u>	<u>822,439</u>	<u>23,966</u>

County Clerk

Employee salaries and benefits	543,279	546,535	539,750	6,785
Outside services	47,000	56,223	68,195	(11,972)
Materials and supplies	27,240	27,240	28,827	(1,587)
Intrafund/interfund services	4,519	4,519	4,524	(5)
Capital outlay	14,000	14,000	0	14,000
Debt and fiscal charges	800	800	670	130
	<u>636,838</u>	<u>649,317</u>	<u>641,966</u>	<u>7,351</u>

County Probate Judge

Employee salaries and benefits	4,832	4,832	4,796	36
Outside services	900	900	360	540
Materials and supplies	134	134	117	17
Intrafund/interfund services	40	40	36	4
	<u>5,906</u>	<u>5,906</u>	<u>5,309</u>	<u>597</u>

County Sheriff

Employee salaries and benefits	7,461	7,461	7,655	(194)
Outside services	4,820	4,820	1,592	3,228
Materials and supplies	3,160	3,160	4,412	(1,252)
Intrafund/interfund services	69	69	72	(3)
	<u>15,510</u>	<u>15,510</u>	<u>13,731</u>	<u>1,779</u>

See accompanying notes to financial statements

Attachment B

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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Administrative Services				
Information Management				
Employee salaries and benefits	2,703,370	2,718,573	2,548,153	170,420
Outside services	2,163,583	2,163,583	2,087,700	75,883
Materials and supplies	178,487	178,487	172,751	5,736
Intrafund/interfund services	49,000	49,000	49,036	(36)
Capital outlay	0	112,565	146,194	(33,629)
	5,094,440	5,222,208	5,003,834	218,374
Finance				
Employee salaries and benefits	1,555,867	1,614,245	1,450,172	164,073
Outside services	130,350	140,915	132,815	8,100
Materials and supplies	21,500	21,500	12,440	9,060
Intrafund/interfund services	11,958	11,958	11,964	(6)
Capital outlay	6,000	6,000	0	6,000
Debt and fiscal charges	0	0	1,273	(1,273)
	1,725,675	1,794,618	1,608,664	185,954
Procurement				
Employee salaries and benefits	999,141	1,004,531	968,416	36,115
Outside services	18,041	18,041	24,451	(6,410)
Materials and supplies	51,650	52,470	48,257	4,213
Intrafund/interfund services	57,646	57,646	57,828	(182)
	1,126,478	1,132,688	1,098,952	33,736
Total Administrative Services	7,946,593	8,149,514	7,711,450	438,064
Fire				
Fire Mitigation				
Employee salaries and benefits	0	0	35,068	(35,068)
Outside services	0	559,181	116,346	442,835
Materials and supplies	0	20,000	0	20,000
Capital outlay	0	0	22,116	(22,116)
	0	579,181	173,530	405,651
Fire - County Shared Costs				
Intrafund/interfund services	6,607,149	6,607,149	5,832,023	775,126
Total Fire	6,607,149	7,186,330	6,005,553	1,180,777

Community Services-Administration

Employee salaries and benefits	889,418	894,395	652,312	242,083
Outside services	561,169	583,949	552,867	31,082
Materials and supplies	2,750	2,750	18,639	(15,889)
Intrafund/interfund services	6,010	6,010	6,012	(2)
Total Community Services-Admin.	1,459,347	1,487,104	1,229,830	257,274

Community Services-Library

Library operations

Employee salaries and benefits	2,011,554	2,021,299	1,693,854	327,445
Outside services	118,195	118,195	116,939	1,256
Materials and supplies	37,032	37,032	34,532	2,500
Intrafund/interfund services	31,997	31,997	32,004	(7)
Capital outlay	15,000	37,210	37,718	(508)
	2,213,778	2,245,733	1,915,047	330,686

Collection development

Outside services	0	0	815	(815)
Materials and supplies	244,134	256,329	241,025	15,304
	244,134	256,329	241,840	14,489

Outside funding sources

Outside services	0	0	129	(129)
Materials and supplies	0	187,134	43,060	144,074
Capital outlay	0	0	11,386	(11,386)
	0	187,134	54,575	132,559

Total Community Services-Library	2,457,912	2,689,196	2,211,462	477,734
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Community Services-Parks

Parks Maintenance

Employee salaries and benefits	1,550,886	1,562,776	1,283,320	279,456
Outside services	62,204	62,204	122,820	(60,616)
Materials and supplies	200,330	200,330	118,413	81,917
Intrafund/interfund services	671,157	671,157	633,250	37,907
Capital outlay	0	0	28,758	(28,758)
Debt and fiscal charges	1,340	1,340	1,976	(636)
	2,485,917	2,497,807	2,188,537	309,270

Parks Maintenance Projects

Cemetery

Materials and supplies	10,227	10,227	4,991	5,236
Intrafund/interfund services	27,573	27,573	30,986	(3,413)
Debt and fiscal charges	0	0	1,823	(1,823)
	37,800	37,800	37,800	0

Total Community Svcs.-Parks	2,523,717	2,535,607	2,226,337	309,270
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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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Recreation				
Employee salaries and benefits	452,964	455,578	389,117	66,461
Outside services	47,522	51,830	45,835	5,995
Materials and supplies	35,218	35,218	33,190	2,028
Intrafund/interfund services	18,969	18,969	18,972	(3)
	554,673	561,595	487,114	74,481
Recreation -Aquatic Center				
Employee salaries and benefits	843,993	848,459	769,116	79,343
Outside services	83,381	83,381	81,717	1,664
Materials and supplies	80,157	80,157	61,190	18,967
Intrafund/interfund services	247,001	231,666	165,947	65,719
Debt and fiscal charges	7,100	7,100	6,700	400
	1,261,632	1,250,763	1,084,670	166,093
Recreation - Ice Rink				
Employee salaries and benefits	116,258	116,707	100,297	16,410
Outside services	7,235	7,235	3,086	4,149
Materials and supplies	13,800	13,800	15,017	(1,217)
Intrafund/interfund services	17,384	17,384	17,388	(4)
Debt and fiscal charges	800	800	1,491	(691)
	155,477	155,926	137,279	18,647
Recreation -Golf Course				
Employee salaries and benefits	557,275	559,573	573,427	(13,854)
Outside services	59,113	70,113	106,628	(36,515)
Materials and supplies	133,778	133,778	123,296	10,482
Intrafund/interfund services	258,283	273,618	239,938	33,680
Debt and fiscal charges	6,885	6,885	7,185	(300)
	1,015,334	1,043,967	1,050,474	(6,507)
Total Community Svcs.-Recreation	2,987,116	3,012,251	2,759,537	252,714
Community Services-Social Services				
Employee salaries and benefits	126,249	127,831	136,832	(9,001)
Outside services	2,310,894	2,453,270	1,931,409	521,861
Materials and supplies	1,650	1,650	6,763	(5,113)
Intrafund/interfund services	70,542	70,542	71,112	(570)
Total Community Svcs.-Social Services	2,509,335	2,653,293	2,146,116	507,177
Total Community Svcs. Department	11,937,427	12,377,451	10,573,282	1,804,169

Police

Operations

Employee salaries and benefits	7,624,841	7,763,049	7,340,751	422,298
Outside services	414,586	347,910	295,084	52,826
Materials and supplies	410,975	520,402	386,608	133,794
Intrafund/interfund services	554,695	554,695	556,068	(1,373)
Capital outlay	0	0	158,737	(158,737)
Debt and fiscal charges	0	0	656	(656)
	9,005,097	9,186,056	8,737,904	448,152

Emergency Management

Employee salaries and benefits	200,321	180,615	143,459	37,156
Outside services	55,500	34,500	22,437	12,063
Materials and supplies	15,300	11,300	2,538	8,762
Intrafund/interfund services	1,450	1,450	1,622	(172)
Capital outlay	51,000	71,405	90,174	(18,769)
	323,571	299,270	260,230	39,040

Police Grants

Employee salaries and benefits	0	51,608	24,646	26,962
Outside services	0	675,070	181,799	493,271
Materials and supplies	0	2,507	30,633	(28,126)
Capital outlay	0	140,732	389,759	(249,027)
	0	869,917	626,837	243,080

Total Police	9,328,668	10,355,243	9,624,971	730,272
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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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
Public Works				
Administration				
Employee salaries and benefits	428,908	419,820	351,682	68,138
Outside services	9,853	21,387	16,501	4,886
Materials and supplies	4,230	4,230	4,269	(39)
Intrafund/interfund services	8,152	8,152	8,148	4
	451,143	453,589	380,600	72,989
Engineering & Project Management				
Employee salaries and benefits	1,507,885	1,515,338	1,379,939	135,399
Outside services	28,902	39,062	13,555	25,507
Materials and supplies	11,956	11,956	11,239	717
Intrafund/interfund services	50,269	50,269	50,268	1
Capital outlay	0	0	4,181	(4,181)
	1,599,012	1,616,625	1,459,182	157,443
Traffic and Streets				
Employee salaries and benefits	2,155,197	2,172,670	1,981,657	191,013
Outside services	1,231,603	1,231,603	793,866	437,737
Materials and supplies	479,499	479,499	385,672	93,827
Intrafund/interfund services	1,108,765	1,108,765	1,143,071	(34,306)
Capital outlay	15,800	15,800	112,498	(96,698)
	4,990,864	5,008,337	4,416,764	591,573
Custodial				
Employee salaries and benefits	1,008,022	1,016,326	951,588	64,738
Outside services	79,073	129,119	77,584	51,535
Materials and supplies	124,770	124,770	120,050	4,720
Intrafund/interfund services	37,703	37,703	37,704	(1)
Capital outlay	0	4,734	4,734	0
	1,249,568	1,312,652	1,191,660	120,992
Facilities maintenance				
Employee salaries and benefits	1,217,444	1,226,845	1,197,868	28,977
Outside services	339,469	366,100	553,234	(187,134)
Materials and supplies	355,392	355,392	282,900	72,492
Intrafund/interfund services	1,058,431	1,058,431	974,513	83,918
Debt and fiscal charges	500	500	0	500
	2,971,236	3,007,268	3,008,515	(1,247)

Facilities maintenance projects				
Outside services	2,000,000	2,127,276	555,251	1,572,025
Capital outlay	0	0	90,178	(90,178)
	<u>2,000,000</u>	<u>2,127,276</u>	<u>645,429</u>	<u>1,481,847</u>
Total Public Works	13,261,823	13,525,747	11,102,150	2,423,597
Community Development (CDD)				
CDD - Administration				
Employee salaries and benefits	525,683	528,191	644,804	(116,613)
Outside services	36,200	21,700	9,375	12,325
Materials and supplies	9,460	9,460	6,938	2,522
Intrafund/interfund services	16,939	16,939	16,944	(5)
Debt and fiscal charges	<u>6,000</u>	<u>6,000</u>	<u>10,097</u>	<u>(4,097)</u>
	594,282	582,290	688,158	(105,868)
CDD - Community Development				
Employee salaries and benefits	1,253,140	1,262,851	892,329	370,522
Outside services	170,967	635,467	581,567	53,900
Materials and supplies	6,325	6,325	8,041	(1,716)
Intrafund/interfund services	<u>17,474</u>	<u>17,474</u>	<u>17,472</u>	<u>2</u>
	<u>1,447,906</u>	<u>1,922,117</u>	<u>1,499,409</u>	<u>422,708</u>
Total Community Development	2,042,188	2,504,407	2,187,567	316,840
TOTAL EXPENDITURES AND ENCUMBRANCES	61,128,361	65,132,074	54,717,706	10,414,368
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	10,517,855	7,999,467	16,724,690	8,725,223

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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Other Special Revenues Fund	0	12,300	12,300	0
Joint Utility System Fund-Electric	610,735	35,115	0	(35,115)
Joint Utility System Fund-Gas	279,133	25,119	0	(25,119)
Fire Fund	2,082,000	2,082,000	2,042,658	(39,342)
	2,971,868	2,154,534	2,054,958	(99,576)
Transfers out to:				
State/Other Grants Fund	(9,950)	(9,950)	(9,950)	0
Health Care Assistance Fund	(317,000)	(317,000)	(317,000.00)	0
Other Special Revenues Fund	(26,000.00)	(26,000)	(26,000.00)	0
Emergency Declarations Fund	0	(100,000)	(100,000)	0
Gross Receipts Tax Revenue Bonds Fund	(4,550,759)	(4,550,759)	(4,550,759)	0
Capital Improvement Projects Fund	(5,302,000)	(5,653,908)	(5,653,908)	0
Transit Fund	(800,000)	(800,000)	(800,000)	0
Airport Fund	(412,861)	(412,861)	(200,000)	212,861
	(11,418,570)	(11,870,478)	(11,657,617)	212,861
TOTAL OTHER FINANCING SOURCES (USES)	(8,446,702)	(9,715,944)	(9,602,659)	113,285
NET CHANGE IN FUND BALANCE	\$ 2,071,153	(1,716,477)	7,122,031	8,838,508
ADJUSTMENTS TO GAAP				
Encumbrances			1,197,322	
Bad debt expense			721	
Adjustments to inventory			12,124	
			1,210,167	
GAAP BASIS			8,332,198	
FUND BALANCE				
Beginning of fiscal year			34,234,913	
FUND BALANCE - END OF FISCAL YEAR			\$ 42,567,111	

See accompanying notes to financial statements

LOS ALAMOS
where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
State grants-other	\$ 0	0	2,648	2,648
Miscellaneous revenues				
Investment income	105,000	105,000	80,196	(24,804)
Buildings rental	0	0	24,430	24,430
Economic development loan repayment (principal)	0	11,846	34,697	22,851
Economic development loan repayment (interest)	0	0	947	947
	<u>105,000</u>	<u>116,846</u>	<u>140,270</u>	<u>23,424</u>
TOTAL REVENUES	105,000	116,846	142,918	26,072
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	2,296,250	3964253	505,388	3,458,865
Materials and supplies	0	0	4,177	(4,177)
Economic development and housing loans	400,000	411,846	207,432	204,414
Debt and fiscal charges	100,000	100,000	0	100,000
	<u>2,796,250</u>	<u>4,476,099</u>	<u>716,997</u>	<u>3,759,102</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	2,796,250	4,476,099	716,997	3,759,102
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(2,691,250)	(4,359,253)	(574,079)	3,785,174
OTHER FINANCING SOURCES (USES)				
Transfer in from:				
Capital Improvement Project Fund	0	1,500,000	1,500,000	0
Transfers out to:				
Capital Improvement Project Fund	0	(2,000,000)	0	(2,000,000)
Water Fund	(187,500)	(187,500)	0	(187,500)
	<u>(187,500)</u>	<u>(187,500)</u>	<u>0</u>	<u>(187,500)</u>
NET CHANGE IN FUND BALANCE	\$ (2,878,750)	(5,046,753)	925,921	1,597,674

ADJUSTMENTS TO GAAP

Encumbrances	3,582
Net Book Value of Disposed asset held for resale	(202,388)
Asset held for resale (converted to general government use)	(395,014)

(593,820)**GAAP BASIS****332,101****FUND BALANCE**

Beginning of fiscal year	5,645,944
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FUND BALANCE - END OF FISCAL YEAR

\$ 5,978,045

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
EMERGENCY DECLARATIONS FUND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal indirect	\$ 0	0	585,280	585,280
State grants-other	0	0	93,359	93,359
	<u>0</u>	<u>0</u>	<u>678,639</u>	<u>678,639</u>
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Outside services	0	194,362	105,241	89,121
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	0	(194,362)	573,398	767,760
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	0	100,000	100,000	0
NET CHANGE IN FUND BALANCE	\$ 0	(94,362)	673,398	767,760
ADJUSTMENTS TO GAAP				
Encumbrances			0	
GAAP BASIS			673,398	
FUND BALANCE				
Beginning of fiscal year			(510,303)	
FUND BALANCE - END OF FISCAL YEAR			\$ 163,095	

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, 2020

	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	\$ 3,216,079	985,310	1,269,567	0	740,306	6,211,262	16,551,207
Receivables, net of allowance for uncollectibles							
Accounts	4,440,107	318,871	0	587,890	2,939	5,349,807	2,199
Unbilled	1,496,304	140,590	0	0	0	1,636,894	0
Due from other governments	0	310,510	1,265,224	4,866,764	0	6,442,498	0
Inventories and prepayments							
Inventories	850,382	0	0	0	0	850,382	0
Power plant inventories	671,039	0	0	0	0	671,039	0
Prepayments	760,918	0	0	0	0	760,918	0
Total Current Assets	11,434,829	1,755,281	2,534,791	5,454,654	743,245	21,922,800	16,553,406
Non-current assets:							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	3,435,015	528,151	0	0	0	3,963,166	0
Operations and maintenance	26,092,444	358,491	0	0	0	26,450,935	0
Capital assets							
Land	2,959,328	0	0	1,081,176	4,387,040	8,427,544	0
Utility plant in service	329,068,084	0	0	0	0	329,068,084	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	15,404,908	18,161,174	0
Machinery and equipment	4,025,672	119,224	1,044,164	1,192,234	100,405	6,481,699	28,645,077
Less accumulated depreciation	(168,019,973)	(2,259,182)	(1,251,285)	(6,661,685)	(8,490,465)	(186,682,590)	(19,084,095)
Construction in progress	10,158,883	0	0	0	0	10,158,883	0
Total Non-current Assets	207,719,453	6,542,170	785,559	13,091,050	12,883,718	241,021,950	9,560,982
TOTAL ASSETS	219,154,282	8,297,451	3,320,350	18,545,704	13,626,963	262,944,750	26,114,388
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts (debits) from refunding of debt	310,901	0	0	0	0	310,901	0
Deferred other post employment benefits	245,639	29,166	54,559	630,147	3,729	963,240	31,268
Deferred pensions	2,140,091	231,973	496,579	7,911,606	40,130	10,820,379	258,686
Deferred decommissioning cost	4,331,058	0	0	0	0	4,331,058	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,027,689	261,139	551,138	8,541,753	43,859	16,425,578	289,954

LIABILITIES

Current Liabilities:

Accounts payable	1,112,603	90,592	4,181	147,477	62,602	1,417,455	550,593
Claims and judgments payable	0	0	0	0	0	0	1,715,799
Accrued salaries and benefits payable	101,973	18,233	18,578	182,938	0	321,722	8,666
Customer deposits payable	351,385	11,300	0	0	0	362,685	0
Due to other governments	123,772	10,690	0	0	0	134,462	0
Donations held in trust	27,311	0	0	0	0	27,311	0
Current portion of long-term liabilities							
Accrued compensated absences	778,560	106,171	153,917	1,467,278	0	2,505,926	107,416
Revenue bonds payable	3,069,999	0	0	0	0	3,069,999	0
Contracts and intergovernmental debt payable	463,252	239,061	0	0	0	702,313	0
Due to other funds (current portion of advances)	0	0	0	1,854,886	0	1,854,886	0
Special closure costs	0	58,077	0	0	0	58,077	0
Interest payable on revenue bonds and other debt	107,320	14,453	0	0	0	121,773	0
Total Current Liabilities	6,136,175	548,577	176,676	3,652,579	62,602	10,576,609	2,382,474

Noncurrent Liabilities:

Due in more than one year							
Accrued compensated absences	337,110	43,950	80,092	685,979	0	1,147,131	44,231
Claims and judgments payable	0	0	0	0	0	0	923,794
Revenue bonds payable	15,407,445	0	0	0	0	15,407,445	0
Contracts and intergovernmental debt payable	7,512,343	3,536,011	0	0	0	11,048,354	0
Advances from other funds	0	0	0	0	146,799	146,799	0
Special closure costs	11,205,636	290,386	0	0	0	11,496,022	0
Net other post employment benefits liability	3,774,818	442,515	835,385	9,694,830	57,822	14,805,370	518,761
Net pension liability	11,731,371	1,338,985	2,698,206	49,817,060	218,192	65,803,814	1,403,321
Total Noncurrent Liabilities	49,968,723	5,651,847	3,613,683	60,197,869	422,813	119,854,935	2,890,107
TOTAL LIABILITIES	56,104,898	6,200,424	3,790,359	63,850,448	485,415	130,431,544	5,272,581

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	2,638,233	326,659	581,393	6,426,139	38,120	10,010,544	333,630
Deferred pensions	863,863	111,351	202,492	7,771,915	21,130	8,970,751	98,730
TOTAL DEFERRED INFLOWS OF RESOURCES	3,502,096	438,010	783,885	14,198,054	59,250	18,981,295	432,360

NET POSITION

Net investment in capital assets	152,049,856	1,880,456	785,559	13,091,050	12,883,718	180,690,639	9,560,982
Restricted, net of related liabilities, for:							
Debt service	18,214,503	513,698	0	0	0	18,728,201	0
Unrestricted	(3,689,382)	(473,998)	(1,488,315)	(64,052,095)	242,439	(69,461,351)	11,138,419
TOTAL NET POSITION	\$ 166,574,977	1,920,156	(702,756)	(50,961,045)	13,126,157	129,957,489	20,699,401

Net position of business-type internal service funds

Net activity of internal service funds

TOTAL NET POSITION AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET POSITION

20,699,401
2,418,105
\$ 153,074,995

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2020

	ENTERPRISE FUNDS						BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
OPERATING REVENUES							
Utility sales and other services	\$ 58,387,271	3,362,296	0	598,860	130,428	62,478,855	0
Sales of food or merchandise	0	2,543	0	0	0	2,543	0
Interfund charges for services	0	65,542	0	5,832,024	0	5,897,566	4,080,117
Insurance and pension contributions							
County	0	0	0	0	0	0	8,830,342
Employees and retirees	0	0	0	0	0	0	1,672,029
Rentals	44,525	0	0	0	0	44,525	0
Intergovernmental - charges for services	0	0	0	19,247,030	0	19,247,030	0
Miscellaneous operating revenue	215,303	166,862	0	30,508	0	412,673	275,215
	<u>58,647,099</u>	<u>3,597,243</u>	<u>0</u>	<u>25,708,422</u>	<u>130,428</u>	<u>88,083,192</u>	<u>14,857,703</u>
OPERATING EXPENSES							
Employee salaries and benefits	10,711,542	1,486,275	2,614,220	20,615,767	100,436	35,528,240	1,231,633
Contractual services	35,754,041	1,898,416	1,387,540	6,066,796	241,747	45,348,540	10,160,689
Materials and supplies	1,200,561	176,094	68,683	906,776	6,871	2,358,985	1,118,943
Depreciation and amortization	7,882,552	185,246	190,318	510,080	575,474	9,343,670	2,138,238
Special closure costs	1,192,207	0	0	0	0	1,192,207	0
Other	35,701	11,223	0	0	545	47,469	0
	<u>56,776,604</u>	<u>3,757,254</u>	<u>4,260,761</u>	<u>28,099,419</u>	<u>925,073</u>	<u>93,819,111</u>	<u>14,649,503</u>
OPERATING INCOME (LOSS)	1,870,495	(160,011)	(4,260,761)	(2,390,997)	(794,645)	(5,735,919)	208,200
NONOPERATING REVENUES (EXPENSES)							
Gross receipts taxes for solid waste recycling	0	1,021,329	0	0	0	1,021,329	0
Fire excise tax	0	0	0	2,042,657	0	2,042,657	0
Gain (loss) on disposition of capital assets	(28,611)	0	0	0	0	(28,611)	134,012
Investment income	651,971	39,503	31,306	0	14,525	737,305	109,483
Miscellaneous nonoperating revenue	0	0	0	0	0	0	0
Interest on long-term debt	(1,063,645)	(89,901)	0	0	0	(1,153,546)	0
Inventory adjustment	(36,273)	0	0	0	0	(36,273)	0
Intergovernmental - non-capital grants	0	0	3,228,913	36,698	79,579	3,345,190	0
	<u>(476,558)</u>	<u>970,931</u>	<u>3,260,219</u>	<u>2,079,355</u>	<u>94,104</u>	<u>5,928,051</u>	<u>243,495</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,393,937	810,920	(1,000,542)	(311,642)	(700,541)	192,132	451,695
TRANSFERS AND CONTRIBUTIONS							
Transfers in	829,634	0	800,000	0	200,000	1,829,634	663,170
Transfers out	(833,368)	(12,004)	(647,432)	(2,042,658)	0	(3,535,462)	0
Intergovernmental - capital grants	122,279	0	765,148	0	38,528	925,955	0
Contributed capital assets - governmental activities	0	0	0	0	0	0	172,429
	<u>118,545</u>	<u>(12,004)</u>	<u>917,716</u>	<u>(2,042,658)</u>	<u>238,528</u>	<u>(779,873)</u>	<u>835,599</u>
CHANGE IN NET POSITION	1,512,482	798,916	(82,826)	(2,354,300)	(462,013)	(587,741)	1,287,294
NET POSITION							
Beginning of fiscal year	165,062,495	1,121,240	(619,930)	(48,606,745)	13,588,170	130,545,230	19,412,107
NET POSITION - END OF FISCAL YEAR	\$ 166,574,977	1,920,156	(702,756)	(50,961,045)	13,126,157	129,957,489	20,699,401

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:	\$ (587,741)
--	--------------

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.	1,287,294
--	-----------

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.	(217,611)
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Change in net position of business-type activities	\$ <u>481,942</u>
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**INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS**

COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2020

	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	\$ 59,091,341	3,594,024	0	6,341,460	128,809	69,155,634	4,355,630
Cash received from contributions-employer and employees	0	0	0	0	0	0	10,502,371
Cash paid to suppliers for goods and services	(40,264,941)	(2,388,635)	(1,471,855)	(6,918,525)	(245,548)	(51,289,504)	(12,311,172)
Cash paid to employees	(9,782,242)	(1,354,525)	(2,402,114)	(18,491,592)	(98,237)	(32,128,710)	(1,136,772)
Taxes received from customers and users	1,716,253	135,956	0	0	0	1,852,209	0
Taxes remitted to State (from customers and users)	(1,713,956)	(136,041)	0	0	0	(1,849,997)	0
NET CASH FLOWS - OPERATING ACTIVITIES	9,046,455	(149,221)	(3,873,969)	(19,068,657)	(214,976)	(14,260,368)	1,410,057
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES							
Cash received from grants	0	0	3,775,061	17,958,759	220,818	21,954,638	0
Transfers to other funds	(829,634)	0	0	(2,042,658)	0	(2,872,292)	0
Transfers from other funds	829,634	0	800,000	0	200,000	1,829,634	0
Gross receipts taxes received	0	886,706	0	1,908,220	0	2,794,926	0
Cash paid on short-term interfund loans	0	0	0	1,244,036	0	1,244,036	0
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	0	886,706	4,575,061	19,068,357	420,818	24,950,942	0
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES							
Cash received from capital grants	122,279	0	173,622	0	38,528	334,429	0
Principal repaid	(3,136,370)	(236,694)	0	0	0	(3,373,064)	0
Special closure costs paid	618,723	(157,606)	0	0	0	461,117	0
Interest and other debt service paid	(1,125,306)	(90,290)	0	0	0	(1,215,596)	0
Cash paid for acquisition of capital assets	(5,141,129)	(56,906)	(765,149)	0	(142,318)	(6,105,502)	(1,499,589)
Proceeds from sale of capital assets	80,599	0	0	0	0	80,599	179,526
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(8,581,204)	(541,496)	(591,527)	0	(103,790)	(9,818,017)	(1,320,063)
CASH FLOWS - INVESTING ACTIVITIES							
Proceeds from sale of investment securities	2,714,623	0	0	0	0	2,714,623	0
Interest received on investments	651,971	39,503	31,306	0	14,525	737,305	109,483
NET CASH FLOWS - INVESTING ACTIVITIES	3,366,594	39,503	31,306	0	14,525	3,451,928	109,483
NET INCREASE (DECREASE) IN CASH	3,831,845	235,492	140,871	(300)	116,577	4,324,485	199,477
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	28,911,693	1,636,460	1,128,696	300	623,729	32,300,878	16,351,730
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 32,743,538	1,871,952	1,269,567	0	740,306	36,625,363	16,551,207
(Joint Utility System Fund and Environmental Services Fund cash balances are shown in both Equity in Pooled Cash and Investments and Restricted Cash on the Proprietary Funds Statement of Net Position)							

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	\$ 1,870,495	(160,011)	(4,260,761)	(2,390,997)	(794,645)	(5,735,919)	208,200
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES							
Depreciation and amortization expense	7,882,552	185,246	190,318	510,080	575,474	9,343,670	2,138,238
Operating grants included in operating revenues	0	0	0	(19,247,030)	0	(19,247,030)	0
Amortization of special closure costs	1,192,207	0	0	0	0	1,192,207	0
Provision for uncollectible accounts receivable	27,124	7,189	0	(29,703)	0	4,610	0
Change in assets and liabilities:							
Accounts and other receivables	353,452	(3,735)	0	(90,228)	(1,619)	257,870	298
Inventories	212,585	0	0	0	0	212,585	0
Prepayments and other	(21,850)	0	0	0	0	(21,850)	0
Accounts and retentions payable	(2,690,852)	(314,125)	(15,632)	55,047	3,615	(2,961,947)	102,472
Salaries and benefits payable	929,300	131,750	212,106	2,124,174	2,199	3,399,529	94,861
Other current liabilities	(710,855)	4,550	0	0	0	(706,305)	0
Claims and judgements payable	0	0	0	0	0	0	(1,134,012)
Due to other governments	2,297	(85)	0	0	0	2,212	0
Total adjustments	7,175,960	10,790	386,792	(16,677,660)	579,669	(8,524,449)	1,201,857
NET CASH FLOWS - OPERATING ACTIVITIES	\$ 9,046,455	(149,221)	(3,873,969)	(19,068,657)	(214,976)	(14,260,368)	1,410,057

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ (3,734)	(12,004)	(647,432)	0	0	(663,170)	663,170
Contributed capital assets - governmental activities	0	0	0	0	0	0	172,429
TOTAL NON CASH TRANSACTIONS	\$ (3,734)	(12,004)	(647,432)	0	0	(663,170)	835,599

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, 2020

	<u>PENSION TRUST</u>	<u>AGENCY</u>
ASSETS		
Equity in pooled cash and investments	\$ 0	67,339
Investments (participant directed mutual funds), at fair value	54,338,165	0
Receivables, net of allowance for uncollectibles		
Property taxes	0	248,403
Employee loans	1,963,957	0
Other	0	119,555
Due from other funds	189,603	0
TOTAL ASSETS	<u>56,491,725</u>	<u>435,297</u>
LIABILITIES		
LIABILITIES		
Accounts payable	158,936	0
Due to other governments		
Taxes and fees payable to state	0	12,443
Property taxes payable	0	401,272
Due to other funds	38,934	0
Donations held for others	0	21,582
TOTAL LIABILITIES	<u>197,870</u>	<u>435,297</u>
NET POSITION		
Restricted for pensions	56,293,855	
TOTAL NET POSITION	<u>\$ 56,293,855</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, 2020

	<u>PENSION TRUST FUND</u>
ADDITIONS TO NET POSITION	
Investment income (loss), net of investment expense	\$ 814,093
Contributions	
Employer, net of forfeitures	3,536,657
Employee (plan member)	<u>408,529</u>
	4,759,279
DEDUCTIONS FROM NET POSITION	
Benefits and refunds paid to plan members and beneficiaries	<u>4,320,759</u>
NET INCREASE (DECREASE) IN NET POSITION	438,520
NET POSITION	
Beginning of fiscal year	<u>55,855,335</u>
NET POSITION - END OF YEAR	\$ <u>56,293,855</u>

See accompanying notes to financial statements

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INCORPORATED COUNTY OF LOS ALAMOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

(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 2020, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) related to fiduciary activities, leases, equity interests and debt:

- GASB Statement No. 84 (GASB 84), "Fiduciary Activities"
- GASB Statement No. 87 (GASB 87), "Leases"
- GASB Statement No. 90 (GASB 90), "Majority Equity Interests"
- GASB Statement No. 91 (GASB 91), "Conduit Debt Obligations"

GASB 84 establishes criteria for identifying fiduciary activities. The criteria focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Fiduciary activities that meet these criteria should be reported in a fiduciary fund in the basic financial statements and should also present a statement of fiduciary net position and a statement of changes in fiduciary net position. GASB 84 primarily affects the Los Alamos County Pension Plan at June 30, 2020. The County will implement GASB 84 when it is effective in fiscal year 2021.

GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB 87 potentially affects the County's operating leases. The County will implement GASB 87 when it is effective in fiscal year 2021.

GASB 90 establishes that ownership of a majority equity interest in a legally separate organization result in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. GASB 90 does not impact Los Alamos County.

GASB 91 establishes a single method for reporting conduit debt obligations by issuers. Conduit debt obligation is defined as a debt instrument that has all of the following characteristics: (1) There are at least three parties involved: (a) an issuer, (b) a third-party obligor, and (c) a debt holder or a debt trustee. (2) The issuer and the third-party obligor are not within the same financial reporting entity. (3) The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer. (4) The third-party obligor ultimately receives the proceeds from the debt issuance. (5) The third-party obligor is primarily obligated for the payment of all amounts associated with the debt obligation. An issuer should recognize a liability associated with an additional commitment to support debt service if certain recognition criteria are met. GASB 91 primarily affects the County's Local Economic Development Act (LEDA) project with Pebble Labs. The County will implement GASB 91 when it is effective in fiscal year 2022.

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.

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 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. From these guidelines, the departments develop their preliminary budgets. Budget review meetings are conducted by Finance with departments and the Office of the County Manager. The County Council holds public hearings in April to consider the proposed budget and budget options. The County Council adopts the annual operating budget and capital improvement program at the budget hearings. 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, 2020. 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, 2020.

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:

<u>Asset Category</u>	<u>Estimated Useful Life in Years</u>
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 \$355 per year of service for active Fire Department employees at June 30, 2020, and approximately \$324 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 net investment in capital assets, 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 FY2020 is the second year of the FY2019/2020 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 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. From these guidelines, the departments develop their preliminary budgets. Budget review meetings are conducted by Finance with departments and the Office of the County Manager. The County Council holds public hearings in April to consider the proposed budget and budget options. The County Council adopts the annual operating budget and capital improvement program at the budget hearings. 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 2020, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$29.7 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, \$11.2 million in encumbrance carryovers and \$0.1 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, 2020, the Fire Fund, a major proprietary fund, reported a deficit net position of \$50,961,045. 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 \$702,756. 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	\$ 4,714
Carrying amount of deposits	12,284,054
Cash equivalents	8,420,783
Book value of investments	<u>177,983,387</u>
Total reported in notes to financial statements	<u>\$ 198,692,937</u>
Government-wide Statement of Net Position:	
Equity in pooled cash and investments	\$ 84,298,267
Investments	29,174,459
Restricted assets-Cash & Cash Equivalents	30,449,929
Restricted assets-Investments	364,778
Fiduciary Funds:	
Equity in pooled cash and investments	67,339
Investments (mutual funds), at fair value	<u>54,338,165</u>
Total reported in financial statements	<u>\$ 198,692,937</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, 2020 the County had deposits with bank balances of \$14,019,289 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, 2020 are presented below using the Standard and Poor's rating scale:

<u>Investment Type</u>	Fair Value	Net Asset Value	Quality Ratings		
			AAA	AA+	A
U.S. Government Agencies	\$ 5,712,362		5,712,362	0	0
U.S. Treasuries	45,776,266		45,776,266	0	0
<u>Unrated investments:</u>					
	-				
New Mexico State Investment Council	47,656,594				
NM Local Government Investment Pool	24,500,000				
Exempt from credit risk disclosure:					
LAC Pension	54,338,165				
Total Investments	<u>\$ 177,983,387</u>	<u>0</u>			

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	\$ 5,712,362	3,688,282	2,024,080	0	0
U.S Treasuries	45,776,266	43,741,966	2,034,300	0	0
	51,488,628	47,430,248	4,058,380	0	0
<u>Other Investments</u>					
New Mexico State Investment Council	47,656,594				
NM Local Government Investment Pool	24,500,000				
LAC Pension Plan	54,338,165				
Total Investments	\$ 177,983,387				

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, 2020 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, 2020 (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	\$ 2,847,913	2.3%
FHLMC	Federal agency securities	840,369	0.7%
FHLB	Federal agency securities	2,024,080	1.6%
U.S TREAS	U.S Treasuries securities	45,776,266	37.0%

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

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in Level 2 are valued using a matrix pricing technique. This is based on the securities' relationship to benchmark quoted prices.

Investments by fair value level at June 30, 2020 are as follows:

		Fair Value Measurements Using			
		6/30/2020	Level 1	Level 2	Level 3
Investments by fair value level					
U.S. Agencies Securities	\$	5,712,362	5,712,362	0	0
U.S. Treasuries Securities		45,776,266	45,776,266	0	0
New Mexico State Investment Council		47,656,594	25,373,939	22,282,655	0
NM Local Government Investment Pool		24,500,000	24,500,000	0	0
Alliance Benefit Group - LAC Pension Plan		54,338,165	51,621,257	2,716,908	0
Total investments by fair value level	\$	177,983,387	152,983,824	24,999,563	

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2020, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:			
General	\$ 62,434	(11,044)	51,390
Economic Development	0	0	0
Capital Improvement Projects	147,329	(147,329)	0
Other Governmental	21,190	0	21,190
Total governmental activities	<u>230,953</u>	<u>(158,373)</u>	<u>72,580</u>
Business-type activities:			
Joint Utility System	4,477,650	(37,542)	4,440,107
Airport	3,035	(96)	2,939
Environmental Services	332,473	(13,602)	318,871
Fire	1,450,995	(863,105)	587,890
Internal Service	4,623	(2,425)	2,199
Total business-type activities	<u>6,268,776</u>	<u>(916,770)</u>	<u>5,352,006</u>
Totals	<u>\$ 6,499,729</u>	<u>(1,075,143)</u>	<u>5,424,586</u>

On the Government-wide Statement of Net Position an additional \$38,934 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, 2020:

Fiscal Year Ending	
June 30,	Amount
2020	\$ 223,011
2021	212,748
2022	202,510
2023	192,274
2024	183,810
Thereafter	<u>13,274,670</u>
	<u>\$ 14,289,023</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, 2020 the County had three 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. A reserve for loan losses has been recorded for the outstanding balance on the loan.

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.

On August 29, 2017, the County entered into a loan agreement with UbiQD in the amount of \$325,000 for the purchase of real property located at 134 Eastgate Drive, Los Alamos, NM to serve as the headquarter property and executed a mortgage/promissory note with the company. The promissory note bears interest at 0% and will be amortized over a 10 year term with the first three years payments being deferred. As of June 30, 2020 the County had distributed the full amount of the loan amount to UbiQD. The loan requires UbiQD to make eighty-four monthly payments of \$3,869.05 due beginning September 1, 2020, and the first of each month thereafter until paid in full.

On July 13, 2019, the County entered into a Project Participation Agreement with Pebble Labs USA, Inc. (PLUSA) in the form of a grant of real property of \$1,406,500, and no loan or receivable has been recorded. PLUSA shall acquire, develop and construct a laboratory research campus facility, including land, buildings, equipment, and infrastructure, in the Entrada Business Park and to provide research services in Los Alamos County. PLUSA agreed to provide a financial guarantee in the amount of \$1,406,500 with an effective date that is the same date as the issuance date of the permit for new construction. The financial guarantee represents the dollar amount PLUSA shall return to the County in the event of default and prior to that date, the land represents the security pledged.

As of June 30, 2020 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, 2020, is as follows:

Principal, economic development loans:		
UbiQD	\$	325,000
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)		51,170
Avanza Technologies, Inc.		<u>227,944</u>
Subtotal economic development loans		604,114
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, 2020 is as follows:

Principal, home renewal program loans:			Principal, home buyer assistance program loans:		
Loan No. FY2016 - 1	\$	5,450	Loan No. FY2018 - 1	\$	11,700
Loan No. FY2016 - 2		16,105	Loan No. FY2018 - 2		11,500
Loan No. FY2016 - 4		12,107	Loan No. FY2018 - 3		-
Loan No. FY2016 - 5		-	Loan No. FY2018 - 4		21,650
Loan No. FY2016 - 6		-	Loan No. FY2018 - 5		17,500
Loan No. FY2016 - 8		16,029	Loan No. FY2018 - 6		14,999
Loan No. FY2016 - 9		34,294	Loan No. FY2018 - 7		20,500
Loan No. FY2016 - 10		15,436	Loan No. FY2018 - 8		19,500
Loan No. FY2017 - 1		10,006	Loan No. FY2018 - 9		11,000
Loan No. FY2017 - 2		-	Loan No. FY2018 - 10		5,100
Loan No. FY2017 - 3		22,000	Loan No. FY2018 - 11		13,500
Loan No. FY2017 - 4		42,000	Loan No. FY2018 - 12		11,000
Loan No. FY2017 - 5		6,890	Loan No. FY2019 - 1		15,000
Loan No. FY2017 - 6		37,399	Loan No. FY2019 - 2		25,000
Loan No. FY2017 - 7		5,280	Loan No. FY2019 - 3		22,150
Loan No. FY2018 - 1		26,837	Loan No. FY2019 - 4		25,000
Loan No. FY2018 - 2		35,783	Loan No. FY2020 - 1		<u>20,750</u>
Loan No. FY2018 - 3		24,630	Subtotal economic development loans		265,849
Loan No. FY2018 - 4		34,445			
Loan No. FY2019 - 1		30,800	Less: Discounts on economic development loans		-
Loan No. FY2019 - 2		14,800	Less: Reserve for loan losses		<u>-</u>
Loan No. FY2020 - 1		<u>13,700</u>			
Subtotal economic development loans		403,991	Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	\$	<u>265,849</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>403,991</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, 2020 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	0	0	0	0	0	2,042,658	0	12,300	2,054,958
Economic Development	0	0	1,500,000	0	0	0	0	0	0	0	1,500,000
Emergency Declarations	100,000	0	0	0	0	0	0	0	0	0	100,000
Capital Improvement Projects	5,653,908	0	0	1,289,963	0	0	0	0	0	0	6,943,871
Joint Utility System	0	0	0	0	829,634	0	0	0	0	0	829,634
Transit	800,000	0	0	0	0	0	0	0	0	0	800,000
Airport	200,000	0	0	0	0	0	0	0	0	0	200,000
Internal Service	0	0	0	0	3,734	12,004	647,432	0	0	0	663,170
Other Governmental	4,903,709	0	0	0	0	0	0	0	0	0	4,903,709
	<u>\$ 11,657,617</u>	<u>0</u>	<u>1,500,000</u>	<u>1,289,963</u>	<u>833,368</u>	<u>12,004</u>	<u>647,432</u>	<u>2,042,658</u>	<u>0</u>	<u>12,300</u>	<u>17,995,341</u>
Capital assets were transferred into (out of) the following funds from (to) governmental activities:											
Internal Service	172,429										
Total	<u>\$ 172,429</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, 2020 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, 2020 are presented below:

Due to other funds	Due from other funds		
	General	Pension	Total
General	\$ 0	189,603	189,603
Emergency Declarations	420,085		420,085
Fire	1,854,886		1,854,886
Other Governmental	7,699		7,699
Pension Trust	38,934		38,934
	\$ 2,321,604	189,603	2,511,207

(7) CAPITAL ASSETS

The County capitalized approximately \$19.9 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, \$11.9 million were additions to governmental activities and \$7.9 million were additions to business-type activities. In addition, during FY 2020, the County added approximately \$13.1 million in new construction in progress, \$8 million in governmental activities capital assets and \$5.1 million in business-type activities capital assets. The County donated \$1.3 million of land to the Pebble Labs for Economic Development in FY2020 and \$1.1 of land to Los Alamos Public Schools. Machinery and equipment in the amount of \$172,429 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, 2020 was as follows:

	June 30, 2019 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2020 Balance
Governmental activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 43,215,393	695,404	(1,310,793)	0	42,600,004
Right of way land	18,001,114	0	(7,864)	0	17,993,250
Art and historic treasures	1,573,069	61,695	0	0	1,634,764
Construction in progress	806,196	8,006,999	(5,718,664)	0	3,094,531
Total capital assets, not being depreciated	63,595,772	8,764,098	(7,037,321)	0	65,322,549
Capital assets, being depreciated					
Buildings	143,557,204	303,594	0	0	143,860,798
Improvements other than buildings	21,055,053	13,634	0	0	21,068,687
Machinery and equipment	20,443,615	2,334,922	(1,192,377)	(172,429)	21,413,731
Infrastructure	194,238,187	495,497	(1,107,890)	0	193,625,794
Capital assets, being depreciated	379,294,059	3,147,647	(2,300,267)	(172,429)	379,969,010
Less accumulated depreciation for:					
Buildings	(32,182,676)	(2,917,237)	0	0	(35,099,913)
Improvements other than buildings	(9,795,633)	(744,056)	0	0	(10,539,689)
Machinery and equipment	(10,456,818)	(1,454,791)	1,192,377	0	(10,719,232)
Infrastructure	(114,221,328)	(3,394,036)	283,127	0	(117,332,237)
Total accumulated depreciation	(166,656,455)	(8,510,120)	1,475,504	0	(173,691,071)
Total capital assets, being depreciated, net	210,300,194	(5,362,473)	(824,763)	(172,429)	206,277,939
Total governmental activities capital assets \$	273,895,966	3,401,625	(7,862,084)	(172,429)	271,600,488
Business-type activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 8,427,544	0	0	0	8,427,544
Construction in progress	5,394,685	5,116,224	(352,026)	0	10,158,883
Total capital assets, not being depreciated	13,822,229	5,116,224	(352,026)	0	18,586,427
Capital assets, being depreciated					
Buildings	24,993,055	0	0	0	24,993,055
Improvements other than buildings	18,046,977	114,197	0	0	18,161,174
Utility plant in service	328,943,544	364,880	(240,340)	0	329,068,084
Machinery and equipment	33,853,389	2,382,817	(1,281,859)	172,429	35,126,776
Capital assets, being depreciated	405,836,965	2,861,894	(1,522,199)	172,429	407,349,089
Less accumulated depreciation for:					
Buildings	(7,290,948)	(652,082)	0	0	(7,943,030)
Improvements other than buildings	(8,445,970)	(605,832)	0	0	(9,051,802)
Utility plant in service	(160,506,646)	(7,882,552)	369,225	0	(168,019,973)
Machinery and equipment	(19,402,152)	(2,341,442)	991,714	0	(20,751,880)
Total accumulated depreciation	(195,645,716)	(11,481,908)	1,360,939	0	(205,766,685)
Total capital assets, being depreciated, net	210,191,249	(8,620,014)	(161,260)	172,429	201,582,404
Total business-type activities capital assets \$	224,013,478	(3,503,790)	(513,286)	172,429	220,168,831

Depreciation expense for the year ended June 30, 2020 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 688,044
Public safety	787,888
Transportation	5,425,041
Culture and recreation	1,609,147
Total depreciation expense - governmental activities	<u>\$ 8,510,120</u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 4,586,662
Gas	397,416
Water	2,044,799
Wastewater	853,675
Environmental Services	185,246
Transit	190,318
Fire	510,080
Airport	575,474
Equipment - Internal Service	2,138,238
Total depreciation expense - business-type activities	<u>\$ 11,481,908</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, 2019 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 FY18 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY19 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%	9.80%
Municipal Police Plan 5	16.30%	17.80%	19.15%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%
Municipal Fire Plan 5	16.20%	17.70%	21.90%

Statutorily required contributions to the pension plan from the County were \$5,231,858 and employer paid member benefits that were “picked up” by the County were \$33,781 for the year ended June 30, 2020. The County’s total contributions to PERA for the years ended June 30, 2020, 2019, and 2018 were \$5,548,586, \$5,223,651, and \$5,548,586, 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, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2020.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members (includes detention), municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were 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, 2019. Only employer contributions for the pay period end dates that fell within the period of July 1, 2018 to June 30, 2019 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2019 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 year ended June 30, 2020, the County recognized PERA All Plans combined net pension expense of \$5,444,213. At June 30, 2020, the County reported PERA All Plans combined deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA All Plans</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,764,642	\$ (2,445,168)
Changes of assumptions	4,173,981	(229,122)
Net difference between projected and actual earnings on pension plan investments	2,833,318	0
Changes in proportion and differences between County contributions and proportionate share of contributions	3,737,360	(9,537,198)
County contributions subsequent to measurement date	5,444,214	0
Totals	\$ <u>18,953,515</u>	\$ <u>(12,211,488)</u>

<u>Year ended June 30</u>		
2019		1,886,763
2020		485,021
2021		(1,539,012)
2022		465,041
Thereafter	\$	0

For the PERA Municipal General Division, at June 30, 2019, the County reported a liability of \$53,837,193 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 3.1100 percent, which was a decrease from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized PERA Municipal General Division net pension expense of \$2,951,264. At June 30, 2020, 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	\$ 1,614,140	\$ (582,398)
Changes of assumptions	2,400,572	(132,600)
Net difference between projected and actual earnings on pension plan investments	1,814,167	0
Changes in proportion and differences between County contributions and proportionate share of contributions	2,627,316	(5,261,477)
County contributions subsequent to measurement date	2,951,265	0
Totals	<u>\$ 11,407,460</u>	<u>\$ (5,976,475)</u>

\$2,951,264 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2019 were recognized as a reduction of the net pension liability in the year ended 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 related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>		
2019	\$	2,545,521
2020		421,388
2021		(785,668)
2022		298,479
Thereafter	\$	0

For PERA Municipal Police Division, at June 30, 2019, the County reported a liability of \$7,909,668 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 1.0708 percent, which was a decrease from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized PERA Municipal Police Division net pension expense of \$480,718. At June 30, 2020, 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>
Differences between expected and actual experience	\$ 330,443	\$ (336,939)
Changes of assumptions	448,657	(20,124)
Net difference between projected and actual earnings on pension plan investments	246,995	0
Changes in proportion and differences between County contributions and proportionate share of contributions	138,662	(365,886)
County contributions subsequent to measurement date	480,718	0
Totals	\$ <u>1,645,475</u>	\$ <u>(722,949)</u>

The amount of \$480,718 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2019, will be recognized as a reduction of the net pension liability in the subsequent fiscal period. 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>		
2019	\$	212,206
2020		180,912
2021		8,154
2022		40,536
Thereafter	\$	0

For PERA Municipal Fire Division, at June 30, 2019, the County reported a liability of \$48,284,574 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 7.0259 percent, which was a decrease from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized PERA Municipal Fire Division net pension expense of \$2,012,231. At June 30, 2020, 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>
Differences between expected and actual experience	\$ 820,059	\$ (1,525,831)
Changes of assumptions	1,324,752	(76,398)
Net difference between projected and actual earnings on pension plan investments	772,156	0
Changes in proportion and differences between County contributions and proportionate share of contributions	971,382	(3,909,835)
County contributions subsequent to measurement date	2,012,231	0
Totals	<u>\$ 5,900,580</u>	<u>\$ (5,512,064)</u>

The amount of \$2,012,231 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2019, were recognized as a reduction of the net pension liability in the year ended 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 related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2019	\$ (870,964)
2020	(117,279)
2021	(761,498)
2022	126,026
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, 2018 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, 2019 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, 2019. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2019 actuarial valuation.

Actuarial valuation date	June 30, 2018
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	42.3%	7.48%
Risk Reduction and Mitigation	21.4%	2.37%
Credit Oriented Fixed Income	15.0%	5.47%
Real Assets	20.0%	6.48%
Total	<u>98.7%</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.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Municipal General Division: County's proportionate share of the net pension liability	\$ 81,425,507	\$ 53,837,193	\$ 31,011,559
PERA Municipal Police Division: County's proportionate share of the net pension liability	11,969,840	7,909,668	4,597,333
PERA Municipal Fire Division: County's proportionate share of the net pension liability	63,992,121	48,284,574	35,411,882

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the FY19 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, 2020 were \$3,945,186 (\$408,529 participant; and \$3,536,657 County, net of forfeitures of \$140,339). 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, 2020 were \$90,261, which included allocated audit fees of \$5,082, trustee fees of \$82,143, and legal fees of \$3,036. Plan investments at June 30, 2020, 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	\$	3,409,701
Invesco International Growth		8,928,514
T. Rowe Price Blue Chip Growth		15,664,996
AB Relative		9,051,303
JPMorgan Mid Cap		3,625,621
Baird		2,805,908
Gabelli Small Cap		4,359,297
SEI		3,378,671
Franklin Mutual Global		2,588,495
<hr/>		
Total investments	\$	53,812,506
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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 33,781 for the fiscal year ended June 30, 2020.

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, 2020, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	<hr/>
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal FTRE	1,966
Educational Retirement Board	49,492
	<hr/>
	91,082

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 \$874,931 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported a liability of \$31,299,103 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2019. At June 30, 2019, the County's proportion was 0.96531 percent.

For the year ended June 30, 2020, the County recognized OPEB income of \$2,712,121. At June 30, 2020 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	\$ -	\$ 7,876,444
Changes of assumptions	-	10,101,837
Differences between actual and projected earnings on OPEB plan investments	-	291,004
Changes in proportion	1,148,697	2,890,990
County contributions made after the measurement date	874,931	-
Totals	\$ <u>2,023,628</u>	\$ <u>21,160,275</u>

Deferred outflows of resources totaling \$874,931 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, 2021. 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>	
2020	(5,261,564)
2021	(5,261,564)
2022	(4,633,976)
2023	(3,043,047)
2024	(1,811,427)
Thereafter	\$ <u>(20,011,578)</u>

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

Actuarial valuation date	June 30, 2019
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; 2.5% for PERA
Projected payroll increases	3.25% to 13.50%, 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 4.16% as of June 30, 2019. 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, 4.16% 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 (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

1% Decrease (3.16%)	Current Discount Rate (4.16%)	1% Increase (5.16%)
\$38,286,346	\$31,299,103	\$25,806,472

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>
\$26,058,521	\$31,299,103	\$35,494,931

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, 2019.

Payable Changes in the Net OPEB Liability. At June 30, 2020, the County reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2020.

9) LONG-TERM OBLIGATIONS

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2020, 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	\$ 3,447,151	1,796,439	1,564,298	3,679,292	2,587,227
Revenue bonds payable	38,140,939	0	3,535,361	34,605,578	3,215,000
Total governmental activities	<u>\$ 41,588,090</u>	<u>1,796,439</u>	<u>5,099,659</u>	<u>38,284,870</u>	<u>5,802,227</u>
Business-type activities:					
Accrued compensated absences	\$ 3,547,710	2,148,808	1,891,814	3,804,704	2,613,342
Claims and judgments	3,773,605	2,768,084	3,902,096	2,639,593	1,715,799
Revenue bonds payable	21,564,551	0	3,087,107	18,477,444	3,069,999
Contracts and intergovernmental debt	12,155,445	286,327	691,105	11,750,667	702,313
Special closure costs	11,589,080	372,438	407,419	11,554,099	58,077
	<u>\$ 52,630,390</u>	<u>5,575,657</u>	<u>9,979,541</u>	<u>48,226,507</u>	<u>8,159,530</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 \$151,647 and claims and judgments in the amount of \$2,639,593 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
2021	3,215,000	1,337,159
2022	3,380,000	1,176,409
2023	3,545,000	1,007,409
2024	3,720,000	830,159
2025-2028	16,665,000	1,529,604
	<u>30,525,000</u>	<u>5,880,739</u>
2013 Series Principal	30,525,000	
Unamortized balances:		
Discounts and premiums	<u>4,080,578</u>	
	\$ 34,605,578	

C. Utility System Revenue Bonds

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

Utility Revenue Bonds – 2014 A and B Series

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

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

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

The scheduled annual maturity requirements of the 2014 Series A and B Utility Revenue Bonds as of June 30, 2020 are as presented below.

Yearendung June 30	2014A Series		2014B Series	
	Principal	Interest	Principal	Interest
2021	670,000	298,545	1,655,000	48,194
2022	465,000	264,375	0	0
2023	465,000	240,660	0	0
2024-2027	1,905,000	742,590	0	0
2028-2032	2,645,000	535,473	0	0
2033-2034	1,200,000	69,665	0	0
	<u>\$ 7,370,000</u>	<u>2,151,328</u>	<u>1,655,000</u>	<u>48,194</u>
2014A Series Principal	\$ 7,370,000			
2014B Series Principal	1,655,000			
Unamortized balances:				
Discounts and premiums	<u>444,366</u>			
Total payable	<u>\$ 9,469,366</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, 2020 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	
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	0	0	585,000	84,364	0	222,168	230,000	132,841	1,254,373
2024-2027	0	0	950,000	71,448	1,570,000	820,078	1,055,000	395,959	4,862,485
2028-2030	0	0	0	0	2,110,000	259,008	970,000	120,080	3,459,088
	<u>\$ 1,095,000</u>	<u>66,200</u>	<u>1,535,000</u>	<u>324,539</u>	<u>3,680,000</u>	<u>1,745,588</u>	<u>2,685,000</u>	<u>948,711</u>	<u>12,080,038</u>
2010 A Series Principal	\$ 1,095,000								
2010 B Series Principal	1,535,000								
2010 C Series Principal	3,680,000								
2010 D Series Principal	2,685,000								
Unamortized balances:									
Refunding costs	0								
Discounts and premiums	13,078								
Total payable	<u>\$ 9,008,078</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.

WPF 663: 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.

CWSRF 083: To finance 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.

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.

WPF 689: 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.

WPF 756: 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.

WPF 757: 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.

WPF 820: 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.

WPF 821: 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.

WPF 918: 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.

WPF 940: 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.

WPF 3557: To finance the costs of the Los Alamos Reservoir non-potable line replacement. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$484,560.

Loan terms and repayment schedules are shown below.

	New Mexico Environment Department	New Mexico Water Trust Board and Finance Authority	New Mexico Environment Department	New Mexico Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Environment Department Construction Programs Bureau	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	Totals
Loan Number	CWSRF 1438143	WPF 663	CWSRF 083	PP 3732	WPF 689	ARRA CWSRF 09	WPF 756	WPF 757	WPF 820	WPF 821	WPF 918	WPF 940	WPF 3557	
Date of agreement	Dec 2005	Apr 2007	Apr 2019	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	17,000,000	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	20	15	20	20	20	20	20	20	20	20	20	
Interest rate	3%	-	2.38%	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 6/30/2021:														
Principal	356,816	3,284	-	239,061	4,107	11,402	7,383	2,503	30,843	6,973	27,924	9,377	2,640	702,314
Interest and/or admin fee	150,587	58	-	87,924	83	3,745	187	63	859	212	1,066	358	121	245,262
Total	507,404	3,342	-	326,985	4,190	15,147	7,570	2,566	31,702	7,185	28,990	9,735	2,762	947,576
Payable in year ending 6/30/2022:														
Principal	365,291	3,292	-	241,715	4,117	11,744	7,402	2,509	30,918	6,991	27,994	9,401	2,647	714,021
Interest and/or admin fee	142,113	50	-	85,270	73	3,453	168	57	781	195	996	334	115	233,604
Total	507,404	3,342	-	326,985	4,190	15,197	7,570	2,566	31,699	7,186	28,990	9,735	2,762	947,625
Payable in year ending 6/30/2023:														
Principal	373,966	3,300	-	244,664	4,128	12,096	7,420	2,515	30,993	7,008	28,064	9,424	2,654	726,233
Interest and/or admin fee	133,437	41	-	82,321	62	3,151	150	51	704	177	926	311	108	221,440
Total	507,404	3,341	-	326,985	4,190	15,248	7,570	2,566	31,697	7,185	28,990	9,735	2,762	947,673
Payable in year ending 6/30/2024:														
Principal	382,848	3,309	-	248,114	4,138	12,459	7,439	2,522	31,069	7,026	28,134	9,448	2,660	739,167
Interest and/or admin fee	124,555	33	-	78,872	52	2,841	131	44	627	160	856	287	102	208,560
Total	507,404	3,342	-	326,986	4,190	15,300	7,570	2,566	31,696	7,186	28,990	9,735	2,762	947,727
Payable in five years ending 6/30/29:														
Principal	2,055,027	9,975	-	1,310,614	16,656	68,132	37,475	12,703	156,480	35,392	141,727	47,596	13,402	3,905,179
Interest and/or admin fee	481,991	50	-	324,311	104	9,217	376	127	1,965	534	3,220	1,081	408	823,384
Total	2,537,018	10,025	-	1,634,925	16,760	77,349	37,851	12,830	158,445	35,926	144,947	48,677	13,809	4,728,563
Payable in five years ending 6/30/2034:														
Principal	2,310,932	-	-	1,490,904	-	30,200	7,552	2,560	63,123	21,448	143,507	48,195	13,570	4,131,991
Interest and/or admin fee	226,086	-	-	144,022	-	1,167	19	6	237	107	1,440	483	239	373,807
Total	2,537,018	-	-	1,634,926	-	31,368	7,571	2,566	63,360	21,555	144,947	48,678	13,809	4,505,798
Payable in five years ending 6/30/2039:														
Principal	495,632	-	-	-	-	-	-	-	-	0	28,917	9,711	10,979	545,239
Interest and/or admin fee	11,771	-	-	-	-	-	-	-	-	0	72	24	69	11,937
Total	507,404	-	-	-	-	-	-	-	-	0	28,989	9,735	11,047	557,175
Total payable														
Principal	6,340,513	23,160	286,524	3,775,072	33,146	146,034	74,671	25,312	343,426	84,838	426,267	143,152	48,552	11,750,667
Interest and/or admin fee	1,270,541	232	-	802,719	374	23,574	1,031	349	5,172	1,385	8,575	2,880	1,161	2,117,994
Total	7,611,054	23,392	286,524	4,577,791	33,520	169,609	75,702	25,661	348,598	86,223	434,842	146,032	49,713	13,868,661

(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, 2020, the Formula Rate adjustment resulted in a 4.5 percent increase. While the formula rate appears to be increasing, Los Alamos County's share is stable 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, 2020, the County paid \$2,053,233 under this agreement, which is included in purchased power expense. LRS has been 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 was completed as of 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 2020 was \$110,258. The County's contract with NORA includes a prepayment of \$34,678 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 60 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 2029. As of June 30, 2020, Los Alamos County has paid \$110,888 under the Small Modular Nuclear Reactor (SMR) Carbon Free Power Study. The project has moved out of the "study phase", so if the County continues their participation in the project until the commercial operation date expected in 2029, the development cost, construction, operation and maintenance and decommissioning costs will be paid through the cost of energy targeted to be \$55 per megawatt hour over the forty year debt service period. If the County chooses to exit the project at one of the predefined off-ramps prior to the final notice to proceed with construction, the project costs will be charged to participants in accordance with various project participation agreements during the development period. The County's financial commitment associated with the development of the Combined Operating Licensing Application, phase 1 is \$1,256,219.18. The project just received a \$1.355 Billion Multi-year Grant Award from the Department of Energy. The Technology Developer NuScale has received its Design Certification from the Nuclear Regulatory Commission.

(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 \$21,588,067 during FY20 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. (taking this out because it makes it confusing on what happened from \$6.3M to now only \$1.2M.

In fiscal year 2020, the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the Los Alamos County Landfill for the remaining 22 years of the post closure care period. Based on the updated estimate, as of June 30, 2020, the County adjusted the total landfill closure liability to the estimated \$1,277,700. The County has met the NMED requirements of the financial assurance test each fiscal year which include the following: (a) satisfying each of the following financial ratios based on the local government's most recent audited annual financial statement: a ratio of cash plus marketable securities to total expenditures greater than or equal to 0.05; and a ratio of annual debt service to total expenditures less than or equal to 0.20; (b) preparing its financial statements in conformity with generally accepted accounting principles for governments and have its financial statements audited by an independent certified public accountant. The County has also established a Reserve Fund within the existing financial accounting system; however, this is in addition to meeting the financial assurance test. The County has applied a method to reserve 5 years or \$348,463 of the total cost for the remainder of the long-term liability. This reserve is in excess of the financial assurance requirements, and has been put in place for any additional

costs that may arise due the nature of continuous monitoring of the landfill. The reserve of \$358,491 is reflected in restricted assets in the Environmental Services Fund as of June 30, 2020.

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 shutdown 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. The participants are considering a proposal from the City of Farmington and Enchant Energy for the continued operation of the plant post 2022 using carbon capture technology. The participants are looking for a clean break from the decommissioning liabilities associated with the plant.

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 2020, \$188,400 was set aside for this San Juan decommissioning. As of June 30, 2020, \$5,819,476 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, 2020, 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, 2020, the balance in this trust is \$4,457,616.65. The owners are currently evaluating projected closure dates and funding requirements. Cost estimate updates are periodically performed, and Therevised funding curves are adjusted on an annual basis as necessary. The participants are looking for a clean break from the Mine Reclamation liabilities associated with the fuel supply and are currently considering a proposal from the Westmoreland San Juan Mining company to take over the Reclamation of the mine.

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, 2020, the balance in this trust is \$928,543. 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 \$1,737,981 reported in the Risk Management Fund at June 30, 2020 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 2020 Insurance coverage summary:

Insurance Coverage	Deductible	Insurance Liability Limits
General and Automotive Liability, and Medical Malpractice	\$25,000	\$400,000 per person and \$750,000 per occurrence for bodily injury \$100,000 per occurrence, fire legal liability damage \$300,000 for all past and & future medical/medically-related expenses per occurrence \$200,000 per Kegakky Described Real Property for Physical Damage or Destruction (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 2019 and 2020 are summarized below.

	Group Insurance (Dental)	Medical Insurance	Unemployment Compensation	Workers Compensation	General Liability	Total
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	(624,475)	1,185,331	8,942,491
Claims and insurance payments	(488,540)	(7,862,736)	0	(732,893)	(1,156,493)	(10,240,662)
Claims liability, June 30, 2019	\$ 31,327	654,513	0	1,591,722	168,192	2,445,754
Current year claims, insurance, and changes in estimates	520,845	7,668,615	0	215,188	1,280,754	9,685,402
Claims and insurance payments	(537,172)	(7,733,128)	0	(778,306)	(1,344,569)	(10,393,175)
Claims liability, June 30, 2020	\$ 15,000	590,000	0	1,028,604	104,377	1,737,981

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, 2020 the estimated claims liability was \$590,000. 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 2020, the County recognized intergovernmental revenue of approximately \$19.2 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$2.7 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, 2020 are as follows:

Major Governmental Funds:	
General Fund	\$ 1,197,322
Economic Development	3,582
Capital Improvement Projects	2,964,866
Other Governmental	641,812
Total Governmental Funds	<u>4,807,582</u>
Major Proprietary Funds:	
Joint Utility System	5,634,307
Environmental Services	70,972
Transit	452,877
Fire	376,493
Airport	17,724
Total Proprietary Funds	<u>6,552,373</u>
Internal Service Funds:	
Equipment	763,191
Risk Management	54,825
Total Internal Service Funds	<u>818,016</u>
Outstanding Encumbrances at June 30, 2020	<u>\$ 12,177,971</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, 2020 was \$828,917.

The future minimum lease payments under operating leases as of June 30, 2020, are approximately as follows:

<u>Year ending June 30*</u>	<u>Amount</u>
2021	770,682
2022	657,950
2023	75,224
2024	46,034
2025	46,034
	<u>\$ 1,595,924</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, 2020, 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. In fiscal year 2020, the County expensed amortization costs for \$618.7 million and adjust deferred outflows by this same amount.

(18) TAX ABATEMENTS

As of June 30, 2020, the County does not have a GASB Statement 77 disclosure to make as the County does not provide tax abatements.

(19) CONDUIT DEBT

On August 15, 2019, the County entered into a bond indenture that authorizes the County to issue up to \$60,000,000 in industrial revenue bonds for the Pebble Labs USA, Inc Project for the development of the Company's scientific laboratory project including the acquisition of land, buildings, infrastructure and equipment and related facilities all located within Los Alamos County. The Company is Pebble Labs USA, Inc., the Purchaser is Pebble Labs Acquisitions LLC, and the issuer is the Incorporated County of Los Alamos.

The principal of, interest on and redemption price of the bond are payable solely from the basic rent derived by the Issuer from the lease agreement dated as of September 24, 2019 between the Issuer and the Company, and which revenues have been pledged and assigned by the Issuer to the Purchaser under the Indenture dated September 24, 2019 among the Issuer, the Purchaser, the Company and BOKF, NA as the Depositary.

Neither the faith and credit nor the taxing power of the County is pledged to the payment of the principal of, interest on or redemption price of the bond, and will never constitute debt or indebtedness of the County, nor give rise to a pecuniary liability or a charge against the County's general credit or taxing powers.

If a default occurs, the Purchaser may cause the then unpaid principal amount of the Bond and all accrued interest to be immediately due and payable as provided in the indenture. Neither the Issuer nor the Depositary has any responsibility to act on behalf of the Purchaser with respect to any default. The outstanding principal amount as of June 30, 2020, was \$12,500,000 with an interest rate of 3.5% per annum, issued as of September 24, 2019 which matures July 15, 2039.

LOS ALAMOS
where discoveries are made



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]**

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
County proportion of the net pension liability	3.1100%	3.6388%	3.2978%	3.0931%	3.0997%	3.125%
County proportionate share of the net pension liability	\$58,837,193	\$58,015,939	\$45,314,561	\$49,423,456	\$31,604,127	\$24,378,354
County covered payroll	28,361,756	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	207.5%	214.4%	157.4%	175.4%	122.1%	96.5%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	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>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 2,951,264	\$ 2,753,567	\$ 2,931,499	\$ 2,534,844	\$ 2,579,007	\$ 2,517,567
Contributions in relation to contractually required contributions	2,951,264	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>	<u>\$ 0</u>
County covered payroll	\$30,114,939	\$28,833,162	\$30,696,325	\$26,542,869	\$27,005,309	\$26,361,958
Contributions as a percentage of covered payroll	9.80%	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]

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	1.0708%	1.1533%	1.1284%	1.0753%	1.0245%	1.0533%
County proportionate share of the net pension liability	\$ 7,909,668	\$ 7,869,016	\$ 6,269,001	\$ 7,927,902	\$ 4,926,451	\$ 3,433,643
County covered payroll	3,533,220	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	223.9%	235.7%	178.7%	340.9%	245.4%	167.4%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	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]**

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Actuarial determined contribution	\$ 480,718	\$ 389,019	\$ 460,525	\$ 405,149	\$ 404,404	\$ 387,569
Contributions in relation to contractually required contributions	480,718	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>	<u>\$ 0</u>
County covered payroll	\$2,510,277	\$2,058,302	\$2,436,640	\$2,143,646	\$2,139,704	\$2,050,630
Contributions as a percentage of covered payroll	19.2%	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>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	7.0259%	7.8388%	7.5073%	7.6203%	7.8438%	7.7878%
County proportionate share of the net pension liability	\$ 48,284,574	\$ 50,173,239	\$ 42,952,607	\$ 50,835,148	\$ 40,483,279	\$ 35,506,227
County covered payroll	9,164,720	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	526.9%	536.2%	431.2%	558.8%	453.1%	402.0%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	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 FIRE DIVISION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS [a]

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 2,012,231	\$ 2,089,272	\$ 2,156,562	\$ 1,920,956	\$ 1,932,454	\$ 1,904,387
Contributions in relation to contractually required contributions	2,012,231	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>	<u>\$ 0</u>
County covered payroll	\$ 9,188,269	\$ 9,650,217	\$ 9,961,025	\$ 8,872,776	\$ 8,925,885	\$ 8,796,245
Contributions as a percentage of covered payroll	21.90%	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, 2020

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY19 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, 2019 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 \$198.9 million. The loss on non-investment related items totaled \$202.5 million. The net loss due to the plan’s experience was \$401.4 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>FY2020</u>	<u>FY2019</u>
County proportion of the net OPEB liability	0.96531%	1.02953%
County proportionate share of the net OPEB liability	\$ 31,299,103	\$ 44,767,617
County covered payroll	\$ 40,281,697	\$ 44,173,187
County proportionate share of the net OPEB liability as a percentage of its covered payroll	77.70%	101.35%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	18.92%	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>FY2020</u>	<u>FY2019</u>
Contractually required contribution	\$ 854,457	\$ 1,608,813
Contributions in relation to contractually required contributions	<u>854,457</u>	<u>1,589,169</u>
Contribution deficiency (excss)	<u>0</u>	<u>19,644</u>
County covered payroll	40,281,697	44,173,187
Contributions as a percentage of covered payroll	2.12%	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, 2020

Changes of benefit terms

The RHCA Fund eligibility benefits are described in Section 2 of the RHCA FY19 Actuarial Valuation available at
https://www.nmrhca.org/wp-content/uploads/2020/08/NMRHCA_GASB74_Report_as_of_June_30_2019___FINAL.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)

Health Care Assistance 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, 2020

	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	\$ 575,969	504,383	836,216	0	750,293	276,820	2,943,681
Receivables, net of allowance for uncollectibles							
Accounts	0	21,056	0	134	0	0	21,190
Interest	0	0	0	0	17	0	17
Due from other governments	82,471	0	4,895	486,397	0	0	573,763
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	35,828	35,828
TOTAL ASSETS	\$ 658,440	525,439	841,111	501,981	750,310	312,648	3,589,929
LIABILITIES							
Accounts payable	\$ 0	3,479	21,264	3,782	3,000	0	31,525
Accrued salaries and benefits payable	0	0	997	736	2,615	0	4,348
Due to other governments	0	0	34,434	0	0	0	34,434
Due to other funds	0	0	0	7,699	0	0	7,699
TOTAL LIABILITIES	0	3,479	56,695	12,217	5,615	0	78,006
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	106,240	0	106,240
Debt service (Bond and loan agreements)	0	0	0	0	0	312,648	312,648
Grants (Granting entities)	0	0	784,416	0	0	0	784,416
Library operations (contributors)	0	0	0	0	3,633	0	3,633
Lodgers' tax (State law)	0	521,960	0	0	0	0	521,960
Health care claims (State law)	0	0	0	474,314	0	0	474,314
Property tax valuation (State law)	0	0	0	0	599,133	0	599,133
Recreation (County code and contributors)	0	0	0	0	35,689	0	35,689
Major street maintenance (State law)	658,440	0	0	0	0	0	658,440
TOTAL FUND BALANCE	658,440	521,960	784,416	489,764	744,695	312,648	3,511,923
TOTAL LIABILITIES AND FUND BALANCE	\$ 658,440	525,439	841,111	501,981	750,310	312,648	3,589,929

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, 2020

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	TOTAL
REVENUES							
Taxes							
Gross receipts taxes	\$ 0	0	0	2,042,657	0	0	2,042,657
Lodgers' tax	0	291,282	0	0	0	0	291,282
	<u>0</u>	<u>291,282</u>	<u>0</u>	<u>2,042,657</u>	<u>0</u>	<u>0</u>	<u>2,333,939</u>
Intergovernmental							
State grants-fire	0	0	882,102	0	0	0	882,102
State grants-police	0	0	40,400	0	0	0	40,400
State grants-other	0	0	60,544	0	0	0	60,544
State shared revenues	490,032	0	0	0	0	0	490,032
	<u>490,032</u>	<u>0</u>	<u>983,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,473,078</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	2,366	0	2,366
Charges for services							
Clerk fee	0	0	0	0	28,592	0	28,592
Finance/treasurer fees	0	0	0	0	201,738	0	201,738
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,330</u>	<u>0</u>	<u>230,330</u>
Miscellaneous revenue							
Investment income	0	10,442	10,403	7,859	13,924	878	43,506
Buildings rental	0	0	0	36,471	0	0	36,471
Land rental	0	0	0	33,888	0	0	33,888
Other	0	0	8,311	0	0	0	8,311
	<u>0</u>	<u>10,442</u>	<u>18,714</u>	<u>78,218</u>	<u>13,924</u>	<u>878</u>	<u>122,176</u>
TOTAL REVENUES	<u>490,032</u>	<u>301,724</u>	<u>1,001,760</u>	<u>2,120,875</u>	<u>246,620</u>	<u>878</u>	<u>4,161,889</u>
EXPENDITURES							
General government							
Municipal Court	0	0	0	0	28,366	0	28,366
County Assessor	0	0	0	0	190,214	0	190,214
County Clerk	0	0	0	0	12,766	0	12,766
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231,346</u>	<u>0</u>	<u>231,346</u>
Public safety							
Fire marshal	0	0	10,004	0	0	0	10,004
Fire-E.M.S. grant	0	0	9,800	0	0	0	9,800
Police	0	0	33,086	0	0	0	33,086
	<u>0</u>	<u>0</u>	<u>52,890</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,890</u>

Physical and economic environment							
Community and Economic Development	0	290,631	0	0	0	0	290,631
Transportation							
Health and welfare							
Community Services-Social Services	0	0	78,312	2,637,624	0	0	2,715,936
Culture and recreation							
Community Services-Recreation	0	0	0	0	243	0	243
Capital outlay:							
General government							
County Assessor	0	0	0	0	3,000	0	3,000
County Clerk	0	0	0	0	6,258		6,258
Public Safety							
Fire	0	0	216,110	0	0	0	216,110
Police	0	0	18,831	0	0	0	18,831
	<u>0</u>	<u>0</u>	<u>234,941</u>	<u>0</u>	<u>9,258</u>	<u>0</u>	<u>244,199</u>
Debt service:							
Principal	0	0	0	0	0	3,090,000	3,090,000
Interest	0	0	0	0	0	1,460,759	1,460,759
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,550,759</u>	<u>4,550,759</u>
TOTAL EXPENDITURES	<u>0</u>	<u>290,631</u>	<u>366,143</u>	<u>2,637,624</u>	<u>240,847</u>	<u>4,550,759</u>	<u>8,086,004</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	490,032	11,093	635,617	(516,749)	5,773	(4,549,881)	(3,924,115)
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	9,950	317,000	26,000	4,550,759	4,903,709
Transfers out	0	0	0	0	(12,300)	0	(12,300)
	<u>0</u>	<u>0</u>	<u>9,950</u>	<u>317,000</u>	<u>13,700</u>	<u>4,550,759</u>	<u>4,891,409</u>
NET CHANGE IN FUND BALANCE	490,032	11,093	645,567	(199,749)	19,473	878	967,294
FUND BALANCE							
Beginning of fiscal year	168,408	510,867	138,849	689,513	725,222	311,770	2,544,629
FUND BALANCE - END OF FISCAL YEAR	\$ 658,440	521,960	784,416	489,764	744,695	312,648	3,511,923

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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
State shared revenues	\$ 580,000	580,000	490,032	(89,968)
TOTAL REVENUES	580,000	580,000	490,032	(89,968)
EXPENDITURES AND ENCUMBRANCES				
Public Works - major street maintenance				
Outside services	580,000	580,000	0	580,000
TOTAL EXPENDITURES AND ENCUMBRANCES	580,000	580,000	0	580,000
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	0	0	490,032	490,032
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
NET CHANGE IN FUND BALANCE	\$ 0	0	490,032	490,032
FUND BALANCE				
Beginning of fiscal year			168,408	
FUND BALANCE - END OF FISCAL YEAR			\$ 658,440	

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, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 337,500	337,500	291,282	(46,218)
Miscellaneous revenues				
Investment income	<u>17,000</u>	<u>17,000</u>	<u>10,442</u>	<u>(6,558)</u>
TOTAL REVENUES	354,500	354,500	301,724	(52,776)
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	368,300	378,196	290,432	87,764
Intrafund/interfund services	<u>3,731</u>	<u>3,731</u>	<u>3,732</u>	<u>(1)</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	372,031	381,927	294,164	87,763
NET CHANGE IN FUND BALANCE	\$ <u>(17,531)</u>	<u>(27,427)</u>	7,560	<u>34,987</u>
ADJUSTMENTS TO GAAP				
Encumbrances			<u>3,533</u>	
GAAP BASIS			11,093	
FUND BALANCE				
Beginning of fiscal year			<u>510,867</u>	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>521,960</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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
State grants-fire	\$ 490,500	882,102	882,102	0
State grants-police	40,400	40,400	40,400	0
State grants-other	99,500	115,778	60,544	(55,234)
Miscellaneous revenues				
Investment income	0	0	10,403	10,403
Other	0	0	8,311	8,311
TOTAL REVENUES	630,400	1,038,280	1,001,760	(36,520)
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social services				
Police - DWI local grant	111,259	140,277	78,312	61,965
Health council grant	0	5,846	0	5,846
	111,259	146,123	78,312	67,811
Fire				
Grants and contracts				
Fire - Fire marshal grant	480,000	923,969	850,693	73,276
Fire - Emergency medical services grant	10,500	9,894	9,800	94
	490,500	933,863	860,493	73,370
Police				
Grants and contracts				
Police - Law enforcement protection grant	52,199	52,199	51,917	282
	52,199	52,199	51,917	282
TOTAL EXPENDITURES AND ENCUMBRANCES	653,958	1,132,185	990,722	141,463
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(23,558)	(93,905)	11,038	104,943
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	9,950	9,950	9,950	0
NET CHANGE IN FUND BALANCE	\$ (13,608)	(83,955)	20,988	104,943
ADJUSTMENTS TO GAAP				
Encumbrances			624,579	
GAAP BASIS			645,567	
FUND BALANCE				
Beginning of fiscal year			138,849	
FUND BALANCE - END OF FISCAL YEAR			\$ 784,416	

See accompanying notes to financial statements

Attachment B

**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, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
General gross receipts taxes	\$ 2,082,000	2,082,000	2,042,657	(39,343)
Miscellaneous revenues				
Investment income	21,000	21,000	7,859	(13,141)
Buildings rental	53,000	53,000	36,471	(16,529)
Land rental	0	0	33,888	33,888
TOTAL REVENUES	<u>2,156,000</u>	<u>2,156,000</u>	<u>2,120,875</u>	<u>(35,125)</u>
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social Services				
Employee salaries and benefits	105,161	105,791	93,264	12,527
Outside services	2,582,500	2,594,810	2,539,508	55,302
Materials and supplies	15,100	15,917	17,976	(2,059)
Debt and fiscal charges	573	573	576	(3)
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>2,703,334</u>	<u>2,717,091</u>	<u>2,651,324</u>	<u>65,767</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	<u>(547,334)</u>	<u>(561,091)</u>	<u>(530,449)</u>	<u>30,642</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	317,000	317,000	317,000	0
NET CHANGE IN FUND BALANCE	<u>\$ (230,334)</u>	<u>(244,091)</u>	<u>(213,449)</u>	<u>30,642</u>
ADJUSTMENTS TO GAAP				
Encumbrances			13,700	
GAAP BASIS			<u>(199,749)</u>	
FUND BALANCE				
Beginning of fiscal year			689,513	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 489,764</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, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Fines and Forfeits				
Court ordered reimbursements	\$ 3,300	3,300	2,366	(934)
Charges for Services				
Clerk fee	32,000	32,000	28,592	(3,408)
Finance/treasurer fees	175,000	175,000	201,738	26,738
	<u>207,000</u>	<u>207,000</u>	<u>230,330</u>	<u>23,330</u>
Miscellaneous revenues				
Investment income	1,000	1,000	13,924	12,924
Donations	3,000	3,000	0	(3,000)
	<u>4,000</u>	<u>4,000</u>	<u>13,924</u>	<u>9,924</u>
TOTAL REVENUES	214,300	214,300	246,620	32,320
EXPENDITURES AND ENCUMBRANCES				
Municipal Court				
Bench warrant	29,611	29,611	28,366	1,245
County Assessor				
Property tax valuation	235,860	253,264	193,214	60,050
County Clerk				
Recording and equipment	26,700	26,700	19,024	7,676
Community Services				
Aquatic center gift	3,000	3,000	243	2,757
Library gift	3,200	3,200	0	3,200
	<u>298,371</u>	<u>315,775</u>	<u>240,847</u>	<u>74,928</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	298,371	315,775	240,847	74,928
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(84,071)	(101,475)	5,773	107,248

OTHER FINANCING SOURCES (USES)

Transfers in from:				
General Fund	26,000	26,000	26,000	0
Transfers out to:				
General Fund	0	(12,300.00)	(12,300)	0
	<u>0</u>	<u>(12,300.00)</u>	<u>(12,300)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u>(58,071)</u>	<u>(87,775)</u>	19,473	<u>107,248</u>
FUND BALANCE				
Beginning of fiscal year			<u>725,222</u>	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>744,695</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX REVENUE BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 Year ended June 30, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous revenues				
Investment income	\$ 11,000	11,000	878	(10,122)
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Principal payment on debt	3,090,000	3,090,000	3,090,000	0
Interest payment on debt	1,460,759	1,460,759	1,460,759	0
	<u>4,550,759</u>	<u>4,550,759</u>	<u>4,550,759</u>	<u>0</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES AND ENCUMBRANCES	(4,539,759)	(4,539,759)	(4,549,881)	(10,122)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	4,550,759	4,550,759	4,550,759	0
NET CHANGE IN FUND BALANCE	\$ <u>11,000</u>	<u>11,000</u>	878	<u>(10,122)</u>
FUND BALANCE				
Beginning of fiscal year			311,770	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 312,648</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL PROJECTS PERMANENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 Year ended June 30, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 2,128,000	2,128,000	1,221,317	(906,683)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Projects Fund	<u>(1,326,000)</u>	<u>(1,326,000)</u>	<u>(1,289,963)</u>	<u>36,037</u>
NET CHANGE IN FUND BALANCE	<u>\$ 802,000</u>	<u>802,000</u>	<u>(68,646)</u>	<u>(870,646)</u>
FUND BALANCE				
Beginning of fiscal year			<u>30,165,442</u>	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 30,096,796</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Year ended June 30, 2020

PROJECT	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2020	UNEXPENDED AS OF JUNE 30, 2020	ENCUMBRANCES AS OF JUNE 30, 2020	REMAINING BALANCE AS OF JUNE 30, 2020
CAPITAL IMPROVEMENT PROJECTS							
Information Technology (Continuing)	\$ 2,588,249	0	37,004	37,004	2,551,245	0	2,551,245
Finance Enterprise Resource Planning (Residual)	70,958	0	0	0	70,958	0	70,958
Municipal Building Replacement (Residual)	96,645	0	0	0	96,645	0	96,645
White Rock Civic Center (Residual)	2,003	0	0	0	2,003	0	2,003
Betty Ehart Senior Center Improvement	140,000	0	0	0	140,000	0	140,000
20th Safety Improvement	146,905	0	0	0	146,905	0	146,905
A-8-B Infrastructure (The Bluffs)	740,422	0	215,076	215,076	525,346	97,177	428,169
A-13 (Former LASO Site)	1,200,000	60,052	85,199	145,251	1,054,749	19,278	1,035,471
A-16 Infrastructure (Utilities)	753,376	0	0	0	753,376	0	753,376
N. Mesa Infrastructure	1,700,000	0	0	0	1,700,000	0	1,700,000
A-9 Infrastructure (Canyon Walk)	500,000	0	183,642	183,642	316,358	43,128	273,230
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
Sherwood Boulevard	1,427,656	0	0	0	1,427,656	0	1,427,656
Pavement Condition Index Survey	18,531	0	0	0	18,531	0	18,531
Canyon Rim Trail West Phs 3	1,253,408	91,368	4,359	95,727	1,157,681	15,641	1,142,040
Proj Dev, Stds & Guidelines	166,409	0	0	0	166,409	0	166,409
Tsikumu Village Road Work	5,475	0	0	0	5,475	0	5,475
Canyon Rim Trail Underpass	320,000	164,754	24,587	189,341	130,659	0	130,659
Barranca Mesa Road Project	1,038,603	0	0	0	1,038,603	0	1,038,603
NM4 Intersection Road Project	1,000,000	0	0	0	1,000,000	0	1,000,000
Diamond Drive Pavement Rehab	392,170	0	0	0	392,170	0	392,170
Trinity Drive Pedestrian Improvement	250,000	0	0	0	250,000	202,788	47,212
Public Art (Continuing)	544,471	0	0	0	544,471	15,000	529,471
Parks Small Capital Projects (Continuing)	409,713	0	0	0	409,713	0	409,713
White Rock Gateway Structure	32,941	0	0	0	32,941	0	32,941
Ice Rink Improvements Project	1,838,000	0	850,448	850,448	987,552	767,929	219,623
Pajarito Mountain Bike Trails	496,566	0	0	0	496,566	0	496,566
Golf Course Improvement	4,476,048	0	935,511	935,511	3,540,537	1,374,433	2,166,104
Pinion Park Splash Pad	827,800	0	60,890	60,890	766,910	10,594	756,316
Kiddie Pool	6,435,000	0	381,462	381,462	6,053,538	160,468	5,893,070
	<u>29,026,456</u>	<u>316,174</u>	<u>2,778,178</u>	<u>3,094,352</u>	<u>25,932,104</u>	<u>2,706,435</u>	<u>23,225,669</u>
PROJECTS COMPLETED IN FY2020							
Information Technology (Continuing)	638,596	0	638,596	638,596	0	0	0
Finance Enterprise Resource Planning (Residual)	338,665		338,665	338,665	0	0	0
White Rock Civic Center (Residual)	13,697		13,697	13,697	0	0	0
North Mesa Cumbres Del Sol	179	0	179	179	0	0	0
Tsikumu Village Road Work	495,497	490,022	5,475	495,497	0	0	0
Proj Dev, Stds & Guidelines	26,047	0	26,047	26,047	0	0	0
Diamond Drive Pavement Rehab	4,021,419	0	4,021,419	4,021,419	0	0	0
Public Art (Continuing)	73,848		73,848	73,848	0	0	0
Parks Small Capital Projects (Continuing)	110,895	0	110,895	110,895	0	0	0
TOTAL PROJECTS COMPLETED IN FY2020	<u>5,718,843</u>	<u>490,022</u>	<u>5,228,821</u>	<u>5,718,843</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROJECT TOTALS FY2020	<u>\$ 34,745,299</u>	<u>806,196</u>	<u>8,006,999</u>	<u>8,813,195</u>	<u>25,932,104</u>	<u>767,929</u>	<u>23,225,669</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, 2020

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL JOINT UTILITY SYSTEM
ASSETS					
CURRENT ASSETS					
Equity (deficit) in pooled cash and investments	\$ (2,958,846)	1,690,764	3,387,288	1,096,873	3,216,079
Receivables, net of allowance for uncollectibles					
Accounts	3,420,817	215,215	397,920	406,155	4,440,107
Unbilled	686,245	89,644	437,447	282,968	1,496,304
Due from other subfunds (not included in total column)	0	0	169,152	0	0
Inventories and prepayments					
Inventories	605,770	29,553	202,591	12,468	850,382
Power plant inventories	671,039	0	0	0	671,039
Prepayments	720,480	0	40,438	0	760,918
	<u>3,145,505</u>	<u>2,025,176</u>	<u>4,634,836</u>	<u>1,798,464</u>	<u>11,434,829</u>
RESTRICTED ASSETS					
Cash and cash equivalents					
Debt reserves and debt service	3,254,123	0	180,892	0	3,435,015
Operations and maintenance	14,834,248	2,343,746	4,812,801	4,101,649	26,092,444
Investments					
	<u>18,088,371</u>	<u>2,343,746</u>	<u>4,993,693</u>	<u>4,101,649</u>	<u>29,527,459</u>
PROPERTY, PLANT AND EQUIPMENT					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	178,037,123	16,251,523	91,646,374	43,133,064	329,068,084
Machinery and equipment	2,776,793	163,269	706,549	379,061	4,025,672
Less accumulated depreciation	(114,938,216)	(5,978,416)	(32,803,911)	(14,299,430)	(168,019,973)
Construction in progress	4,852,996	1,216,724	3,554,694	534,469	10,158,883
	<u>70,728,696</u>	<u>11,653,100</u>	<u>63,103,706</u>	<u>32,706,492</u>	<u>178,191,994</u>
OTHER ASSETS					
Advances to other subfunds (not included in total column)	0	0	444,733	0	0
TOTAL ASSETS	<u>91,962,572</u>	<u>16,022,022</u>	<u>73,176,968</u>	<u>38,606,605</u>	<u>219,154,282</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts from refunding of debt (debits)	310,901	0	0	0	310,901
Deferred other post employment benefits	154,440	55,652	18,653	16,894	245,639
Deferred pensions	1,387,030	516,402	113,758	122,901	2,140,091
Deferred decommissioning cost	4,331,058				4,331,058
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,183,429</u>	<u>572,054</u>	<u>132,411</u>	<u>139,795</u>	<u>7,027,689</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	759,571	143,128	86,640	123,264	1,112,603
Accrued salaries including benefits payable	59,620	9,337	17,958	15,058	101,973
Accrued compensated absences	580,620	96,143	72,979	28,818	778,560
Customer deposits payable	139,830	101,072	110,483	0	351,385
Due to other governments	58,893	11,039	32,012	21,828	123,772
Due to other subfunds (not included in total column)	0	0	0	169,152	0
Donations held in trust	27,311	0	0	0	27,311
	<u>1,625,845</u>	<u>360,719</u>	<u>320,072</u>	<u>358,120</u>	<u>2,495,604</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Current portion of revenue bonds payable	3,017,944	0	52,055	0	3,069,999
Contracts and intergovernmental debt payable	0	0	103,152	360,100	463,252
Interest payable on debt	64,669	0	7,991	34,660	107,320
	<u>3,082,613</u>	<u>0</u>	<u>163,198</u>	<u>394,760</u>	<u>3,640,571</u>

NON-CURRENT LIABILITIES

Revenue bonds payable	14,083,915	0	1,323,530	0	15,407,445
Special closure costs	11,205,636	0	0	0	11,205,636
Accrued compensated absences	192,146	72,580	54,382	18,002	337,110
Advances from other subfunds (not included in total column)	0	0	0	444,733	0
Contracts and intergovernmental debt payable	0	0	1,222,246	6,290,097	7,512,343
Net other post employment benefits liability	2,364,017	1,016,545	185,010	209,246	3,774,818
Net pension liability	7,683,625	2,104,288	1,037,527	905,931	11,731,371
	<u>35,529,339</u>	<u>3,193,413</u>	<u>3,822,695</u>	<u>7,868,009</u>	<u>49,968,723</u>
TOTAL LIABILITIES	<u>40,237,797</u>	<u>3,554,132</u>	<u>4,305,965</u>	<u>8,620,889</u>	<u>56,104,898</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	1,696,568	376,650	312,028	252,987	2,638,233
Deferred pensions	574,085	63,718	135,707	90,353	863,863
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,270,653</u>	<u>440,368</u>	<u>447,735</u>	<u>343,340</u>	<u>3,502,096</u>

NET POSITION

Net investment in capital assets	53,937,738	11,653,100	60,402,723	26,056,295	152,049,856
Restricted assets for, net of related liabilities:					
Debt service	6,818,066	2,343,746	4,985,702	4,066,989	18,214,503
Unrestricted	(5,118,253)	(1,397,270)	3,167,254	(341,113)	(3,689,382)
TOTAL NET POSITION	<u><u>\$ 55,637,551</u></u>	<u><u>12,599,576</u></u>	<u><u>68,555,679</u></u>	<u><u>29,782,171</u></u>	<u><u>166,574,977</u></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, 2020

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
OPERATING REVENUES					
Utility sales and service	\$ 41,216,083	4,671,906	6,645,332	5,853,950	58,387,271
Rentals	44,525	0	0	0	44,525
Miscellaneous operating revenue	50,916	57,578	103,768	3,041	215,303
	<u>41,311,524</u>	<u>4,729,484</u>	<u>6,749,100</u>	<u>5,856,991</u>	<u>58,647,099</u>
OPERATING EXPENSES					
Employee salaries and benefits	6,940,327	668,989	1,686,918	1,415,308	10,711,542
Contractual services	27,956,814	3,106,624	3,046,287	1,644,316	35,754,041
Materials and supplies	426,794	155,642	260,462	357,663	1,200,561
Depreciation and amortization	4,586,662	397,416	2,044,799	853,675	7,882,552
Special closure costs	1,192,207	0	0	0	1,192,207
Other	5,394	0	25,171	5,136	35,701
	<u>41,108,198</u>	<u>4,328,671</u>	<u>7,063,637</u>	<u>4,276,098</u>	<u>56,776,604</u>
OPERATING INCOME (LOSS)	203,326	400,813	(314,537)	1,580,893	1,870,495
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposition of capital assets	(551)	0	(20,977)	(7,083)	(28,611)
Investment income (loss)	315,373	78,603	167,468	90,527	651,971
Interest on long-term debt	(824,054)	0	(82,565)	(157,026)	(1,063,645)
Interest on intra-subfund debt	0	0	23,343	(23,343)	0
Inventory adjustment	(22,100)	(5,454)	(8,719)	0	(36,273)
	<u>(531,332)</u>	<u>73,149</u>	<u>78,550</u>	<u>(96,925)</u>	<u>(476,558)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(328,006)	473,962	(235,987)	1,483,968	1,393,937
TRANSFERS AND CONTRIBUTIONS					
Transfers in	0	0	829,634	0	829,634
Transfers out	(575,620)	(254,014)	(3,734)	0	(833,368)
Intergovernmental - capital grants	96,241	0	26,038	0	122,279
	<u>(479,379)</u>	<u>(254,014)</u>	<u>(1,904)</u>	<u>0</u>	<u>(735,397)</u>
NET INCOME (LOSS)	(807,385)	219,948	615,951	1,483,968	1,512,482
NET POSITION					
Beginning of fiscal year	56,444,936	12,379,628	67,939,728	28,298,203	165,062,495
NET POSITION - END OF FISCAL YEAR	\$ 55,637,551	12,599,576	68,555,679	29,782,171	166,574,977

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS

COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2020

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES					
Cash received from customers and users	\$ 41,689,624	4,832,793	6,759,701	5,809,223	59,091,341
Cash paid to suppliers for goods and services	(31,127,408)	(3,176,719)	(4,080,284)	(1,880,530)	(40,264,941)
Cash paid to employees	(6,301,500)	(603,711)	(1,546,629)	(1,330,402)	(9,782,242)
Taxes received from customers and users	834,462	320,941	283,854	276,996	1,716,253
Taxes remitted to State (from customers and users)	(834,396)	(324,671)	(277,395)	(277,494)	(1,713,956)
NET CASH FLOWS - OPERATING ACTIVITIES	4,260,782	1,048,633	1,139,247	2,597,793	9,046,455
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(575,620)	(254,014)	0	0	(829,634)
Transfers from other funds	0	0	829,634	0	829,634
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	(575,620)	(254,014)	1,017,203	(187,569)	0
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from capital grants	96,241	0	26,038	0	122,279
Proceeds received from loans	0	0	0	0	0
Principal repaid	(2,910,377)	0	(152,417)	(73,576)	(3,136,370)
Special closure costs paid	618,723	0	0	0	618,723
Interest and other debt service paid	(879,330)	0	(85,782)	(160,194)	(1,125,306)
Cash paid for acquisition of capital assets	(1,797,469)	(763,433)	(2,072,080)	(508,147)	(5,141,129)
Proceeds from sale of capital assets	61,225	(5,905)	15,733	9,546	80,599
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(4,810,987)	(769,338)	(2,268,508)	(732,371)	(8,581,204)
CASH FLOWS - INVESTING ACTIVITIES					
Proceeds from sale of investment securities	2,714,623	0	0	0	2,714,623
Interest received on investments	315,373	78,603	167,468	90,527	651,971
Purchase of investment securities	0	0	0	0	0
NET CASH FLOWS - INVESTING ACTIVITIES	3,029,996	78,603	167,468	90,527	3,366,594
NET INCREASE (DECREASE) IN CASH	1,904,171	103,884	55,410	1,768,380	3,831,845
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	13,225,354	3,930,626	8,325,571	3,430,142	28,911,693
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 15,129,525	4,034,510	8,380,981	5,198,522	32,743,538

(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)	\$	203,326	400,813	(314,537)	1,580,893	1,870,495
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES						
Depreciation and amortization expense		4,586,662	397,416	2,044,799	853,675	7,882,552
Amortization of special closure costs		1,192,207	0	0	0	1,192,207
Provision for uncollectible accounts receivable		(18,623)	(57,578)	25,171	78,154	27,124
Change in assets and liabilities:						
Accounts and other receivables		329,163	117,840	(45,783)	(47,768)	353,452
Inventories		216,240	(5,235)	2,405	(825)	212,585
Prepayments and other		(40,514)	0	18,664	0	(21,850)
Accounts and retentions payable		(2,036,286)	90,782	(794,604)	49,256	(2,690,852)
Salaries and benefits payable		638,827	65,278	140,289	84,906	929,300
Other current liabilities		(810,286)	43,047	56,384	0	(710,855)
Due to other governments		66	(3,730)	6,459	(498)	2,297
Total adjustments		4,057,456	647,820	1,453,784	1,016,900	7,175,960
NET CASH FLOWS - OPERATING ACTIVITIES	\$	4,260,782	1,048,633	1,139,247	2,597,793	9,046,455

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	0	0	(3,734)	0	(3,734)
TOTAL NON CASH TRANSACTIONS	\$	0	0	(3,734)	0	(3,734)

See accompanying notes to financial statements

Attachment B

**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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 692,500	692,500	122,279	(570,221)
Charges for services	65,996,682	65,996,682	58,570,896	(7,425,786)
Miscellaneous revenues	463,157	463,157	839,540	376,383
TOTAL REVENUES	67,152,339	67,152,339	59,532,715	(7,619,624)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric Subfund	47,054,182	50,747,025	41,663,516	9,083,509
Gas Subfund	4,043,560	6,216,854	5,730,241	486,613
Water Subfund	7,828,357	17,192,311	8,300,757	8,891,554
Wastewater Subfund	4,609,805	7,476,071	6,516,571	959,500
TOTAL EXPENSES AND ENCUMBRANCES	63,535,904	81,632,261	62,211,085	19,421,176
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	3,616,435	(14,479,922)	(2,678,370)	11,801,552
OTHER FINANCING SOURCES (USES)				
Transfers in	187,500	3,017,134	829,634	(2,187,500)
Transfers out	(889,868)	(314,248)	(829,634)	(515,386)
TOTAL OTHER FINANCING SOURCES (USES)	(702,368)	2,702,886	0	(2,702,886)
NET CHANGE IN FUND BALANCE	\$ 2,914,067	(12,352,656)	(2,678,370)	9,098,666
ADJUSTMENTS TO GAAP				
Encumbrances			5,634,307	
Changes in compensated absences			(65,631)	
Bad debt adjustment			45,895	
Depreciation and amortization			(7,882,553)	
Adjustments to inventory			(36,273)	
Special closure costs			(1,192,206)	

Net book value of disposed capital assets	(28,611)
Assets transferred - proprietary funds	(3,734)
Capital outlay capitalized	5,070,079
Principal on interfund loan	(164,225)
Pension expense	(764,832)
Principal on debt service	3,578,636
	<u>4,190,852</u>
GAAP BASIS	<u>1,512,482</u>
NET POSITION	
Beginning of fiscal year	165,062,495
NET POSITION - END OF FISCAL YEAR	<u>\$ 166,574,977</u>

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
ELECTRIC SUBFUND

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal subsidy	\$ 0	0	96,241	96,241
Charges for services				
Residential	14,203,145	14,203,145	7,749,030	(6,454,115)
Commercial and industrial	0	0	4,384,843	4,384,843
Public street and highway lighting	0	0	101,212	101,212
Municipal	0	0	1,312,790	1,312,790
Educational	0	0	483,927	483,927
Wholesale	32,796,446	32,796,446	27,184,280	(5,612,166)
Miscellaneous services	360,027	360,027	76,817	(283,210)
	<u>47,359,618</u>	<u>47,359,618</u>	<u>41,292,899</u>	<u>(6,066,719)</u>
Miscellaneous revenues				
Interest income (loss)	130,000	130,000	317,207	187,207
Gain (loss) on investments	0	0	(1,834)	(1,834)
	<u>130,000</u>	<u>130,000</u>	<u>315,373</u>	<u>185,373</u>
TOTAL REVENUES	47,489,618	47,489,618	41,704,513	(5,785,105)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric production				
Employee salaries and benefits	1,518,706	1,523,973	1,602,837	(78,864)
Outside services	34,608,996	34,986,471	28,444,422	6,542,049
Materials and supplies	112,250	157,940	92,755	65,185
Intrafund/interfund services	1,203,099	1,203,099	1,083,526	119,573
Capital outlay	265,000	265,000	22,051	242,949
Debt and fiscal charges	2,774,753	2,774,753	2,507,138	267,615
	<u>40,482,804</u>	<u>40,911,236</u>	<u>33,752,729</u>	<u>7,158,507</u>
Electric distribution				
Employee salaries and benefits	1,235,891	1,241,654	1,609,416	(367,762)
Outside services	2,140,821	4,859,328	3,122,433	1,736,895
Materials and supplies	258,200	303,171	582,992	(279,821)

Intrafund/interfund services	1,654,028	1,654,028	1,291,586	362,442
Capital outlay	29,000	438,816	0	438,816
Debt and fiscal charges	1,253,438	1,253,438	1,232,687	20,751
	<u>6,571,378</u>	<u>9,750,435</u>	<u>7,839,114</u>	<u>1,911,321</u>
General and administrative				
Employee salaries and benefits	3,611,821	3,624,426	3,315,598	308,828
Outside services	1,057,114	1,129,863	470,380	659,483
Materials and supplies	143,850	143,850	68,522	75,328
Intrafund/interfund services	(4,847,785.00)	(4,847,785.00)	(3,782,827)	(1,064,958)
Capital outlay	35,000	35,000	0	35,000
	<u>0</u>	<u>85,354</u>	<u>71,673</u>	<u>13,681</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>47,054,182</u>	<u>50,747,025</u>	<u>41,663,516</u>	<u>9,083,509</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	435,436	(3,257,407)	40,997	3,298,404
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	(610,735)	(35,115)	0	35,115
Water Production subfund	<u>0</u>	<u>(575,620)</u>	<u>(575,620)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u><u>(175,299)</u></u>	<u><u>(3,868,142)</u></u>	<u><u>(534,623)</u></u>	<u><u>3,333,519</u></u>
ADJUSTMENTS TO GAAP				
Encumbrances			1,444,653	
Changes in compensated absences			(75,695)	
Bad debt adjustment			18,623	
Depreciation and amortization			(4,586,662)	
Adjustments to inventory			(22,100)	
Special closure costs			(1,192,206)	
Net book value of disposed capital assets			(551)	
Capital outlay capitalized			1,736,244	
Pension expense			(505,445)	
Principal on debt service			2,910,377	
			<u>(272,762)</u>	
GAAP BASIS			<u>(807,385)</u>	
NET POSITION				
Beginning of fiscal year			56,444,936	
NET POSITION - END OF FISCAL YEAR			\$ <u><u>55,637,551</u></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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Residential	\$ 5,997,154	5,997,154	3,502,206	(2,494,948)
Commercial and industrial	0	0	847,877	847,877
Municipal	0	0	156,721	156,721
Educational	0	0	95,318	95,318
Miscellaneous services	0	0	69,784	69,784
	<u>5,997,154</u>	<u>5,997,154</u>	<u>4,671,906</u>	<u>(1,325,248)</u>
Miscellaneous revenues				
Interest income	30,496	30,496	78,603	48,107
	<u>30,496</u>	<u>30,496</u>	<u>78,603</u>	<u>48,107</u>
TOTAL REVENUES	6,027,650	6,027,650	4,750,509	(1,277,141)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Gas				
Employee salaries and benefits	601,348	611,190	644,402	(33,212)
Outside services	2,236,431	4,012,259	3,931,581	80,678
Materials and supplies	113,700	150,645	191,707	(41,062)
Intrafund/interfund services	1,067,081	1,067,081	956,071	111,010
Capital outlay	25,000	375,679	6,480	369,199
TOTAL EXPENSES AND ENCUMBRANCES	4,043,560	6,216,854	5,730,241	486,613
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,984,090	(189,204)	(979,732)	(790,528)

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

General Fund	(279,133)	(25,119)	0	25,119
Water Production subfund	0	(254,014)	(254,014)	0

NET CHANGE IN FUND BALANCE	\$	<u>1,704,957</u>	<u>(468,337)</u>	<u>(1,233,746)</u>	<u>(765,409)</u>
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ADJUSTMENTS TO GAAP

Encumbrances	1,085,684
Changes in compensated absences	(4,620)
Bad debt adjustment	57,579
Depreciation and amortization	(397,417)
Adjustments to inventory	(5,454)
Capital outlay capitalized	769,339
Pension expense	(51,417)

<u>1,453,694</u>
219,948

GAAP BASIS**NET POSITION**

Beginning of fiscal year	12,379,628
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NET POSITION - END OF FISCAL YEAR	\$	<u>12,599,576</u>
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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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal subsidy	\$ 0	0	26,038	26,038
State grants-other	692,500	692,500	0	(692,500)
Charges for services				
Residential	5,418,608	5,418,608	4,477,349	(941,259)
Commercial and industrial	0	0	543,179	543,179
Municipal	161,671	161,671	381,593	219,922
Educational	0	0	207,412	207,412
Wholesale	1,419,474	1,419,474	1,009,607	(409,867)
Miscellaneous services	57,576	57,576	129,961	72,385
	<u>7,057,329</u>	<u>7,057,329</u>	<u>6,749,101</u>	<u>(308,228)</u>
Miscellaneous revenues				
Interest income	79,426	79,426	167,468	88,042
Interfund loan repayment	187,568	187,568	187,569	1
	<u>266,994</u>	<u>266,994</u>	<u>355,037</u>	<u>88,043</u>
TOTAL REVENUES	8,016,823	8,016,823	7,130,176	(886,647)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Water distribution				
Employee salaries and benefits	706,699	706,699	668,906	37,793
Outside services	167,500	1,999,721	1,584,899	414,822
Materials and supplies	383,700	419,458	188,389	231,069
Intrafund/interfund services	1,003,714	1,003,714	852,583	151,131
Capital outlay	7,700	290,253	6,480	283,773
	<u>2,269,313</u>	<u>4,419,845</u>	<u>3,301,257</u>	<u>1,118,588</u>
Water production				
Employee salaries and benefits	963,764	967,565	914,837	52,728
Outside services	326,701	7,418,392	1,909,870	5,508,522
Materials and supplies	201,100	312,030	238,030	74,000
Intrafund/interfund services	2,006,206	2,006,206	1,698,245	307,961

Capital outlay	1,802,900	1,809,900	3,734	1,806,166
Debt and fiscal charges	258,373	258,373	234,784	23,589
	<u>5,559,044</u>	<u>12,772,466</u>	<u>4,999,500</u>	<u>7,772,966</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>7,828,357</u>	<u>17,192,311</u>	<u>8,300,757</u>	<u>8,891,554</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	188,466	(9,175,488)	(1,170,581)	8,004,907
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Economic Development Fund	187,500	2,187,500	0	(2,187,500)
Gas subfund	0	254,014	254,014	0
Electric Distribution subfund	<u>0</u>	<u>575,620</u>	<u>575,620</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u>375,966</u>	<u>(6,158,354)</u>	<u>(340,947)</u>	<u>5,817,407</u>
ADJUSTMENTS TO GAAP				
Encumbrances			1,139,054	
Changes in compensated absences			(4,763)	
Bad debt adjustment			(25,171)	
Depreciation and amortization			(2,044,799)	
Adjustments to inventory			(8,719)	
Net book value of disposed capital assets			(20,977)	
Assets transferred - proprietary funds			(3,734)	
Capital outlay capitalized			2,056,346	
Principal on interfund loans			(164,225)	
Pension expense			(118,333)	
Principal on debt service			<u>152,219</u>	
			<u>956,898</u>	
GAAP BASIS			615,951	
NET POSITION				
Beginning of fiscal year			67,939,728	
NET POSITION - END OF FISCAL YEAR			\$ <u>68,555,679</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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Wastewater collection	\$ 5,582,581	5,582,581	5,853,949	271,368
Miscellaneous services	0	0	3,041	3,041
	<u>5,582,581</u>	<u>5,582,581</u>	<u>5,856,990</u>	<u>274,409</u>
Miscellaneous revenues				
Interest income	35,667	35,667	90,527	54,860
TOTAL REVENUES	<u>5,618,248</u>	<u>5,618,248</u>	<u>5,947,517</u>	<u>329,269</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Wastewater				
Employee salaries and benefits	1,440,012	1,444,759	1,345,118	99,641
Outside services	454,300	3,310,737	2,693,126	617,611
Materials and supplies	292,200	292,200	367,273	(75,073)
Intrafund/interfund services	1,611,579	1,611,579	1,409,564	202,015
Capital outlay	113,400	118,482	5,081	113,401
Debt and fiscal charges	698,314	698,314	696,409	1,905
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,609,805</u>	<u>7,476,071</u>	<u>6,516,571</u>	<u>959,500</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	<u>1,008,443</u>	<u>(1,857,823)</u>	<u>(569,054)</u>	<u>1,288,769</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 1,008,443</u></u>	<u><u>(1,857,823)</u></u>	<u><u>(569,054)</u></u>	<u><u>1,288,769</u></u>

ADJUSTMENTS TO GAAP

Encumbrances	1,964,916
Changes in compensated absences	19,447
Bad debt adjustment	(5,136)
Depreciation and amortization	(853,675)
Net book value of disposed capital assets	(7,083)
Capital outlay capitalized	508,150
Pension expense	(89,637)
Principal on debt service	516,040

2,053,022**GAAP BASIS**

1,483,968**NET POSITION**

Beginning of fiscal year	28,298,203
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NET POSITION - END OF FISCAL YEAR

\$ 29,782,171

See accompanying notes to financial statements



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   S
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, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 1,047,000	1,047,000	1,021,329	(25,671)
Charges for services				
Sales of food or merchandise (trash bags)	0	0	2,543	2,543
Residential	2,178,000	2,178,000	2,210,106	32,106
Commercial and industrial	638,010	638,010	657,349	19,339
Other charges for services	500,000	500,000	494,841	(5,159)
	<u>3,316,010</u>	<u>3,316,010</u>	<u>3,364,839</u>	<u>48,829</u>
Interfund/interdepartmental charges				
Interdepartmental services	74,000	74,000	65,542	(8,458)
Miscellaneous revenues				
Interest income	15,000	15,000	29,679	14,679
Interest charges-delinquent accounts	0	0	9,824	9,824
Other	100,492	100,492	166,862	66,370
	<u>115,492</u>	<u>115,492</u>	<u>206,365</u>	<u>90,873</u>
TOTAL REVENUES	<u>4,552,502</u>	<u>4,552,502</u>	<u>4,658,075</u>	<u>105,573</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Environmental Services				
Employee salaries and benefits	1,430,163	1,437,502	1,371,823	65,679
Outside services	1,423,805	1,732,162	1,350,325	381,837
Materials and supplies	329,046	329,046	176,094	152,952
Intrafund/interfund services	985,494	985,494	968,403	17,091
Capital outlay	0	0	56,907	(56,907)
Debt and fiscal charges	326,985	326,985	330,630	(3,645)
	<u>4,495,493</u>	<u>4,811,189</u>	<u>4,254,182</u>	<u>557,007</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,495,493</u>	<u>4,811,189</u>	<u>4,254,182</u>	<u>557,007</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	57,009	(258,687)	403,893	662,580

NET CHANGE IN FUND BALANCE	\$	57,009	(258,687)	403,893	662,580
ADJUSTMENTS TO GAAP					
Encumbrances				70,972	
Changes in compensated absences				(18,837)	
Bad debt adjustment				(7,189)	
Depreciation and amortization				(185,246)	
Special closure costs				349,341	
Capital outlay capitalized				56,907	
Assets transferred - proprietary funds				(12,004)	
Principal on debt service				236,694	
Pension expense				(95,615)	
				395,023	
GAAP BASIS				798,916	
NET POSITION					
Beginning of fiscal year				1,121,240	
NET POSITION - END OF FISCAL YEAR	\$			1,920,156	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
TRANSIT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal direct	\$ 179,525	179,525	87,838	(91,687)
Federal indirect	2,014,905	3,818,061	2,679,366	(1,138,695)
State grants-other	0	1,535,000	0	(1,535,000)
Other intergovernmental (NCRTD)	1,487,835	1,487,835	1,226,858	(260,977)
	<u>3,682,265</u>	<u>7,020,421</u>	<u>3,994,062</u>	<u>(3,026,359)</u>
Interfund/interdepartmental charges				
Interdepartmental services	0	0	0	0
Miscellaneous revenues				
Interest income	73,000	73,000	31,306	(41,694)
TOTAL REVENUES	<u>3,755,265</u>	<u>7,093,421</u>	<u>4,025,368</u>	<u>(3,068,053)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Transit (Atomic City Transit)				
Employee salaries and benefits	3,118,975	3,136,875	2,420,200	716,675
Outside services	153,514	2,610,496	130,955	2,479,541
Materials and supplies	132,698	145,275	80,963	64,312
Intrafund/interfund services	1,259,948	1,259,948	1,260,058	(110)
Capital outlay	408,426	1,179,609	1,202,273	(22,664)
TOTAL EXPENSES AND ENCUMBRANCES	<u>5,073,561</u>	<u>8,332,203</u>	<u>5,094,449</u>	<u>3,237,754</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	<u>(1,318,296)</u>	<u>(1,238,782)</u>	<u>(1,069,081)</u>	<u>169,701</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>
Transfers out to:				
NET CHANGE IN FUND BALANCE	<u>\$ (518,296)</u>	<u>(438,782)</u>	<u>(269,081)</u>	<u>169,701</u>

ADJUSTMENTS TO GAAP

Encumbrances	452,877
Changes in compensated absences	(29,713)
Depreciation and amortization	(190,318)
Capital outlay capitalized	765,148
Assets transferred - proprietary funds	(647,432)
Pension expense	(164,307)
	<u>186,255</u>
GAAP BASIS	<u>(82,826)</u>

NET POSITION

Beginning of fiscal year	(619,930)
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NET POSITION - END OF FISCAL YEAR

\$	<u><u>(702,756)</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, 2020

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Fire excise tax	\$ 2,082,000	2,082,000	2,042,658	(39,342)
Intergovernmental revenue				
Federal direct - NNSA cooperative agreement	20,066,617	20,066,617	19,247,030	(819,587)
State grants-other	500,000	500,000	36,698	(463,302)
Charges for services				
Ambulance services	650,000	650,000	598,860	(51,140)
Interfund/interdepartmental charges				
County share of fire services	5,207,149	6,607,149	5,832,023	(775,126)
Miscellaneous revenues				
Other	0	0	805	805
TOTAL REVENUES	<u>28,505,766</u>	<u>29,905,766</u>	<u>27,758,074</u>	<u>(2,147,692)</u>
EXPENSES AND ENCUMBRANCES				
Fire Department				
Operations				
Employee salaries and benefits	16,595,662	16,595,662	15,967,876	627,786
Outside services	153,320	197,343	94,153	103,190
Materials and supplies	1,168,330	1,221,007	750,348	470,659
	<u>17,917,312</u>	<u>18,014,012</u>	<u>16,812,377</u>	<u>1,201,635</u>
Life Safety				
Outside services	15,000	15,000	14,084	916
Materials and supplies	37,202	37,202	21,248	15,954
	<u>52,202</u>	<u>52,202</u>	<u>35,332</u>	<u>16,870</u>
Training				
Outside services	392,313	426,818	254,752	172,066
Materials and supplies	18,000	18,000	172,311	(154,311)
	<u>410,313</u>	<u>444,818</u>	<u>427,063</u>	<u>17,755</u>

Emergency Medical Services				
Outside services	148,034	148,702	119,766	28,936
Materials and supplies	206,543	246,797	200,877	45,920
	<u>354,577</u>	<u>395,499</u>	<u>320,643</u>	<u>74,856</u>
Non contract-administration				
Employee salaries and benefits	250,611	251,316	20,165	231,151
Outside services	71,200	92,658	46,522	46,136
Materials and supplies	49,850	49,850	0	49,850
Intrafund/interfund services	124,795	124,795	124,800	(5)
	<u>496,456</u>	<u>518,619</u>	<u>191,487</u>	<u>327,132</u>
Administration				
Employee salaries and benefits	2,746,084	2,746,084	2,654,011	92,073
Outside services	405,673	425,029	422,791	2,238
Materials and supplies	90,085	90,085	64,352	25,733
Intrafund/interfund services	4,694,961	4,694,961	5,064,063	(369,102)
	<u>7,936,803</u>	<u>7,956,159</u>	<u>8,205,217</u>	<u>(249,058)</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>27,167,663</u>	<u>27,381,309</u>	<u>25,992,119</u>	<u>1,389,190</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,338,103	2,524,457	1,765,955	758,502
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	<u>(2,082,000)</u>	<u>(2,082,000)</u>	<u>(2,042,658)</u>	<u>(39,342)</u>
NET CHANGE IN FUND BALANCE	\$ <u>(743,897)</u>	<u>442,457</u>	<u>(276,703)</u>	<u>719,160</u>
ADJUSTMENTS TO GAAP				
Encumbrances			376,493	
Changes in compensated absences			(158,476)	
Bad debt expense			29,703	
Depreciation and amortization			(510,080)	
Pension expense			(1,815,237)	
			<u>(2,077,597)</u>	
GAAP BASIS			(2,354,300)	
NET POSITION				
Beginning of fiscal year			(48,606,745)	
NET POSITION - END OF FISCAL YEAR			\$ <u>(50,961,045)</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, 2020

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
Federal direct	300,000	300,000	0	(300,000)
State grants-other	803,250	803,250	118,108	(685,142)
	<u>1,103,250</u>	<u>1,103,250</u>	<u>118,108</u>	<u>(985,142)</u>
Charges for services				
Airport fees	126,500	126,500	130,428	3,928
Miscellaneous revenues				
Interest income	1,000	1,000	14,453	13,453
Interest charges-delinquent accounts	0	0	72	72
	<u>1,000</u>	<u>1,000</u>	<u>14,525</u>	<u>13,525</u>
TOTAL REVENUES	1,230,750	1,230,750	263,061	(967,689)
EXPENSES AND ENCUMBRANCES				
Public Works				
Airport operations				
Employee salaries and benefits	120,001	120,001	98,237	21,764
Outside services	882,300	883,784	246,422	637,362
Materials and supplies	25,220	25,220	6,871	18,349
Intrafund/interfund services	132,175	132,175	127,248	4,927
Capital outlay	445,000	445,000	28,120	416,880
Debt and fiscal charges	1,500	1,500	545	955
TOTAL EXPENSES AND ENCUMBRANCES	1,606,196	1,607,680	507,443	1,100,237
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(375,446)	(376,930)	(244,382)	132,548

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

General Fund

412,861	412,861	200,000	(212,861)
<u>412,861</u>	<u>412,861</u>	<u>200,000</u>	<u>(212,861)</u>

NET CHANGE IN FUND BALANCE

\$ <u>37,415</u>	<u>35,931</u>	<u>(44,382)</u>	<u>(80,313)</u>
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ADJUSTMENTS TO GAAP

Encumbrances

17,724

Changes in compensated absences

8,212

Depreciation and amortization

(575,474)

Capital outlay capitalized

142,318

Pension expense

(10,411)

(417,631)**GAAP BASIS**(462,013)**NET POSITION**

Beginning of fiscal year

13,588,170

NET POSITION - END OF FISCAL YEAR\$ 13,126,157



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
where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

	EQUIPMENT	RISK MANAGEMENT	TOTAL
ASSETS			
CURRENT ASSETS			
Equity in pooled cash and investments	\$ 5,984,841	10,566,366	16,551,207
Receivables, net of allowance for uncollectibles			
Accounts	198	2,001	2,199
Inventories and prepayments			
	<u>5,985,039</u>	<u>10,568,367</u>	<u>16,553,406</u>
PROPERTY, PLANT AND EQUIPMENT			
Machinery and equipment	28,645,077	0	28,645,077
Less accumulated depreciation	(19,084,095)	0	(19,084,095)
	<u>9,560,982</u>	<u>0</u>	<u>9,560,982</u>
TOTAL ASSETS	<u>15,546,021</u>	<u>10,568,367</u>	<u>26,114,388</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post employment benefits	23,320	7,948	31,268
Deferred pensions	199,871	58,815	258,686
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	73,581	477,012	550,593
Claims and judgments payable	0	1,715,799	1,715,799
Accrued salaries including benefits payable	6,681	1,985	8,666
Accrued compensated absences	86,622	20,794	107,416
	<u>166,884</u>	<u>2,215,590</u>	<u>2,382,474</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	42,480	1,751	44,231
Claims and judgments payable	0	923,794	923,794
Net other post employment benefits liability	366,269	152,492	518,761
Net pension liability	1,076,303	327,018	1,403,321
	<u>1,485,052</u>	<u>1,405,055</u>	<u>2,890,107</u>
TOTAL LIABILITIES	<u>1,651,936</u>	<u>3,620,645</u>	<u>5,272,581</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred other post employment benefits	246,617	87,013	333,630
Deferred pensions	74,030	24,700	98,730
NET POSITION			
Net investment in capital assets	9,560,982	0	9,560,982
Unrestricted	4,235,647	6,902,772	11,138,419
TOTAL NET POSITION	<u>\$ 13,796,629</u>	<u>6,902,772</u>	<u>20,699,401</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, 2020

	EQUIPMENT	RISK MANAGEMENT	TOTAL
OPERATING REVENUES			
Interfund charges for services	\$ 4,079,694	423	4,080,117
Insurance and pension contributions			
County	0	8,830,342	8,830,342
Employees and retirees	0	1,672,029	1,672,029
Miscellaneous operating revenue	84,073	191,142	275,215
	4,163,767	10,693,936	14,857,703
OPERATING EXPENSES			
Employee salaries and benefits	964,595	267,038	1,231,633
Contractual services	677,870	9,482,819	10,160,689
Materials and supplies	1,115,052	3,891	1,118,943
Depreciation and amortization	2,138,238	0	2,138,238
Other		0	0
	4,895,755	9,753,748	14,649,503
OPERATING INCOME (LOSS)	(731,988)	940,188	208,200
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of fixed assets	134,012	0	134,012
Investment income	109,473	10	109,483
	243,485	10	243,495
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(488,503)	940,198	451,695
TRANSFERS AND CONTRIBUTIONS			
Transfers in	750,680	0	750,680
Transfers out	0	(87,510)	(87,510)
Contributed capital assets - governmental activities	172,429	0	172,429
	923,109	(87,510)	835,599
NET INCOME (LOSS)	434,606	852,688	1,287,294
NET POSITION			
Beginning of fiscal year	13,362,023	6,050,084	19,412,107
NET POSITION - END OF FISCAL YEAR	\$ 13,796,629	\$ 6,902,772	20,699,401

See accompanying notes to financial statements

Attachment B

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2020

	EQUIPMENT	RISK MANAGEMENT	TOTAL
CASH FLOWS - OPERATING ACTIVITIES			
Cash received from customers and users	\$ 4,163,767	191,863	4,355,630
Cash received from contributions-employer and employees	0	10,502,371	10,502,371
Cash paid to suppliers for goods and services	(1,772,067)	(10,539,105)	(12,311,172)
Cash paid to employees	(879,558)	(257,214)	(1,136,772)
NET CASH FLOWS - OPERATING ACTIVITIES	1,512,142	(102,085)	1,410,057
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES			
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from grants	0		
Cash paid for acquisition of capital assets	(1,412,079)	(87,510)	(1,499,589)
Proceeds from sale of capital assets	179,526	0	179,526
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(1,232,553)	(87,510)	(1,320,063)
CASH FLOWS - INVESTING ACTIVITIES			
Interest received on investments	109,473	10	109,483
NET INCREASE (DECREASE) IN CASH	389,062	(189,585)	199,477
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	5,595,779	10,755,951	16,351,730
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 5,984,841	10,566,366	16,551,207

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	\$ (731,988)	940,188	208,200
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES			
Depreciation and amortization expense	2,138,238	0	2,138,238
Change in assets and liabilities:			
Accounts and other receivables	0	298	298
Accounts payable	20,855	81,617	102,472
Salaries and benefits payable	85,037	9,824	94,861
Claims and judgments payable	0	(1,134,012)	(1,134,012)
Total adjustments	2,244,130	(1,042,273)	1,201,857
NET CASH FLOWS - OPERATING ACTIVITIES	\$ 1,512,142	(102,085)	1,410,057

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ 750,680	(87,510)	663,170
Contributed capital assets - governmental activities	172,429	0	172,429
TOTAL NON CASH CAPITAL ACQUISITIONS	\$ 923,109	(87,510)	835,599

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	<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	4,184,442	4,357,442	4,079,694	(277,748)
Miscellaneous revenues				
Investment income	153,000	153,000	109,473	(43,527)
Other	216,000	216,000	84,073	(131,927)
	<u>369,000</u>	<u>369,000</u>	<u>193,546</u>	<u>(175,454)</u>
TOTAL REVENUES	4,553,442	4,726,442	4,273,240	(453,202)
EXPENSES AND ENCUMBRANCES				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	948,566	953,228	886,239	66,989
Outside services	151,996	151,996	116,225	35,771
Materials and supplies	1,463,037	1,463,917	1,104,309	359,608
Intrafund/interfund services	553,061	553,061	561,644	(8,583)
Capital outlay	0	0	6,152	(6,152)
	<u>3,116,660</u>	<u>3,122,202</u>	<u>2,674,569</u>	<u>447,633</u>
Fleet management-equipment replacement				
Outside services	0	22,980	0	22,980
Materials and supplies	0	0	14,999	(14,999)
Capital outlay	1,285,000	2,417,151	2,164,863	252,288
	<u>1,285,000</u>	<u>2,440,131</u>	<u>2,179,862</u>	<u>260,269</u>
TOTAL EXPENSES AND ENCUMBRANCES	4,401,660	5,562,333	4,854,431	707,902
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	151,782	(835,891)	(581,191)	254,700

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

Proceeds from sale of capital assets	103,000	103,000	179,524	76,524
NET CHANGE IN NET POSITION	\$ 254,782	(732,891)	(401,667)	331,224

ADJUSTMENTS TO GAAP

Encumbrances	763,191
Changes in compensated absences	(9,893)
Depreciation and amortization	(2,138,238)
Net book value of disposed capital assets	(45,512)
Capital outlay capitalized	1,412,079
Asset transfers - proprietary funds	750,680
Contributed capital assets - governmental activities	172,429
Pension expense	(68,463)
	836,273
GAAP BASIS	434,606

NET POSITION

Beginning of fiscal year	13,362,023
NET POSITION - END OF FISCAL YEAR	\$ 13,796,629

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
RISK MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2020

	<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	9,643,094	9,916,034	8,830,342	(1,085,692)
Miscellaneous revenues				
Investment income	0	0	10	10
Group insurance contributions				
Employees	1,929,063	1,929,063	1,672,029	(257,034)
Other	258,000	258,000	190,766	(67,234)
	<u>2,187,063</u>	<u>2,187,063</u>	<u>1,862,805</u>	<u>(324,258)</u>
TOTAL REVENUES	11,830,157	12,103,097	10,693,570	(1,409,527)
EXPENSES AND ENCUMBRANCES				
Administrative Services - Human Resources				
Group insurance				
Outside services	678,209	685,714	653,380	32,334
Intrafund/interfund services	(30,209)	(30,209)	(32,710)	2,501
	<u>648,000</u>	<u>655,505</u>	<u>620,670</u>	<u>34,835</u>
Medical Insurance				
Outside services	7,879,250	8,272,190	7,749,615	522,575
Unemployment insurance				
Outside services	35,000	70,000	51,353	18,647
Workers' compensation insurance				
Outside services	700,000	773,000	778,306	(5,306)
Administration and other insurance				
Employee salaries and benefits	298,002	298,499	259,198	39,301
Outside services	1,314,834	1,625,688	1,432,763	192,925
Materials and supplies	11,375	11,375	3,891	7,484
Intrafund/interfund services	36,443	36,443	38,950	(2,507)
Capital outlay	0	0	87,510	(87,510)
	<u>1,660,654</u>	<u>1,972,005</u>	<u>1,822,312</u>	<u>149,693</u>
TOTAL EXPENSES AND ENCUMBRANCES	10,922,904	11,742,700	11,022,256	720,444

NET CHANGE IN NET POSITION	\$	<u>907,253</u>	<u>360,397</u>	(328,686)	<u>(689,083)</u>
ADJUSTMENTS TO GAAP					
Encumbrances				54,825	
Changes in compensated absences				14,190	
Bad debt expense				376	
Capital outlay capitalized				87,510	
Asset transfers - proprietary funds				(87,510)	
Incurring but not reported claims adjustment				1,134,012	
Pension expense				(22,029)	
				<u>1,181,374</u>	
GAAP BASIS				852,688	
NET POSITION					
Beginning of fiscal year				6,050,084	
NET POSITION - END OF FISCAL YEAR	\$			<u>6,902,772</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended June 30, 2020

	BALANCE JUNE 30, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
ASSETS				
Equity in pooled cash and investments	\$ 130,170	24,461,162	24,523,993	67,339
Receivables				
Property taxes	242,374	20,178,715	20,172,686	248,403
Other	109,162	2,850,908	2,840,515	119,555
TOTAL ASSETS	\$ 481,706	47,490,785	47,537,194	435,297
LIABILITIES				
Due to other governments	\$ 462,526	22,335,718	22,384,529	413,715
Donations held in trust	19,180	6,593	4,191	21,582
TOTAL LIABILITIES	\$ 481,706	22,342,311	22,388,720	435,297

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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Governmental activities										
Net investment in capital assets	\$ 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	241,821,819
Restricted	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	41,161,171
Unrestricted	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	-4,966,319
Total governmental activities net position [a]	<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>	<u>278,016,671</u>
Business-type activities										
Net investment in capital assets	\$ 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	190,251,621
Restricted	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	18,728,201
Unrestricted	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]	-55,904,827
Total business-type activities net position [a]	<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>	<u>153,074,995</u>
Primary government										
Net investment in capital assets	\$ 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	432,073,440
Restricted	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	59,889,372
Unrestricted	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]	-60,871,146
Total primary government net position [a]	<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>	<u>431,091,666</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 inflows and outflows of resources.

[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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Expenses										
Governmental activities:										
General government	\$ 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	14,263,560
Public safety	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	16,656,101
Physical and economic environment	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	3,663,039
Transportation	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	9,926,041
Health and welfare	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	4,834,931
Culture and recreation	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	10,508,678
Interest on long-term debt	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	1,694,656
Total governmental activities expenses	<u>57,283,784</u>	<u>62,782,813</u>	<u>55,855,699</u>	<u>56,072,805</u>	<u>55,212,660</u>	<u>58,817,545</u>	<u>64,758,333</u>	<u>64,465,769</u>	<u>66,506,941</u>	<u>61,547,006</u>
Business-type activities:										
Joint Utilities										
Electric	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	41,918,130
Gas	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	4,328,197
Water	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	7,239,170
Wastewater	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	4,453,683
Environmental Services	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	3,833,069
Golf	1,277,202	1,254,690	1,194,242	0 [a]	0	0	0	0	0	0
Transit (Atomic City Transit)	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	4,236,488
Fire	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	27,975,499
Airport	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	924,622
Total business-type activities expenses	<u>86,523,072</u>	<u>86,838,177</u>	<u>93,946,248</u>	<u>93,307,595</u>	<u>96,027,182</u>	<u>90,132,940</u>	<u>96,330,461</u>	<u>93,947,221</u>	<u>99,309,332</u>	<u>94,908,858</u>
Total primary government expenses	<u>\$ 143,806,856</u>	<u>149,620,990</u>	<u>149,801,947</u>	<u>149,380,400</u>	<u>151,239,842</u>	<u>148,950,485</u>	<u>161,088,794</u>	<u>158,412,990</u>	<u>165,816,273</u>	<u>156,455,864</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 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	1,541,893
Public safety	72,192	39,254	30,892	10,075	27,970	21,186	33,262	32,631	38,749	103,530
Transportation	0	0	58,997	0	0	0	0	0	0	0
Physical and economic environment	281,256	229,336	278,557	297,164	285,865	267,346	350,571	394,274	391,345	585,986
Culture and recreation	558,720	500,258	485,245	1,095,508	1,054,444	1,049,593	1,002,205	884,437	549,841	417,634
Operating grants and contributions	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	1,459,864
Capital grants and contributions	5,678,971	462,299	1,254,628	710,953	895,715	702,911	2,937,044	3,253,923	2,273,796	4,039,402
Total governmental activities program revenues	<u>9,529,158</u>	<u>4,440,250</u>	<u>6,132,473</u>	<u>6,263,824</u>	<u>4,989,206</u>	<u>5,527,788</u>	<u>8,415,652</u>	<u>7,111,893</u>	<u>5,428,847</u>	<u>8,148,309</u>
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	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	41,311,524
Gas	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	4,729,484
Water	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	6,749,100
Wastewater	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	5,856,991
Environmental Services	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	3,597,243
Golf	584,432	521,004	505,080	0 [b]	0	0	0	0	0	0
Transit (Atomic City Transit)	68,944	39,132	150,092	150,000	0	0	11,701	18,830	0	0
Fire	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	6,461,392

Airport	86,784	88,933	85,324	100,434	88,639	87,389	90,208	96,492	115,787	130,428
Operating grants and contributions	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	22,592,220
Capital grants and contributions	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	925,955
Total business-type activities program revenues	88,912,266	87,976,951	92,760,778	102,762,394	85,785,310	90,350,528	86,937,299	90,542,137	92,165,679	92,354,337
Total primary government program revenues	\$ 98,441,424	92,417,201	98,893,251	109,026,218	90,774,516	95,878,316	95,352,951	97,654,030	97,594,526	100,502,646
Net (Expenses)/Revenues										
Governmental activities	\$ (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)	(53,398,697)
Business-type activities	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)	(2,554,521)
Total primary government net expense	\$ (45,365,432)	(57,203,789)	(50,908,696)	(40,354,182)	(60,465,326)	(53,072,169)	(65,735,843)	(60,758,960)	(68,221,747)	(55,953,218)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts taxes	\$ 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	31,193,301
Property taxes	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	7,757,444
Franchise taxes	445,786	470,897	464,719	481,665	472,261	512,974	566,033	491,995	528,970	524,930
Grants and contribution not restricted to specific programs	846,484	654,647	523,589	1,451,287	817,545	1,392,069	847,665	889,846	1,222,801	934,392
State shared tax revenue not restricted to specific programs	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	21,320,542
Unrestricted investment earnings	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	2,623,382
Gain on exchange of capital assets	4,267,857	0	0	0	337,133	0	0	(12,210,226)	(2,719,594)	(6,038,219)
Transfers	(3,002,090)	(626,955)	3,889,997	(807,895)	347,887	2,146,495	51,556	1,460,372	1,542,902	870,229
Total governmental activities	71,460,137	54,901,505	57,169,825	52,131,394	45,922,111	53,546,289	54,578,715	46,072,841	64,346,559	59,186,001
Business-type activities:										
Gross receipts taxes	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	3,063,986
Grants and contribution not restricted to specific programs	18,000	7,500	0	0	0	0	0	0	0	0
Unrestricted investment earnings	564,831	911,137	887,530	898,846	157,053	127,936	886,979	779,323	831,079	737,305
Gain on restructuring of San Juan ownership agreement	0	0	0	0	0 [c]	1,953,600	0	0	0	0
Gain (loss) on exchange of capital assets	0	0	0	0	0	0	0	(998,192)	(609,531)	105,401
Transfers	3,002,090	626,955	(3,889,997)	807,895	(347,887)	(2,146,495)	(51,556)	(1,460,372)	(1,542,902)	(870,229)
Total business-type activities	6,797,794	4,430,038	(609,808)	3,904,314	1,999,370	2,433,601	3,217,905	905,284	1,762,901	3,036,463
Total primary government	\$ 78,257,931	59,331,543	56,560,017	56,035,708	47,921,481	55,979,890	57,796,620	46,978,125	66,109,460	62,222,464
Change in Net Position										
Governmental activities	\$ 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	5,787,304
Business-type activities	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)	481,942
Total primary government net expense	\$ 32,892,499	2,127,754	5,651,321	15,681,526	(12,543,845) [b]	2,907,721	(7,939,223)	(13,780,835) [d]	(2,112,287) [d]	6,269,246

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)
LAST TEN FISCAL YEARS

Table 3

	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 [c]</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
General Fund										
Reserved	0	0	0	0	0	0	0	0	0	
Unreserved	0	0	0	0	0	0	0	0	0	
Nonspendable	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	1,739,237
Restricted	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	6,549,439
Committed	12,761,219	4,879,110	10,576,477	11,216,517	0	0	0	0	0	0
Assigned	0	0	0	0	2,735,989	2,552,924	1,441,333	5,886,465	2,389,590	3,869,407 [d]
Unassigned	<u>13,570,673</u>	<u>11,947,812</u>	<u>11,020,219</u>	<u>10,946,134</u>	<u>16,030,633</u>	<u>10,988,354</u>	<u>10,122,214</u>	<u>13,177,552</u>	<u>25,370,753</u>	<u>30,409,028 [e]</u>
Total General Fund	<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>	<u>42,567,111</u>
All Other Governmental Funds										
Nonspendable	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	15,450
Restricted	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	33,756,368
Committed	80,339,764	72,140,568	43,106,108	43,694,827	787,738	522,781	509,644	475,383	436,126	544,471
Assigned	0	0	0	0	31,376,364	36,492,709	28,601,685	26,816,584	26,969,685	25,180,170
Unassigned	<u>0</u>	<u>0</u>	<u>(605,171) [a]</u>	<u>(2,733,870) [b]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(796,699)</u>	<u>(510,303)</u>	<u>69,994 [f]</u>
Total All Other Governmental Funds	<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>	<u>59,566,453</u>

Source: Los Alamos County CAFRs

Notes:

[a] 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).

[b] 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).

[c] 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.

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

[e] The increase in unassigned fund balance is due to the County spending significantly less than budgeted in the current fiscal year.

[f] The increase in Unassigned fund balance is due to the Emergency Declarations Fund, incurring reimbursable expenditures which were received in the County's current fiscal year

INCORPORATED COUNTY OF LOS ALAMOS

Table 4

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenues:										
Taxes and special assessments	\$ 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	39,934,857
Licenses and permits	240,507	182,160	232,506	274,320	252,091	241,250	282,417	292,869	271,167	397,269
Intergovernmental	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	24,346,020
Fines forfeitures and penalties	174,671	160,777	171,567	167,241	154,697	185,658	208,610	190,910	142,993	101,454
Charges for services	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	1,000,884
Interfund/Interdepartmental charges	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	8,023,975
Investment Income	[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] 2,623,382
Other revenues	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	1,695,655
Total revenues	80,611,555	63,589,620	64,758,779	64,348,233	59,430,636	64,238,907	68,768,536	69,068,571	77,790,592	78,123,496
Expenditures										
General government	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	20,133,201
Public safety	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	15,020,479
Physical and economic environment	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	3,471,347
Transportation	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	4,274,507
Health and welfare	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	4,809,190
Culture and recreation	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	8,287,118
Capital Projects/Outlay	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] 9,885,442
Debt service										
Principal	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	3,090,000
Interest	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	1,460,759
Bond issuance costs	0	0	375,113	[c] 0	0	0	0	0	0	0
Total expenditures	65,339,122	82,655,370	86,666,817	66,221,971	73,330,725	68,198,838	76,853,971	64,390,321	68,579,534	70,432,043
Excess of revenues over (under) expenditures	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	7,691,453
Other Financial Sources (Uses)										
Transfers in	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	15,502,538
Transfers out	(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)	(14,459,880)
Issuance of long-term debt	0	0	43,413,930	[d] 0	0	0	0	0	0	0
Payment to escrow - refunding debt	0	0	(43,413,930)	0	0	0	0	0	0	0
Loss on disposal of asset held for resale	(597,402)	0	0	0	0	0	0	0	0	(597,402)
Total other financial sources (uses)	(3,572,430)	(655,039)	(461,441)	232,796	578,557	1,487,257	816,836	1,481,421	1,061,741	445,256
Net change in fund balance	\$ 11,700,003	(19,720,789)	(22,369,479)	(1,640,942)	(13,321,532)	(2,472,674)	(7,268,599)	6,159,671	10,272,799	[f] 8,136,709
Debt service as a percentage of non-capital expenditures	12.80%	11.88%	21.13%	11.29%	11.48%	10.87%	10.54%	10.53%	9.79%	7.52%

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
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
2020	8,701	7,472	6,954	6,725

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

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

Table 6

LAST TEN FISCAL YEARS

Fiscal Year	ELECTRIC		GAS		WATER		Wastewater	Joint Utility System
	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]	Revenue	Revenue
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
2020	41,311,524	537,001,455	4,729,484	8,625,811	6,749,101	1,076,150	5,856,991	58,647,100

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

Table 7

LAST TEN FISCAL YEARS

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Type of Customer:										
Electric Utility										
Residential	\$ 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	7,749,030
Commercial and industrial	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	4,384,843
Public street and highway lighting	56,135	69,953	63,467	66,035	67,436	67,941	68,043	88,041	78,252	101,212
Municipal	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	1,312,790
Educational	359,585	425,151	447,456	473,886	469,886	530,129	531,812	499,448	471,040	483,927
Wholesale	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	27,184,281
Miscellaneous	191,804	279,515	512,838	474,721	249,001	244,781	319,398	168,524	33,575	95,441
Total electric utility	<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>	<u>41,311,524</u>
Gas Utility										
Residential	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	3,502,206
Commercial and industrial	926,796	783,425	782,496	879,141	786,424	704,292	593,836	585,317	1,004,232	847,877
Municipal	326,138	215,625	216,626	322,610	228,955	196,661	165,999	174,770	200,144	156,721
Educational	203,497	193,036	189,857	227,578	177,991	161,799	163,585	114,868	127,685	95,318
Miscellaneous	54,720	59,731	29,502	216,291	38,975	22,324	29,546	33,935	73,441	127,362
Total gas utility	<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>	<u>4,729,484</u>
Water Utility										
Residential	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	4,477,349
Commercial and industrial	475,727	515,633	479,456	418,078	459,150	431,565	457,437	504,663	499,347	543,179
Municipal	384,581	413,283	379,986	310,255	259,569	303,355	296,167	469,475	485,779	381,593
Educational	119,391	157,613	139,435	122,780	115,167	123,883	138,134	180,863	165,780	207,412
Wholesale	1,048,609	1,017,619	1,163,816	898,229	734,950	850,800	858,738	999,950	962,792	1,009,607
Miscellaneous	48,006	55,228	58,368	77,127	61,382	77,566	66,765	48,680	64,982	129,960
Total water utility	<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>	<u>6,749,100</u>
Wastewater Utility										
Wastewater collection	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	5,853,950
Municipal (non-potable water)	0	0	0	0	0	0	0	0	0	0
Miscellaneous	11,476	10,843	9,396	11,551	11,120	10,760	11,593	10,775	27,055	3,041
Total wastewater utility	<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>	<u>5,856,991</u>
Total operating revenues- Joint Utility System	<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>	<u>58,647,099</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>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>	<u>FY2020</u>
Electric Utility										
Residential										
Rate per kilowatt hour	\$0.0952	\$0.0952	\$0.0952	\$0.1028	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152
Monthly flat service fee	\$5.95	\$5.95	\$5.95	\$6.43	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Commercial										
Rate per kilowatt hour	\$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	\$0.0821-0.1111
Monthly flat service fee	\$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	\$22.00 - 65.00
Demand Rate	\$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	\$10.50 - 11.00
Gas Utility										
Residential										
Rate per therm	\$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	\$0.35- \$0.58
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	\$0.55	\$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	\$0.35- \$0.58
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	\$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	\$5.55 - \$7.06
Monthly flat service fee	\$7.50	\$7.55	\$7.55	\$7.55 - \$8.80	\$7.93	\$7.93	\$8.72	\$9.42	\$10.01	\$10.51
Commercial										
Rate per 1000 Gallons	\$3.95	\$4.19	\$4.19	\$4.19	\$4.19	\$4.19	\$4.61	\$4.98	\$5.29	\$5.55
Monthly flat service fee	\$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	\$10.51 - \$582.50
Wastewater Utility										
Residential										
Rate per 1000 Gallons	\$5.35	\$5.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly flat service fees	\$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	\$47.22 - \$54.32
Commercial										
Rate per 1000 Gallons	\$5.35	\$5.89	\$11.91	\$12.86	\$13.89	\$15.00	\$16.20	\$17.50	\$18.90	\$20.03
Monthly flat service fee	\$13.20	\$14.52	\$7.00	\$7.56	\$8.16	\$8.81	\$9.51	\$10.27	\$11.09	\$11.76

Source: Utility rates approved by County Council

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

Table 9

LAST TEN FISCAL YEARS

Business Sector	FY2011	FY2012	FY2013	FY2014 [b]	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Services [a]	\$ 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	1,491,947
Construction	58,993	67,311	80,273	61,625	34,176	38,096	45,778	43,856	74,527	72,533
Retail & Food Service	62,959	59,933	64,501	58,195	79,997	74,711	74,780	81,417	78,321	83,997
Telecommunications	22,778	28,445	26,983	27,875	25,406	24,434	26,868	27,805	28,420	27,220
Manufacturing	4,727	3,706	5,471	6,042	5,370	4,935	5,205	6,922	6,704	8,255
Wholesale	4,397	6,195	2,944	1,555	2,121	2,280	2,263	2,853	3,409	3,713
Financial Services	10,088	11,456	8,962	9,594	12,240	12,050	13,571	13,967	15,581	15,441
Agriculture	0	0	0	9	47	99	86	110	85	51
Mining	0	0	4	0	0	0	1,722	3	0	0
Other	15,175	14,991	14,805	17,822	18,406	20,307	21,703	16,330	24,383	21,521
Totals	\$ 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	1,724,678

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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
GRT Revenues										
General Fund - Local - Municipal	\$ 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	22,731,389
General Fund - Local - County	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	6,127,973
General Fund - State Shared	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	20,650,511
General Fund - subtotal	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	49,509,873
Fire Protection Excise Tax	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	2,042,658
Health Care Assistance Fund	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	2,042,658
Capital Improvement Projects (CIP) Fund	0	0	0	0	0	0	0	0	0	0
Refuse Fund	1,070,980	961,506	797,575	732,548	730,090	832,877	794,419	861,518	1,028,085	1,021,329
Total GRT Revenues	\$ 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	54,616,518
Total GRT Revenues - Own source (excludes State Shared)	\$ 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	33,966,007
GRT Rates by Imposing Authority										
State Imposed Rate	5.1250% [a]	5.1250%	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	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%
GRT Rates by Recipient										
State Revenue	3.9000%	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	7.3125%	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

Notes:

[a] State Rate Changed July 1, 2010

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
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	6,834,904	39.77%	10,365,500	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	271,478	19,561,710	19,173,391	99.39%	211,061	19,384,452	99.09%
2019		20,178,715	254,812	20,433,526	20,054,135	99.38%	199,275	20,253,411	99.12%

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]			EXEMPTIONS	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]	Total Levy
	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]					
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
2019	790,725,420	9,732,880	4,187,260	(9,552,630)	795,092,930	2,413,936,680	2.538%	20,178,715

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						
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
2019	Residential	1.360	9.433	12.195	1.928	24.916
	Non-Residential	1.360	12.440	12.382	1.937	28.119

Source: Adopted rates

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

Table 14

June 30, 2020

TAXPAYER	TYPE OF BUSINESS	FY 2020			FY 2011		
		TAX YEAR 2019 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2010 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-LOS ALAMOS INC	Medical Services	\$ 12,450,290	1	1.57%	\$ 9,615,720	1	1.39%
Central Park Square LLC	Real Estate	7,456,040	2	0.94%			-
Topvalco, Inc.	Food & Drug	6,015,250	3	0.76%			-
Los Alamos Commerce and Development Corp	Real Estate	4,871,120	4	0.61%	3,643,220	5	0.53%
PC Canyon Village LLC	Apartments	4,358,140	5	0.55%			-
Los Alamos National Bank	Banking	3,907,780	6	0.49%	5,103,810	2	0.74%
Oppenheimer Place Condo Assoc Inc	Real Estate	3,902,270	7	0.49%	3,544,090	6	0.51%
Smith's Food & Drug Centers, Inc.	Food & Drug	2,433,230	8	0.31%	2,125,650	9	0.31%
NMC Holdings LLC	Scientific	2,330,250	9	0.29%			-
CC&F Los Alamos Invest Co.	Real Estate	2,195,790	10	0.28%	1,976,920	10	0.29%
Qwest Corp.	Telephone Utility			-	4,973,150	3	0.72%
Shannon Corporation	Real Estate		-	-	2,351,280	8	0.34%
Netuschil Development Corporation	Real Estate		-	-	3,967,180	4	0.57%
Housing Solutions LLC	Real Estate		-	-	3,395,710	7	0.49%
Developers Diversified Realty	Real Estate		-	-			-
Los Alamos Medical Center C/O PVS	Medical Services						-
Total assessed valuation of ten principal taxpayers		49,920,160		6.28%	40,696,730		5.88%
Total assessed valuation of other taxpayers		745,172,770		93.72%	651,021,520		94.12%
Total assessed valuation		\$ 795,092,930		100.00%	\$ 691,718,250		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			
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
2020	0	34,605,578	0	18,477,444	11,750,667	64,833,689	5%	3,394

[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
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
2020	19,369	795,092,930	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 2019 tax year corresponds to FY2020)

INCORPORATED COUNTY OF LOS ALAMOS COMPUTATION OF DIRECT AND OVERLAPPING DEBT

Table 17

June 30, 2020

NAME OF GOVERNMENTAL UNIT	2019 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	\$ 795,092,930	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	795,092,930	34,605,578	100.00%	34,605,578
Overlapping Debt [a]				
State of New Mexico	66,919,237,877	350,925	1.19%	4,169
Los Alamos School District	795,092,930	27,097,004	100.00%	27,097,004
University of New Mexico - Los Alamos	795,092,930	0	100.00%	0
Total overlapping debt				27,101,173
Total direct and overlapping debt				\$ 61,706,751

Ratio of estimated direct and overlapping debt to 2019 assessed valuation: 7.76

Ratio of direct general obligation debt to 2019 assessed valuation: .00%

Per capita direct and overlapping debt: \$3,186

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

County population - 2020 estimate: 19,369

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, 2020

Assessed valuation, tax year 2019 (One third of full valuation)	<u>\$ 795,092,930</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	31,803,717
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 31,803,717</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							
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
2020	41,701,038	37,097,156	4,603,882	2,910,377	824,054	3,734,431	1.23
WATER UTILITY							
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	150,040	84,990	235,030	7.94
2020	6,933,888	5,022,572	1,911,316	152,219	82,565	234,784	8.14

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (In thousands)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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%
2020	19,369	1,367,451	70,600	3,757	9.00%

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 3% of the total workforce)

Table 21

June 30, 2020

EMPLOYER	TYPE OF BUSINESS	FY2020			FY2011		
		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	12,378	1	70.19%	10,927	1	64.09%
Los Alamos Public Schools	Education	676	2	3.83%	750	2	4.40%
Los Alamos County	Government	675	3	3.83%	684	3	4.01%
N3B Los Alamos	Legacy Waste Cleanup	647	4	3.67%	0	-	0.00%
Other employers		3,258		18.48%	4,689		27.50%
Total workforce [b]		17,634		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 3% 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 81.52% 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
2020 census data is set to be released by March 31, 2021.

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

Table 23

LAST TEN FISCAL YEARS

Function/Program	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
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	4.75	4.75	4.75	5.00	5.30	5.80
County Manager	13.23	11.00	23.50	22.00	20.00	21.00	21.00	20.00	18.00 [5]	18.00
County Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Clerk	6.70	6.70	6.70	6.69	6.69	7.94	8.16	8.16	7.77	8.27
County Sheriff	1.90	1.90	2.04	2.04	1.94	1.94	1.00	1.00	1.00	1.00
Administrative Services	58.25	60.22	47.76	50.00	50.00	48.01	46.01	46.01	46.01	46.38
Public Works [2]	12.00	12.00	12.00	10.00	11.46	42.46	43.46	45.18	45.18	45.18
Capital Projects & Facilities (new FY2009)	37.00	37.00	37.00	39.00	37.00	0.00	0.00	6.00 [4]	1.60 [4]	0.00
Public Safety										
Police	76.54	77.54	77.98	77.99	78.02	75.00	73.00	74.75	74.75	77.75
Physical and economic environment [2]	13.00	13.00	13.00	14.00	12.00	15.00	15.00	16.00	18.00 [5]	18.00
Transportation	27.37	26.87	26.62	26.60	26.23	25.00	25.00	24.00	24.00	24.00
Health and welfare	0.00	1.25	1.25	2.00	2.00	2.50	3.00	3.00	2.50	2.50
Culture and recreation [1]	88.36	86.88	86.26	97.67	97.92	91.99	92.04	91.15	89.23	90.23
Business-type activities										
Joint Utilities										
Electric	54.00	54.00	52.00	54.44	54.02	55.02	51.02	50.56	50.30	52.30
Gas	24.39	23.40	25.17	24.04	24.18	24.05	29.07	30.49	27.91	26.79
Water	10.25	10.25	10.25	10.25	10.25	10.25	9.25	9.25	9.49	9.49
Wastewater	9.13	9.13	9.00	9.00	9.00	9.00	9.00	8.00	9.90 [6]	10.02
Environmental Services	18.75	19.00	18.50	18.00	18.17	17.17	17.24	17.24	18.24	18.24
Golf [1]	13.02	12.48	12.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	150.00	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	2.08	1.00	1.00	1.00	1.00	1.00
Transit (new FY2008)	31.50	31.75	32.00	40.00	39.37	36.20	36.41	38.13	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	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	684.19	683.17	681.53	692.02	687.08	670.28	667.41	676.92	670.31	675.08 [7]

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

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

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

[4] In FY2017, Capital Projects personnel are limited term relating to the implementation of a new Enterprise Resource Planning (ERP) system to replace the existing accounting, budget, human resources, payroll, 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 under the Physical and economic environment function.

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

[7] The 5.5 increase to regular FTE is due to the addition of one power system operator in Electric Production, three additional Police dispatchers, one regular Parks Maintenance and Construction Specialist in Parks Open Space and an increase of 0.5 FTE in the Municipal Court for a Court Clerk who will have expanded duties - functions which were previously handled via an outside contractor.

Source: Administrative Services Department

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

Table 24

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
General Government										
Assessor-number of parcels by tax year	9,078	9,079	9,047	9,194	9,189	9,165	9,169	9,207	9,224	8280
Clerk-number of elections managed	2	2	3	2	2	2	4	1	1	2
Sheriff-number of processes administered [b]	322	169	138	151	148	154	n/a	n/a	n/a	n/a
IT-Number of networked devices supported	1,569	1,585	1,592	1,453	1,480	1,770	1,514	1,310	1,450	1,915
IT-Number of virtual networked devices suppo	n/a	n/a	n/a	n/a	n/a	n/a	677	912	600	610
Public Safety										
Police-Part 1 UCR Offenses [a]	364	258	358	204	187	169	124	141	125	92
Police-number of service call responses	16,882	17,513	17,647	16,700	14,316	18,319	17,151	15,393	13,533	13,439
Police-number of reported traffic accidents	225	366	310	305	229	239	224	180	212	205
Police-number animal control cases	305	265	385	182	98	130	130	103	63	56
Police-number of processess administered [b]	n/a	n/a	n/a	n/a	n/a	n/a	125	156	154	125
Physical & Economic Development										
Number of construction permits issued	108	96	578	681	579	697	801	827	795	940
Transportation										
Traffic-miles of lane lines striped	56	84	84	84	51	141	70	73	49	71
Culture and Recreation										
Library-Number of circulations	411,356	413,291	389,719	396,768	379,991	391,992	392,213	412,745	367,065	332,770
Number of park acres maintained	616	936	944	944	944	944	944	944	944	944
Number of cemetery internments	36	59	55	55	41	67	57	51	50	43
Number of aquatic center visits	85,658	91,972	134,143	135,916	193,398	194,946	164,366	172,527	175,444	114,533
Number of rink visits	28,663	22,817	28,286	30,150	30,805	27,228	23,016	24,258	18,962	23,846
Sr. Center-number of seniors served	4,040	3,790	2,787	3,732	3,898	4,047	4,695	1,528	4,633	4,639
Joint Utility System										
EP-Number of megawatt hrs supplied	563,109	589,362	570,883	531,796	514,619	566,018	572,260	592,980	558,287	537,002
ED-Number of electric utility customers	8,610	8,660	8,741	8,900	8,647	8,796	8,830	8,774	8,561	8,701
Gas-Number of therms delivered	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	8,973,360
WP-K gallons water produced	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	1,212,690
WD-K gallons of water sold	800,842	876,360	842,344	683,637	706,356	693,335	755,656	781,818	670,815	834,930
WW-K gallons sewage conveyed	445,685	479,870	429,117	421,319	437,938	408,234	426,898	429,129	397,929	450,124
Golf Course										
Number of golf rounds provided	25,841	24,249	22,186	27,284	29,359	29,733	24,455	17,370	20,745	14,437
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	449,987	491,315	573,967	517,638	548,331	494,444	454,755	448,366	451,793	321,140
Number of miles of service provided	627,309	675,157	785,697	714,815	721,357	704,072	617,566	636,210	621,744	452,962
Fire Protection Services										
Number of responses	2,110	1,951	1,841	1,838	1,766	1,804	2,252	2,367	2,294	2,197

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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	50	47	47	47	43	45	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	106.5	106.5	106.5	106.5	106.5	106.5	106.5	108.3	108.5
Sidewalk, square yards	241,612	245,440	245,440	245,440	246,009	246,009	246,009	247,997	248,531	248,531
Street lights, county owned	1,292	1292	1292	1292	1292	1414	1466	1473	1476	1476
Traffic signals	11	11	11	11	12	12	12	12	12	12
School and station flashers	10	10	10	10	10	10	10	10	10	10
Public Parking Lots	35	37	38	38	39	40	40	40	40	39
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	61	61	61	62	62	62	62	62	62	62
Electric distribution line miles	143.0	143.0	143.0	144.0	144.0	144.0	144.0	144.0	144.0	144.0
Water production wells	12.0	12	12	12	12	12	12	12	12	12
Water distribution line miles	148.5	148.5	149.5	149.5	149.8	150.7	150.7	150.7	150.7	150.7
Gas distribution line miles	122.0	122.0	125.0	125.5	125.5	125.5	125.5	125.5	125.5	125.5
Wastewater collection line miles	118.0	118.0	118.0	118.9	118.9	118.9	118.9	118.9	118.9	118.9
Environmental Services										
Collection trucks	10	10	10	10	10	10	10	10	11	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	
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
2020	267,537	91,985	27,082	285,824	101,719	575,620	254,014	1,603,781

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, 2020

PROPERTY TAX RECEIVABLE, JUNE 30, 2019	\$ 242,374
Net taxes charged to treasurer	20,178,715
Collections	(20,188,707)
Adjustments	16,021
PROPERTY TAX RECEIVABLE, JUNE 30, 2020	<u>\$ 248,403</u>

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2020, LISTED BY YEAR:	TOTAL	INCORPORATED COUNTY OF LOS ALAMOS	STATE OF NEW MEXICO	UNIVERSITY OF NEW MEXICO	LOS ALAMOS PUBLIC SCHOOLS
2009	1,399	496	120	56	727
2010	1,114	403	66	47	598
2011	348	116	30	15	187
2012	1,095	414	87	44	550
2013	1,403	520	85	59	739
2014	2,631	1,136	161	101	1,233
2015	4,536	1,874	264	180	2,218
2016	11,330	4,431	641	865	5,393
2017	44,431	17,515	2,409	3,371	21,136
2018	180,116	72,320	9,516	13,375	84,905
	<u>\$ 248,403</u>	<u>99,225</u>	<u>13,379</u>	<u>18,113</u>	<u>117,686</u>

DISTRIBUTION OF COLLECTED PROPERTY TAXES:

Incorporated County of Los Alamos	\$ 7,852,208
State of New Mexico	1,082,031
University of New Mexico	1,534,220
Los Alamos Schools	9,720,248
	<u>\$ 20,188,707</u>

INCORPORATED COUNTY OF LOS ALAMOS

COUNTY TREASURER'S PROPERTY TAX SCHEDULE

Year ended June 30, 2020

<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:							
2010	5,137,330	63	5,136,834	63	5,136,834	0	496
2011	5,312,320	56	5,311,917	56	5,311,917	0	403
2012	5,401,108	30	5,400,993	30	5,400,993	0	116
2013	5,460,016	0	5,459,602	0	5,459,602	0	415
2014	5,477,743	0	5,477,223	0	5,477,223	0	521
2015	7,160,040	0	7,158,903	0	7,158,903	0	1,136
2016	7,188,409	3,702	7,186,535	3,702	7,186,535	0	1,874
2017	7,366,509	13,416	7,362,078	12,795	7,361,456	622	4,431
2018	7,648,098	54,528	7,630,583	49,256	7,625,311	5,272	17,514
2019	7,942,854	7,780,413	7,870,534	7,695,083	7,785,205	85,330	72,320
	64,094,427	7,852,208	63,995,202	7,760,985	63,903,978	91,224	99,225
State of New Mexico:							
2010	1,059,010	14	1,058,890	14	1,058,890	0	120
2011	969,215	11	969,149	11	969,149	0	66
2012	964,738	6	964,709	5	964,709	0	29
2013	955,454	0	955,367	0	955,367	0	87
2014	920,281	0	920,197	0	920,197	0	85
2015	940,389	0	940,228	0	940,228	0	162
2016	954,153	438	953,889	438	953,889	0	264
2017	992,887	1,577	992,245	950	991,617	628	642
2018	1,039,744	6,824	1,037,334	5,649	1,036,159	1,175	2,410
2019	1,095,668	1,073,161	1,086,153	1,062,547	1,075,538	10,614	9,515
	9,891,540	1,082,031	9,878,161	1,069,613	9,865,743	12,418	13,379

University of New Mexico:

2010	646,524	8	646,468	8	646,468	0	56
2011	671,321	8	671,275	8	671,275	0	47
2012	689,880	4	689,866	4	689,866	0	15
2013	702,075	0	702,031	0	702,031	0	44
2014	676,320	0	676,262	0	676,262	0	59
2015	691,048	0	690,947	0	690,947	0	101
2016	693,975	320	693,796	320	693,796	0	180
2017	1,440,068	2,296	1,439,202	2,170	1,439,077	126	865
2018	1,495,513	9,838	1,492,142	9,141	1,491,445	697	3,371
2019	1,553,539	1,521,746	1,540,163	1,506,758	1,525,176	14,987	13,376
	9,260,263	1,534,220	9,242,151	1,518,410	9,226,341	15,810	18,113

Los Alamos Public Schools:

2010	8,505,974	112	8,505,246	112	8,505,246	0	727
2011	8,747,934	99	8,747,335	99	8,747,335	0	599
2012	8,749,323	51	8,749,135	51	8,749,135	0	188
2013	8,657,150	0	8,656,601	0	8,656,601	0	550
2014	8,492,229	0	8,491,490	0	8,491,490	0	739
2015	8,396,982	0	8,395,749	0	8,395,749	0	1,233
2016	8,573,006	3,958	8,570,787	3,958	8,570,787	0	2,218
2017	8,976,497	14,331	8,971,105	13,548	8,970,323	783	5,392
2018	9,378,349	61,632	9,357,214	57,261	9,352,844	4,371	21,135
2019	9,841,466	9,640,066	9,756,561	9,545,119	9,661,614	94,946	84,905
	88,318,910	9,720,248	88,201,224	9,620,148	88,101,125	100,100	117,686

Grand Total	\$ 171,565,140	20,188,707	171,316,738	19,969,155	171,097,186	219,551	248,403
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INCORPORATED COUNTY OF LOS ALAMOS

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2020

	ENTERPRISE TRUST & BANK	WELLS FARGO	TOTAL
TOTAL AMOUNT OF DEPOSITS (bank balances)	\$ 13,990,186	29,103	14,019,289
	0	0	0
Less: FDIC coverage	250,000	250,000	500,000
TOTAL UNINSURED PUBLIC FUNDS	13,740,186	(220,897)	13,740,186
COLLATERAL REQUIRED			
Deposits	6,870,093 [a] [a]	(110,449)	6,759,644
	0	0	0
COLLATERAL			
Letters of Credit, Agencies, Municipal Bonds	27,670,441 [b] [b]	0	27,670,441
OVER(UNDER) SECURED	\$ 20,800,348	110,449	20,910,796

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, 2020

	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP NUMBER</u>	<u>TYPE</u>	<u>PAR VALUE</u>	<u>BOOK/MARKET PER BANK</u>
ENTERPRISE BANK & TRUST						
Agency Notes/Bonds	03/18/19	04/15/48	3137F5AE9	FREDDIE MAC CMO SERIES 4792	11,750,238	12,337,716
	03/25/14	02/01/29	3128MDYV9	FREDDIE MAC GOLD POOL #G15024	2,852,474	2,994,476
	03/08/19	03/20/47	36196TCE2	GINNIE MAE II POOL #AY3669	572,969	607,934
	01/31/18	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 2017-107	11,444,001	11,730,315
					<u>26,619,682</u>	<u>27,670,441</u>
TOTAL PLEDGED COLLATERAL						
					<u>\$ <u>26,619,682</u></u>	<u><u>27,670,441</u></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 branching lines.

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF DEPOSITORY ACCOUNTS

June 30, 2020

NAME OF DEPOSITORY	ACCOUNT NAME	TYPE OF ACCOUNT	TOTAL DEPOSITORY BALANCES
Alliance Benefits Group	L.A.C. Employee Pension Plan	Participant Investment	\$ 54,338,165
Bank of Albuquerque	Los Alamos County	FHLB	2,847,913
Bank of Albuquerque	Los Alamos County	FHLMC	840,369
Bank of Albuquerque	Los Alamos County	FNMA	2,024,080
Bank of Albuquerque	Los Alamos County	T-Note	31,795,144
Bank of Albuquerque	Los Alamos County	T-Bill	13,981,122
Enterprise Bank & Trust	Employee Fund	Checking	11,818
Enterprise Bank & Trust	Employee Fund	C.D.	9,764
Enterprise Bank & Trust	Flexible Spending Account	Checking	20,843
Enterprise Bank & Trust	General County	Checking	11,781,011
Enterprise Bank & Trust	GRT Bonds Debt Service	Checking	35,828
Enterprise Bank & Trust	Landfill Closure	Checking	358,491
Enterprise Bank & Trust	Municipal Court Bond	Checking	7,127
Enterprise Bank & Trust	Police Operations	Checking	3,797
Enterprise Bank & Trust	Small Purchase	Checking	16,428
Enterprise Bank & Trust	Manual Checks	Checking	20,001
Enterprise Bank & Trust	Utility Resource Pool	Checking	1,360,300
Enterprise Bank & Trust	NMEDD LEDA	Checking	100,721
Enterprise Bank & Trust	Deposit Held for Others - Pebbles Lab	Checking	264,057
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	528,151
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	4,457,617
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	887,735
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	890,870
State Investment Council	Permanent Fund	Pool	28,158,720
State Investment Council	General Fund	Pool	18,482,135
State Investment Council	Cemetery Perpetual Care	Pool	1,015,739
NM Local Government Investment Pool	LGIP	Pool	24,500,000
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,656,410
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	29,103
Total Depository Balances			200,423,459
Reconciling items to Bank Reconciliation			(1,735,235)
Petty Cash and Change Funds			4,713
Total Deposits and Investments reported in financial statements			\$ 198,692,937

**INCORPORATED COUNTY OF LOS ALAMOS
SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS**June 30, 2020

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, 2020, the County had approximately \$47.7 million invested with the SIC. The County paid approximately \$88,000 in fees, which are netted in the investment gain. The County is responsible for all audits of its financial records. The Pooled Investment Funds are included in the SIC's annual fiscal year-end audit.

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

The parties entered into this Joint Powers Agreement (JPA) to 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, 2020

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2019	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2020
MAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Energy:						
National Nuclear Security Administration						
Fire protection, emergency medical and rescue services	81.140					
Cooperative Agreement begin October 1, 2013	DE-NA0002067/000	3,017,824	17,922,059	4,594,247 [1]	23,841,277	4,342,795
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	0	273,619	0	273,619	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
State Homeland Security Grant-Interoperable Communications	97.067	41,619	244,030	0	202,411	0
State Homeland Security Grant-EOC Equipment	97.067	63,405	72,535	0	26,438	17,308
TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE		3,122,848	18,512,243	4,594,247	24,343,745	4,360,103
NONMAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5311						
FY20 Contract MO1657	20.509	0	1,232,388	0	1,720,631	488,243
FY19 Contract MO1599	20.509	431,164	798,370	0	958,734	591,528
United States Department of Agriculture:	10-665					
United States National Forest Reserve	Public Law 106-393	0	6,461	0	6,461	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
Emergency Management Performance Grant (FY20)	97.042	0	21,539	0	39,518	17,979
Emergency Management Performance Grant (FY19)	97.042	22,258	22,258	0	0	0
Hazardous Materials Public Sector Training and Planning Grants	20.703	16,876	16,876	0	0	0
Wildfire Mitigation and Education Project-Phase 2	97.039	2,857	5,828	327 [2]	151,414	148,116
Flood Mitigation Grant-Canyon Road Stabilization-Phase 1	97.039	32,846	32,846	0	3,931	3,931
FEMA 4529, COVID-19 Emergency Protection, Public Assistance Program	97.036	0	0	0	75,000	75,000
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	691,296	0	0	0	691,296
United States Department of Interior, Bureau of Land Management:	15.226					
Bureau of Land Management						
Section 1 Payment for Federal-Owned Entitlement Land	Public Law 100-343	0	95,190	0	95,190	0
National Park Service	15.954					
Cooperative Agreement-Bandelier National Park-FY20 Season	P17AC00081	49,335	137,173	0	87,838	0

United States Department of Justice:							
Flow through New Mexico Crime Victims Reparation Commission							
STOP Violence Against Women Formula Grant Program (FY20)	16.588	0	3,493	0	5,775	2,282	
STOP Violence Against Women Formula Grant Program (FY19)	16.588	3,164	3,164	0	0	0	
Victims of Crime Assistance Formula Grant Program (FY20/21)	16.575	0	1,945	0	4,377	2,432	
Victims of Crime Assistance Formula Grant Program (FY19/20)	16.575	2,367	3,710	0	1,343	0	
United States Department of Transportation-Federal Aviation Administration							
Airport Perimeter Fencing Project - Construction Phase	20.106	65,523	65,523	0	0	0	
United States Department of Transportation-Federal Highway Administration							
Flow through the New Mexico Department of Transportation							
Federal Aid Project-Canyon Rim Trail Underpass	20.205	21,056	21,056	0	21,006	21,006	
TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE		1,326,635	2,467,820	327	3,171,218	2,029,706	
TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE		\$ 4,449,483	20,980,063	4,594,574	27,514,963	6,389,809	
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:							
Change in dererred revenue and reserved balances					462,276		
Federal Subsidy Build America Bonds					122,279		
Ambulance billing and other receipts DOE Cooperative Agreement for fire services					(509,438)		
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000					(4,084,809)		
North Central Regional Transit District revenues					1,226,858		
INTERGOVERNMENTAL REVENUES - FEDERAL					24,732,129		
INTERGOVERNMENTAL REVENUES - STATE					23,132,068		
TOTAL INTERGOVERNMENTAL REVENUES					\$ 47,864,197		
INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:							
Governmental funds					\$ 24,346,022		
Proprietary funds							
Intergovernmental charges for services					19,247,030		
Intergovernmental - non capital revenue					3,345,190		
Other sources and uses - intergovernmental capital revenue					925,955		
TOTAL INTERGOVERNMENTAL REVENUES					\$ 47,864,197		

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

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year ended June 30, 2020

STATE GRANTOR /PROGRAM TITLE	PROGRAM OR AWARD AMOUNT	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2019	CASH RECEIVED	OTHER (SEE NOTES)	STATE PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2020
STATE OF NEW MEXICO:						
Fire Marshal's Office:						
Fire Protection Fund Distribution		(55,712)	782,208	16,482 [1]	198,278	(656,124)
Fire Protection Grant (FY19)		(28,694)	0		28,694	0
Fire Protection Grant (FY20)		0	90,000		0	(90,000)
Total Fire Marshal's Office		(84,406)	872,208	16,482	226,972	(746,124)
Children, Youth and Families Department						
Juvenile Justice Continuum (19-690-15184)		21,399	21,399	0	0	0
Juvenile Justice Continuum (20-690-3000-16728)		0	130,262	0	133,234	2,972
Total Children, Youth and Families Department		21,399	151,661	0	133,234	2,972
Department of Finance and Administration:						
LDWI-Local Distribution (FY20)		0	76,133	(34,434) [2]	41,699	0
DWI Grant (19-D-G-16)		2,754	2,754	0	0	0
DWI Grant (20-D-G-16)		0	8,105	0	13,000	4,895
Juvenile Adjudication Grant Fund (17-J-16)		2,120	2,120	0	0	0
Enhanced E911 (19-E-12)		7,089	7,089	0	0	0
Enhanced E911 (20-E-12)		0	0	311,922 [3]	311,922	0
Law Enforcement Protection Fund Distribution		(11,799)	40,400	0	49,266	(2,933)
Capital Grant-Affordable Housing Infrastructure-Canyon Walk		0	40,993	0	100,000	59,007
Capital Grant-Affordable Housing Infrastructure-The Bluffs		0	0	0	215,076	215,076
2020 Census Outreach Grant		0	20,000	0	10,000	(10,000)
Total Department of Finance and Administration		164	197,594	277,488	740,963	266,045
Department of Health - Public Health Office						
Primary Care and EMS Distribution - Fire		0	9,894	0	9,800	(94)
Los Alamos Community Health Council (FY20)		0	5,846	0	0	(5,846)
Total Department of Health		0	15,740	0	9,800	(5,940)
Transportation Department						
Selective Traffic Enforcement Program (STEP) (19-ST-RF-056)		628	2,853	0	2,225	0
Selective Traffic Enforcement Program (STEP) (18-ST-RF-056)		3,333	0	3,333 [4]	0	0
Community DWI Program (20-CD-05-055)		0	0	0	702	702
Airport Maintenance Program (LAM-19-01)		720	7,768	0	7,048	0
Airport AWOS-Components Repair (LAM-20-01)		0	26,883	0	26,883	0
Airfield Pavement Maintenance Grant (LAM-19-02)		0	1,144	0	1,144	0

Airfield Pavement Maintenance Grant (LAM-20-02)	0	44,504	0	44,504	0
Airport Perimeter Fence Project - Construction Phase (LAM-19-03)	32,298	32,298	0	0	0
Airport New Fuel Farm Design (LAM-20-03)	0	38,528	0	38,528	0
Total Transportation Department	<u>36,979</u>	<u>153,978</u>	<u>3,333</u>	<u>121,034</u>	<u>702</u>
Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA DR 4079	(781)	0	0	0	(781)
Disaster Assistance - FEMA DR 4152	117,112	1,941	0	0	115,171
Executive Order 2019-008 (Severe Winter Storms)	319,405	0	319,405 [4]	3,381,766	3,381,766
Executive Order 2019-009 (Severe Wind Event)	12,346	0	12,346 [4]	28,904	28,904
Total Homeland Security Department	<u>448,082</u>	<u>1,941</u>	<u>331,751</u>	<u>3,410,670</u>	<u>3,525,060</u>
New Mexico Aging and Long Term Services Department					
Capital Outlay Grant - White Rock Senior Center Kitchen	82,978	90,533	0	7,555	0
New Mexico Administrative Office of the Courts					
Municipal Automation Fund	0	7,455	0	7,455	0
New Mexico Tourism Department					
Cooperative Marketing Flex Grant Agreement	0	2,648	0	2,648	0
Clean and Beautiful Grant	0	0	0	5,476	5,476
Total New Mexico Tourism Department	<u>0</u>	<u>2,648</u>	<u>0</u>	<u>8,124</u>	<u>5,476</u>
New Mexico Secretary of State Office					
2020 Primary Election-COVID-19 Supply Assistance	0	0	0	25,227	25,227
Office of Cultural Affairs:					
New Mexico State Library 2016 General Obligation Bond	0	13,472	0	13,472	0
New Mexico State Library Grant - Operations	0	14,106	0	14,106	0
Total Office of Cultural Affairs	<u>0</u>	<u>27,578</u>	<u>0</u>	<u>27,578</u>	<u>0</u>
TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE	\$ <u>505,196</u>	<u>1,521,336</u>	<u>629,054</u>	<u>4,718,612</u>	<u>3,073,418</u>
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:					
State-shared Revenues				21,326,545	
State-Emergency Mutual Aid Deployment Revenues				36,698	
Change in reserved balances				642,310	
Change in Deferred Revenue				(3,592,097)	
TOTAL INTERGOVERNMENTAL REVENUES - STATE				\$ <u>23,132,068</u>	

NOTES:

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

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

June 30, 2020

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
ASSETS AND OTHER DEBITS					
UTILITY PLANT					
Utility plant in service	\$ 180,813,916	16,414,792	92,352,923	46,471,453	336,053,084
Construction work in progress	4,852,996	1,216,724	3,554,694	534,469	10,158,883
Less accumulated depreciation	(114,938,216)	(5,978,416)	(32,803,911)	(14,299,430)	(168,019,973)
NET PLANT IN SERVICE	70,728,696	11,653,100	63,103,706	32,706,492	178,191,994
OTHER PROPERTY AND INVESTMENTS					
Investments and special funds	14,459,759	0	180,892	0	14,640,651
	14,459,759	0	180,892	0	14,640,651
CURRENT AND ACCRUED ASSETS					
Cash and short-term investments	669,766	4,034,510	8,200,089	5,198,522	18,102,887
Customer accounts receivable	3,436,570	220,169	405,407	415,504	4,477,650
Less provision for uncollectible accounts	(15,753)	(4,954)	(7,487)	(9,349)	(37,543)
Due from other governments	0	0	0	0	0
Due from associated subfunds (not included in total column)	0	0	169,152	0	169,152
Fuel stock	286,954	0	0	0	286,954
Materials and supplies	989,855	29,553	202,591	12,468	1,234,467
Prepayments	167,503	0	40,438	0	207,941
Accrued utility revenues	686,246	89,644	437,447	282,968	1,496,305
Miscellaneous current and accrued assets	0	0	0	0	0
	6,221,141	4,368,922	9,447,637	5,900,113	25,937,813
OTHER NONCURRENT ASSETS AND DEFERRALS					
Advances to associated subfunds (not included in total column)	0	0	444,733	0	444,733
Deferred pension & OPEB	2,094,446	572,054	132,411	139,795	2,938,706
Deferred San Juan Decommissioning Costs	4,331,058	0	0	0	4,331,058
Unamortized deferral on refunding of debt	310,901	0	0	0	310,901
	6,736,405	572,054	577,144	139,795	8,025,398
TOTAL ASSETS AND OTHER DEBITS	\$ 98,146,001	16,594,076	73,309,379	38,746,400	226,795,856

LIABILITIES AND OTHER CREDITS**EQUITY**

Retained earnings	\$ 55,637,551	12,599,576	68,555,679	29,782,171	166,574,977
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LONG-TERM DEBT

Bonds	13,632,026	0	1,317,974	0	14,950,000
Plus unamortized premium on long-term debt	451,889	0	5,556	0	457,445
Contracts and intergovernmental debt payable	0	0	1,222,246	6,290,097	7,512,343
	<u>14,083,915</u>	<u>0</u>	<u>2,545,776</u>	<u>6,290,097</u>	<u>22,919,788</u>

OTHER NONCURRENT LIABILITIES AND DEFERRALS

Accumulated provision for benefits	192,146	72,580	54,382	18,003	337,111
Advances from associated subfunds (not included in total column)	0	0	0	444,733	444,733
Asset retirement obligations	11,205,636	0	0	0	11,205,636
Pension & OPEB liability	10,047,642	3,120,833	1,222,537	1,115,177	15,506,189
Deferred pension & OPEB	2,270,653	440,368	447,735	343,340	3,502,096
	<u>23,716,077</u>	<u>3,633,781</u>	<u>1,724,654</u>	<u>1,921,253</u>	<u>30,995,765</u>

CURRENT AND ACCRUED LIABILITIES

Accounts payable	758,235	143,587	86,651	123,288	1,111,761
Customer deposits	139,830	101,072	110,483	0	351,385
Tax collections payable	58,892	11,039	32,012	21,827	123,770
Current portion of revenue bonds payable	3,017,945	0	52,055	0	3,070,000
Current portion of contracts and other debt	0	0	103,152	360,100	463,252
Interest accrued	64,669	0	7,991	34,660	107,320
Due to associated subfunds (not included in total column)	0	0	0	169,152	169,152
Miscellaneous current and accrued liabilities	668,887	105,021	90,926	43,852	908,686
	<u>4,708,458</u>	<u>360,719</u>	<u>483,270</u>	<u>752,879</u>	<u>6,305,326</u>

TOTAL LIABILITIES AND OTHER CREDITS

\$ <u>98,146,001</u>	<u>16,594,076</u>	<u>73,309,379</u>	<u>38,746,400</u>	<u>226,795,856</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, 2020

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
UTILITY OPERATING REVENUES					
Sales for resale	\$ 27,184,280	0	0	0	27,184,280
Residential	7,259,630	3,502,206	4,477,348	4,937,354	20,176,538
Commercial and industrial	4,384,843	847,877	543,179	916,595	6,692,494
Sale to public authorities	1,796,717	252,039	1,598,612	0	3,647,368
Street lighting	101,212	0	0	0	101,212
Other operating revenues	674,047	127,362	155,999	3,041	960,449
TOTAL OPERATING REVENUES	41,400,729	4,729,484	6,775,138	5,856,991	58,762,342
OPERATING EXPENSES					
Purchased power or natural gas	(10,479,755)	(1,841,663)	0	0	(12,321,418)
Distribution	(769,289)	(1,026,328)	(2,057,498)	(687,142)	(4,540,257)
Administrative and general	(4,502,866)	(955,409)	(2,058,064)	(1,224,026)	(8,740,365)
Customer accounts	0	0	(25,171)	(5,136)	(30,307)
Steam power generation	(9,314,537)	0	0	0	(9,314,537)
Transmission	(5,214,146)	0	0	0	(5,214,146)
Other production expenses	(2,015,185)	0	0	0	(2,015,185)
Hydraulic power generation	(275,010)	0	0	0	(275,010)
	(32,570,788)	(3,823,400)	(4,140,733)	(1,916,304)	(42,451,225)
MAINTENANCE EXPENSES					
Distribution	(1,604,244)	(361,869)	(881,839)	(1,506,119)	(4,354,071)
Steam power generation	(1,235,236)	0	0	0	(1,235,236)
Hydraulic power generation	(540,467)	0	0	0	(540,467)
Carbon free generation	(175,397)	0	0	0	(175,397)
Transmission	(417,661)	0	0	0	(417,661)
	(3,973,005)	(361,869)	(881,839)	(1,506,119)	(6,722,832)
DEPRECIATION AND AMORTIZATION EXPENSE	(4,586,662)	(397,416)	(2,044,799)	(853,675)	(7,882,552)
TAXES	(553,361)	0	0	0	(553,361)
TOTAL UTILITY OPERATING EXPENSES	(41,683,816)	(4,582,685)	(7,067,371)	(4,276,098)	(57,609,970)

UTILITY OPERATING INCOME	<u>(283,087)</u>	<u>146,799</u>	<u>(292,233)</u>	<u>1,580,893</u>	<u>1,152,372</u>
Other income (investment loss)	322,407	78,603	190,812	90,527	682,349
Other deductions	<u>(22,651)</u>	<u>(5,454)</u>	<u>799,937</u>	<u>(7,083)</u>	<u>764,749</u>
UTILITY INCOME	16,669	219,948	698,516	1,664,337	2,599,470
Interest on long-term debt	<u>(824,054)</u>	<u>0</u>	<u>(82,565)</u>	<u>(180,369)</u>	<u>(1,086,988)</u>
INCOME BEFORE EXTRAORDINARY ITEMS	(807,385)	219,948	615,951	1,483,968	1,512,482
Proprietary capital, beginning of year	<u>56,444,936</u>	<u>12,379,628</u>	<u>67,939,728</u>	<u>28,298,203</u>	<u>165,062,495</u>
PROPRIETARY CAPITAL, END OF FISCAL YEAR	\$ <u><u>55,637,551</u></u>	<u><u>12,599,576</u></u>	<u><u>68,555,679</u></u>	<u><u>29,782,171</u></u>	<u><u>166,574,977</u></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
Incorporated County of Los Alamos, New Mexico
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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2020.

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
Incorporated County of Los Alamos, New Mexico
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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

MORTON ACCOUNTING SERVICES, LLC



Santa Fe, New Mexico
November 30, 2020



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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
Incorporated County of Los Alamos, New Mexico
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, 2020. 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

Dr. Sara Scott, Chair, County Council
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Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

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, 2020.

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
Incorporated County of Los Alamos, New Mexico
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

Morton Accounting Services, LLC

Santa Fe, New Mexico
November 30, 2020



LOS ALAMOS

where discoveries are made

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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
97.067	State Homeland Security Grant

Dollar threshold used to distinguish between Type A and Type B Programs	\$825,449
Auditee qualified as a Low-Risk Auditee	Yes

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

SECTION II – FINDINGS

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

SECTION III – PRIOR YEAR FINDINGS

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

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

INCORPORATED COUNTY OF LOS ALAMOS
EXIT CONFERENCE
June 30, 2020

An exit conference was held on Tuesday, November 24, 2020. The conference was held over Zoom as offices of the County in Los Alamos, New Mexico are closed due to the COVID-19 pandemic. 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:

Antonio Maggiore, 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 Dadzie, 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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Attachment B