

# Los Alamos County Financial Highlights Fiscal Year 2025



# The ACFR Bases of Accounting – Financial Section

## Government Wide F/S – Full Accrual Basis

- Includes Capital Assets, Long Term Debt, Pension & Other Post Employment Benefits (OPEB) Liability – PERA and Retiree Health Care for LAC
- Presents the County as a whole like a Business
- Similar to Enterprise Funds (included as Business-Type Activities)
- Described in the Notes to Financial Statements

## Governmental Funds – Modified Accrual Basis

- Looks 60 days out to accrue revenues that can pay for expenditures that may have been encumbered as obligations (similar to checkbook accounting)
- Does not record governmental assets, debt, depreciation, pension liability, but does have some GAAP basis adjustments for inventory, liabilities, & prepaid expenses

## Budgetary Statements – Modified Accrual Inclusive of Encumbrances

- Meant to show readers the variance between revised budget and actual expenditures or revenues recognized – the actual results of the plan
- Includes encumbrances in expenditure totals because these are obligated to be paid within 60 days of year end or throughout the life of a project

# The County Govt-Wide F/S

## GOVERNMENTAL ACTIVITIES

County's Basic Services

County Council, and Elected  
Officials

County Manager

PW, CDD, ASD, CSD, Police

County Attorney

**Supported by general County  
Revenues (mainly taxes)**

## BUSINESS – TYPE ACTIVITIES

County's Enterprise Activities

Joint Utility System

Environmental Services

Fire

Transit

Airport

**Supported by charges paid by users  
(rates, inter-govt'l contracts)**

# Government-Wide Financials – Assets, Debt, & Pension Obligations

**Table 2**  
**Los Alamos County's Net Position**  
**As of June 30, 2025**  
**(in millions of \$)**

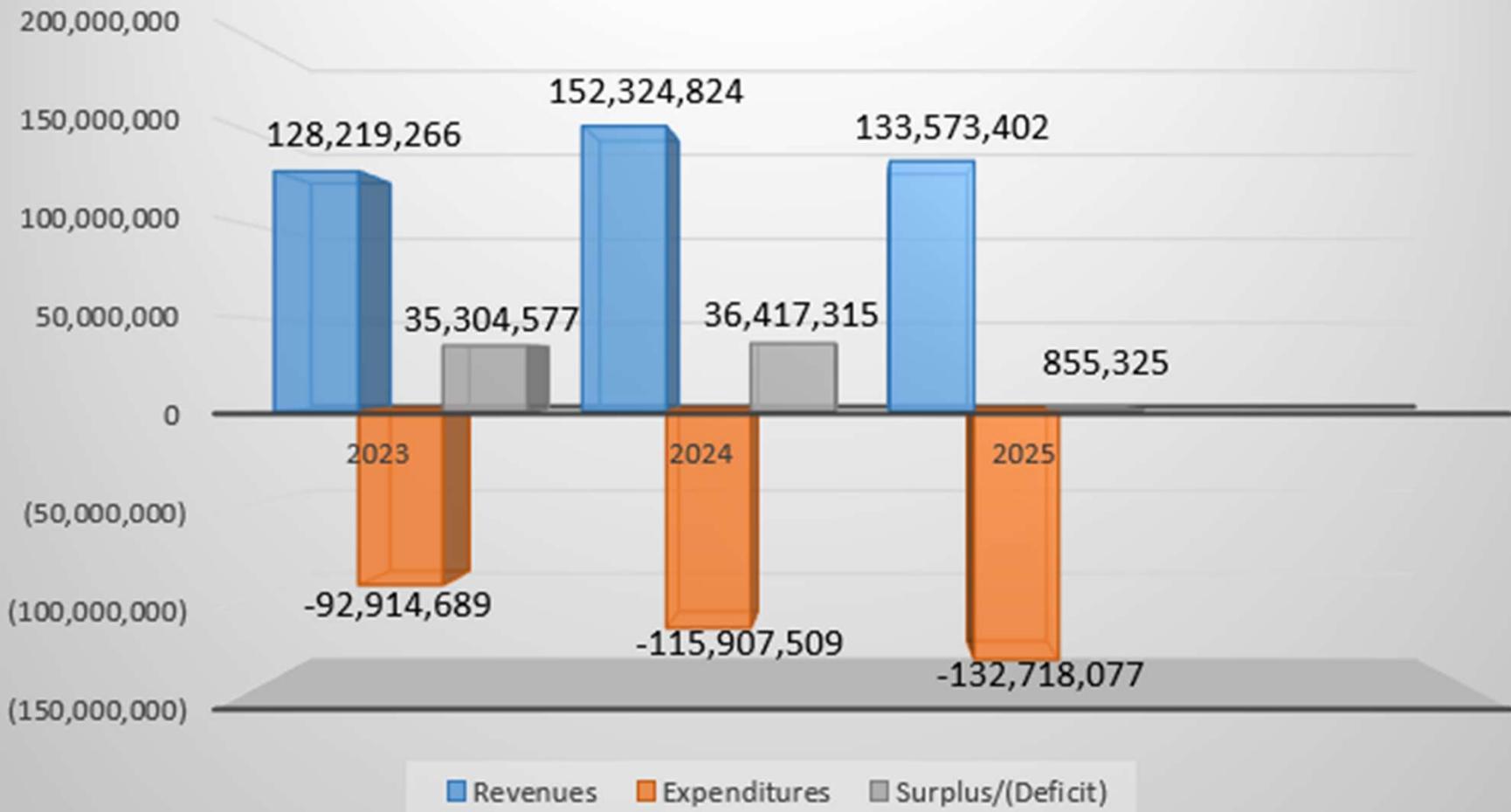
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>
<b>Assets:</b>						
Current and other assets	\$ 243.6	241.8	147.3	142.8	390.9	384.6
Capital assets	<u>309.0</u>	<u>293.3</u>	<u>258.6</u>	<u>236.3</u>	<u>567.6</u>	<u>529.6</u>
Total assets	<u>552.6</u>	<u>535.1</u>	<u>405.9</u>	<u>379.1</u>	<u>958.5</u>	<u>914.2</u>
Deferred outflows of resources	<u>24.4</u>	<u>18.7</u>	<u>32.3</u>	<u>22.9</u>	<u>56.7</u>	<u>41.6</u>
<b>Liabilities:</b>						
Current and other liabilities	12.8	12.5	14.0	9.5	26.8	22.0
Long-term liabilities	<u>103.4</u>	<u>93.6</u>	<u>188.3</u>	<u>164.3</u>	<u>291.7</u>	<u>257.9</u>
Total liabilities	<u>116.2</u>	<u>106.1</u>	<u>202.3</u>	<u>173.8</u>	<u>318.5</u>	<u>279.9</u>
Deferred inflows of resources	<u>27.4</u>	<u>30.4</u>	<u>9.0</u>	<u>12.0</u>	<u>36.4</u>	<u>42.4</u>
<b>Net position:</b>						
Net investment in capital assets	291.8	272.0	200.1	181.9	491.9	453.9
Restricted	65.3	60.9	18.6	16.7	83.9	77.6
Unrestricted	<u>76.3</u>	<u>84.4</u>	<u>8.2</u>	<u>17.6</u>	<u>84.5</u>	<u>102.0</u>
Total net position	<u>\$ 433.4</u>	<u>417.3</u>	<u>226.9</u>	<u>216.2</u>	<u>660.3</u>	<u>633.5</u>

# Governmental Funds Overview

<b>Governmental Funds Revenues</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
Taxes and special assessments	43,857,792	53,606,223	67,727,046	75,266,832	65,656,594
Licenses and permits	560,069	310,007	359,897	340,521	335,066
Intergovernmental	34,384,924	30,460,894	40,573,124	45,248,871	36,883,539
Fines forfeitures and penalties	112,718	94,880	62,836	66,018	41,583
Charges for services	1,385,207	1,431,273	1,448,207	1,514,854	1,388,634
Interfund/Interdepartmental charges	8,004,968	8,826,224	9,313,081	12,426,680	12,331,643
Investment Income	14,620,287	(13,043,668)	7,086,363	14,235,288	15,137,054
Other revenues	3,262,980	12,566,699	1,648,712	3,225,760	1,799,289
<b>Total Revenues</b>	<b>106,188,945</b>	<b>94,252,532</b>	<b>128,219,266</b>	<b>152,324,824</b>	<b>133,573,402</b>

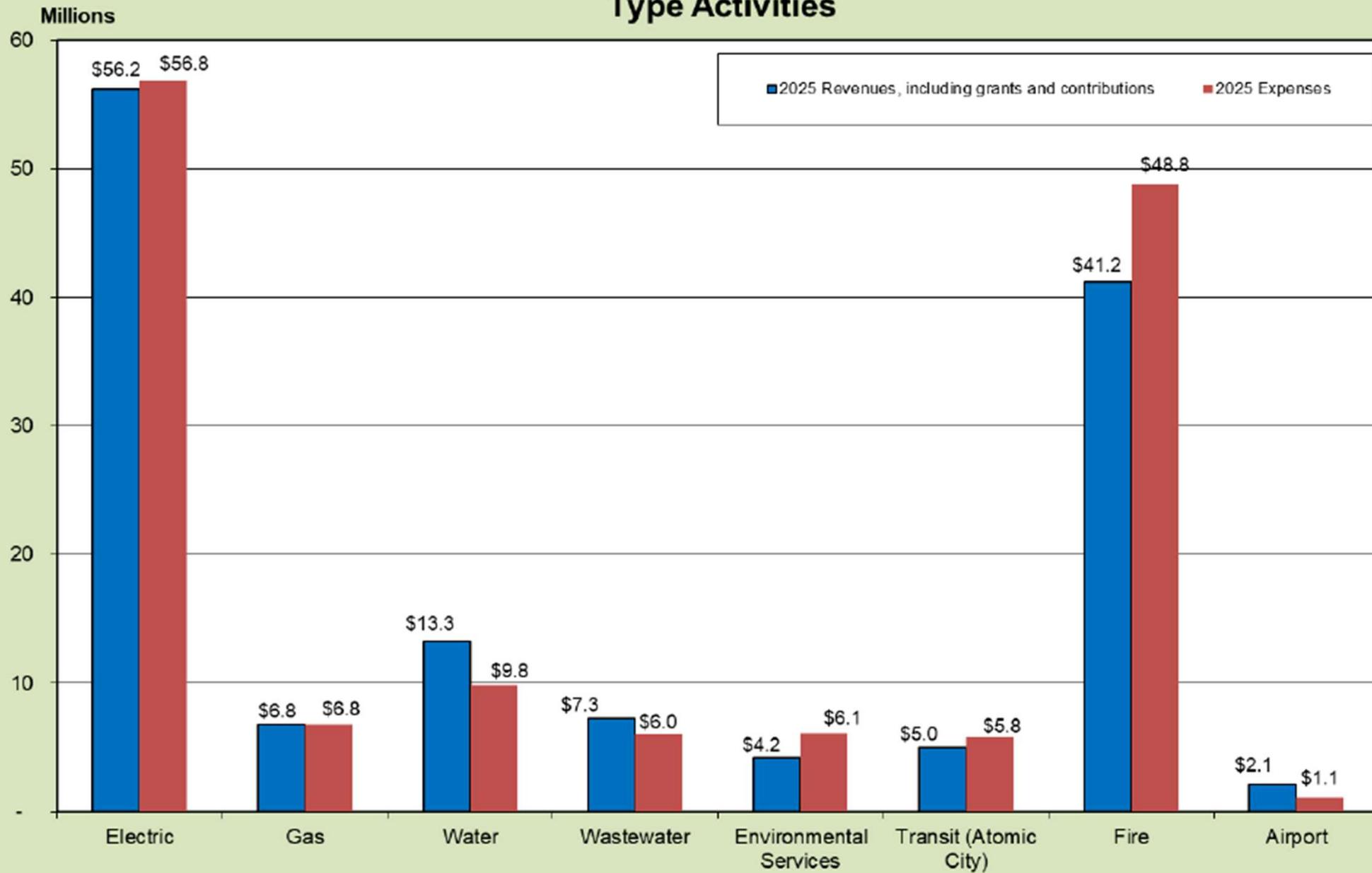
<b>Governmental Funds Expenditures</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
General government	22,088,973	24,224,186	29,496,510	32,471,422	32,051,099
Public safety	17,989,556	17,954,063	20,312,319	24,325,246	25,240,187
Physical and economic environment	4,079,822	5,543,713	3,997,229	4,315,628	7,603,136
Transportation	3,957,613	3,673,960	4,654,156	6,101,937	5,141,831
Health and welfare	4,883,588	5,347,004	5,500,430	7,144,282	8,075,978
Culture and recreation	8,491,488	9,294,639	10,009,084	11,721,383	13,064,636
Capital Projects/Outlay	11,153,948	11,841,718	14,392,552	25,277,452	36,992,051
Debt service	4,552,159	4,556,409	4,552,409	4,550,159	4,549,159
<b>Total Expenditures</b>	<b>77,197,147</b>	<b>82,435,692</b>	<b>92,914,689</b>	<b>115,907,509</b>	<b>132,718,077</b>
<b>Surplus (deficit)</b>	<b>28,991,798</b>	<b>11,816,840</b>	<b>35,304,577</b>	<b>36,417,315</b>	<b>855,325</b>

## Governmental Funds

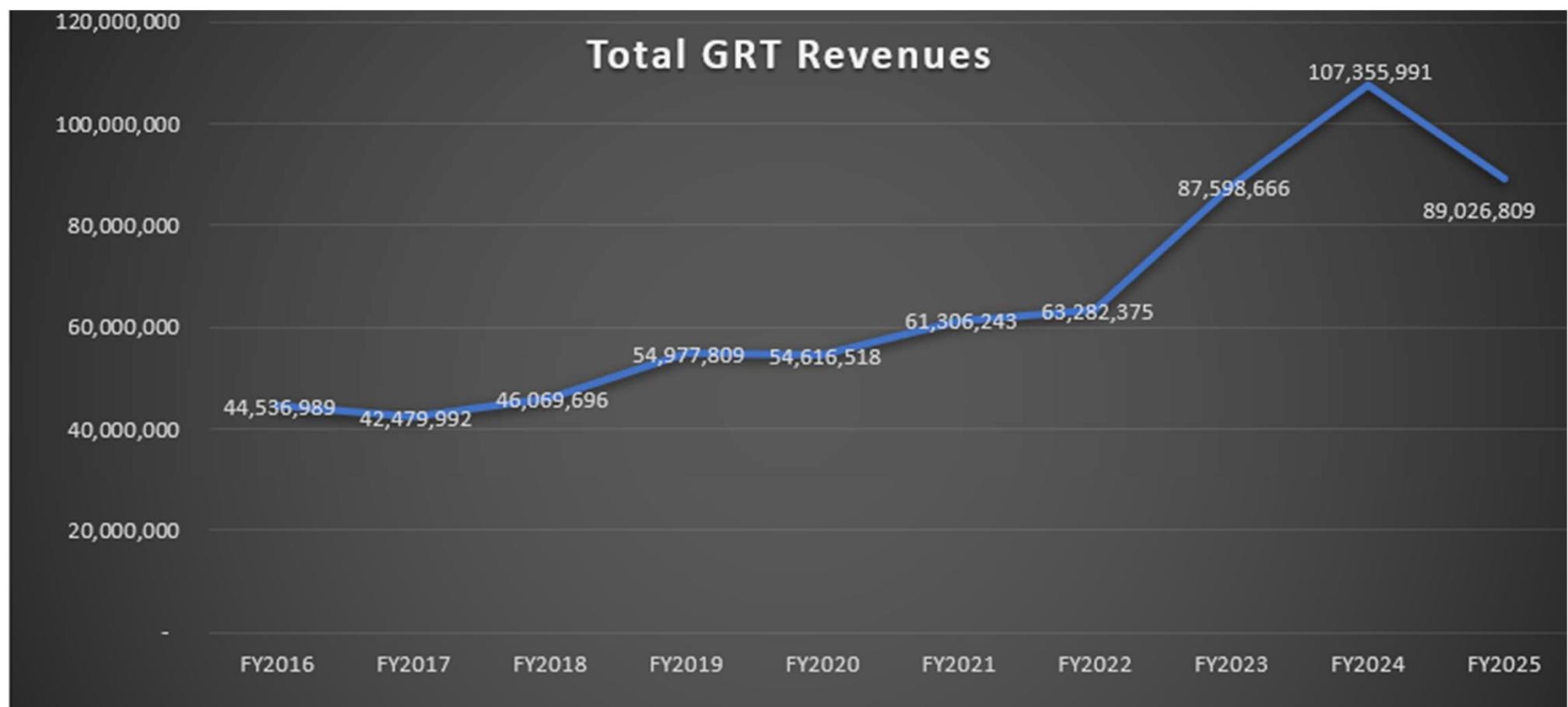


Governmental Funds Overview – Past 3 Yrs

**Figure 3. 2025 Expenses and Program Revenues for Business Type Activities**



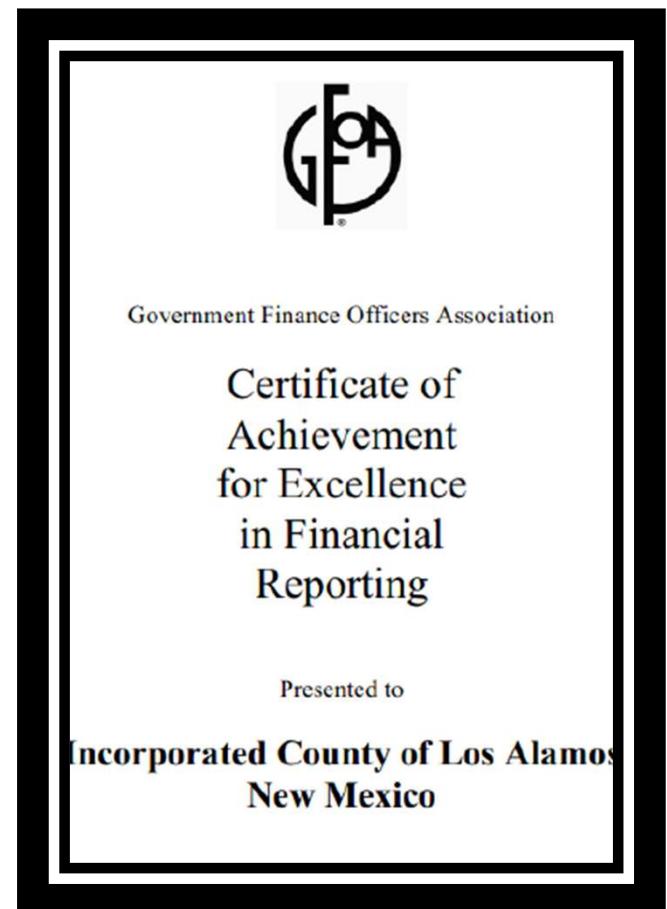
# Gross Receipts Tax – Total County



# What makes an ACFR Unique?

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- Governmental Entity Financial Statements must contain an Introductory and Financial Section – a ACFR must also include a Statistical Section
- Our statistical section contains 26 tables of useful data about our organization, and compares 10 years of data where applicable
- Prepared In House – It takes specialized knowledge in governmental accounting to be able to perform all adjustments, calculations and reporting under GASB requirements, not commonly found in government entities, but normally provided by independent auditors
- Los Alamos County is 1 of 5 Counties in the State of NM that prepares an ACFR, and has received awards of excellence in financial reporting from the Government Finance Officers Association (GFOA) for 33 consecutive years





Perraglio, Helen  
Administrative Services Director



Dadzie, Melissa  
Chief Financial Officer



Odezulu, Beatrice  
Deputy Chief Financial Officer



Liu, Zhengyan  
Sr. Finance & Budget Analyst



Griego, David  
Accounting Operations Manager



Cordova, Nicholle  
Management Analyst



Avila, Nicole  
Payroll Manager



Thomas, Erika  
Budget and Performance Manager



Ramirez, Melanie  
Finance and Budget Analyst



Pitts, Daniella  
AP and P-card Administrator



Gray, Mindy  
Payroll Specialist



Lerma, Alex  
Accounting Operations Manager



Valdez, Catherine  
Payroll Coordinator



Mariano, Tara  
Senior Financial & Budget Analyst

# Huge Thank you!

To all the Finance Staff – We strive for excellence and invest in continued education in our specialized field to keep up the high-quality standard; and

July-November time commitment and extensive hours worked by exempt staff for the final year end push to compile the ACFR and work with our auditors while maintaining operational workloads; and

To all County Departments/Divisions and Senior Management that work as a team in everyday operations to comply with internal controls and policies/procedures to have the successful audit and the report delivered on time.



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

# 2025 Audit

# Presentation of Audit Results



LOS ALAMOS

**Presented by:**

Farley Vener, CPA, CFE, CGMA  
President & Managing Shareholder

Attachment "D"



# Today's Agenda



Attachment "D"



# Introduction (Engagement Team)



# Scope of Work (Audit and Who We Serve)

## Opinion on Financial Statements

Note: Instances of noncompliance with State audit rule testing require findings.  
Sec. 12-6-5 NMSA 1978

## Opinion on Compliance of Major Federal Programs (Uniform Guidance)

## Non-attest Services

## Who Do We Serve?

Provide objective fiduciary information to:

The County Councilors and Other Elected Officials

Management

Public Interest



# Auditor's Communications (AU-C 260)

## Required Communications

COMMUNICATIONS	CONCLUSION
Accounting Practices	Based on the audit procedures performed, significant accounting practices (policies, estimates, and disclosures) appear appropriate, transparent, and Consistent with GAAP/GASB
Proposed Adjustments	None
Adjustments Provided by Client	None
Proposed Government-wide Adjustments/Presentation	None
Passed Adjustments-Because of Immateriality	None
Disagreements with Management	None
Management's Consultations with Other Accountants	Aware of None
Discussion of Accounting Issues Prior to Retention	None
Significant Difficulties in Performing the Audit	None
Financial Statement Disclosure Highlights	Restatement due to GASB 101 implementation.



# Results & Findings

## Auditor's Opinion

Financial Statements – Unmodified

Federal Awards – Unmodified

		Findings		
Reference #	Description	Current or Prior Year Finding	Status of Findings	Type of Finding*
<u>Section II - Financial Statement Findings</u>				
	None			
<u>Section III - Major Federal Programs Findings</u>				
	None			
<u>Section IV - 12-6-5 NMSA 1978 Findings</u>				
	None			

\*Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting
- D. Instance of Non-compliance Material to the Financial Statements
- E. Material Weakness in Internal Control Over Compliance of Federal Awards
- F. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- G. Instance of Non-compliance related to Federal Awards
- H. Other Non-compliance Required to be Reported per Section 12-6-5 NMSA 1978





# New GASB Standards (Upcoming Effective Dates)

Fiscal Years Beginning After

December 15, 2023

**No. 101**  
Compensated Absences

June 15, 2024

**No. 102**  
Certain Risk Disclosures

June 15, 2025

**No. 103**  
Financial Reporting Model

**No. 104**  
Capital Assets



# New GASB Standards

## GASB 101:—Compensated Absences

**Effective Date:** Fiscal years beginning after December 15, 2023 (FY 2025).

### What's Changed from GASB 16?

- Unify the approach for different types of compensated absences under one model.
- Respond to evolving employee benefit practices (e.g., new type of leave).
- Enhance clarity and comparability in the presentation of these liabilities and related disclosures.

Changes In:	GASB 16 (Old)	GASB 101 (New)
<b>Scope</b>	Limited; Multiple Classifications	Unified, single model for all compensated absences
<b>Disclosure</b>	Gross increases & decreases required	Only net change required (must identify as net)
<b>Recognition</b>	Some ambiguities for non-traditional leave	Clear rules on when to recognize liabilities, expanded coverage

**Expanded Coverage:** Now clearly applies to additional types of paid leave, including flexible PTO arrangements.

**Clarifies Non-recognition:** Parental, military, and jury duty leave are not recognized until leave starts.

### What Does Implementation Mean for You?

- **Review Leave Policies:** Identify all types of compensated absences applicable; update policies, if needed.
- **Update Systems & Processes:** Ensure payroll, HR, and accounting systems can track accumulating leave and calculate associated liabilities.
- **Train Staff:** Communicate new recognition, measurement, and disclosure requirements to accounting teams.

Attachment "D"



# New GASB Standards

## GASB 102:—Certain Risk Disclosures

**Effective Date:** Fiscal years beginning after June 15, 2024 (FY 2025).

### Purpose of GASB 102

To help users of government financial statements understand vulnerabilities stemming from significant concentrations or constraints that may substantially affect the government's finances or service capability.

### Disclosure Requirements

If disclosure is required, the note should contain enough detail for users to understand:

- The relevant concentration or constraint
- Each associated event that could cause or has caused a substantial impact
- Actions taken by the government before statements are issued to mitigate the risk (do not include future plans/actions)



# New GASB Standards

## GASB 102:—Certain Risk Disclosures (Continued)

### Examples of Concentrations & Constraints

Common Concentrations	Common Constraints
<ul style="list-style-type: none"> <li>Majority of tax revenue from a single taxpayer or industry.</li> <li>Substantial revenue from a major customer (e.g., utility relies on one city agency).</li> <li>Workforce mostly covered by a single union.</li> <li>Heavy dependency on a specific grantor.</li> <li>Critical goods/services sourced from one supplier.</li> </ul>	<ul style="list-style-type: none"> <li>State-imposed or voter-approved cap on debt.</li> <li>Legal limits on raising specific revenues.</li> <li>Mandated spending requirements.</li> <li>Limitations on how funds may be used (external restrictions).</li> <li>Budgets or appropriations limiting expenditure flexibility.</li> </ul>

#### Example 1: Revenue Concentration

**Situation:** The County's largest property taxpayer will soon cease operations, representing 25% of property taxes.

**Result:** Disclosure is **required**—all three criteria are met; the impact will likely occur within 12 months.

#### Example 2: Workforce Constraint

**Situation:** A hospital's entire nursing staff is covered by a union whose collective bargaining agreement expires soon amid difficult negotiations.

**Result:** Disclosure is **required**—risk of a work stoppage is more likely than not within the coming year.



# New GASB Standards

## GASB 103:—Financial Reporting in Model Improvements

**Effective Date:** Fiscal years beginning after June 15, 2025 (FY 2026).

**Management's Discussion and Analysis (MD&A) Enhancements Detailed Analysis Focus on emphasizing why balances and results changed. The key categories are:**

- Overview of financial statements • Financial summary • Detailed analyses • Significant capital assets and long-term financing activities • Known facts, decisions, or conditions

**Unusual or Infrequent Items for separate presentations include presenting individually before net change in resource flows. The disclosure requirements are:**

- **UNUSUAL OR INFREQUENT ITEM—FLOOD DAMAGE**

Do not net multiple items together • Disclosure related programs, functions, or activities • Indicate if within management's control

**Proprietary Fund Statement Presentation Clarified Definitions as:**

- Operating vs. nonoperating revenues and expenses • Noncapital subsidies

**Prescribed Order:** • Specifies presentation sequence in financial statements • Includes unusual or infrequent items

**Major Component Unit Information for Separate Presentation:**

- Present each major component until separately in net position and activities statements.

**Major Component Unit Information for Combining Statements:**

- If readability is reduced, include combining statements are fund financial statements.



# New GASB Standards

## GASB 103:—Financial Reporting in Model Improvements (continued)

### Budgetary Comparison Information for Supplementary Information Requirement is:

- For general funds and major special revenue funds with legally adopted budgets

	Budgeted Amounts		Variance with Original Budget— over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget— over (under) Actual Amounts
	Original	Final			
<b>BUDGETARY REVENUES</b>					
Taxes	\$ 157,715	\$ 157,715	\$ -	\$ 161,885	\$ 4,170
Payments in lieu of taxes	16,218	15,853	(365)	15,737	(116)
Intergovernmental	1,560	2,002	442	1,597	(405)
Charges for services	13,299	13,299	-	13,905	606
Licenses, permits, and fees	2,712	3,220	508	3,532	312
Fines and forfeitures	8,262	8,262	-	7,853	(409)
Investment earnings	5,100	5,100	-	6,792	1,692
Miscellaneous	3,313	3,313	-	2,075	(1,238)
<b>Total budgetary revenues</b>	<b>208,179</b>	<b>208,764</b>	<b>585</b>	<b>213,376</b>	<b>4,612</b>

### Eliminated Option:

- Cannot present budgetary comparisons as basic financial statements

### Mandatory Variance Column:

- Original vs. final budget amounts
- Final budget amounts vs. actual results

### Significant Variances

- Must explain in notes to required supplementary information

### Financial Trends Information in Statistical Section for Specific Governments include:

Those engaged only in business-type or fiduciary activities

### Presentation Requirements:

- Revenues by major source
- Distinguish between operating, noncapital, subsidy, and other nonoperating revenue expenses



# New GASB Standards

## GASB 104:—Disclosure Requirements for Certain Capital Assets

GASB 104 addresses two main areas:

- Separate disclosure of intangible capital assets within the capital asset note disclosures** (including lease assets, right-to-use public-private partnership assets, subscription-based IT arrangements, and other intangible assets).

GASB				
Intangible Capital Asset Type	Standard	Nature of Asset	Example	
Right-to-Use Asset (RTU) – Lease	87	Control of 3rd-Party Property	Long-term building lease	
RTU – Public-Private Partnership (P3)	94	Financed/Shared Infrastructure	Correctional facilities	
RTU – SBITA	96	Software Access	3-year subscription to cloud-based ERP	
Internally Developed Software	51	Developed In-House	Custom property tax assessment and billing system	
Purchased Software	51	Purchased Outright	Perpetual license to accounting software	
Other Identifiable Intangibles	51	Nonphysical Nonfinancial Asset	Water rights, easements, right-of-way	

- New disclosure requirements for capital assets held for sale**, identify assets likely to be sold within one year.

GASB 104 introduces a new requirement to identify and disclose capital assets “held for sale.”

- Decision to Sell:** The government must have formally decided to pursue the sale of the asset.
- Probable Sale:** It must be probable that the sale will be finalized within one year after the statement date.



# New GASB Standards

## When assessing probability, consider:

- Asset available for immediate sale?
- Active program to find a buyer?
- Favorable current market conditions?
- All regulatory approvals in place?

**The asset is still reported in its original asset class and depreciated as usual until sold.**

## Disclosure must include:

- Historical cost and accumulated depreciation/amortization by major asset class
- Carrying amount of any debt collateralized by held-for-sale assets

## Held-for-Sale Example

- City decides to sell a building and expects to finalize the sale in 8 months.
- The building is available for sale, listed on the market, and regulatory approvals are in order.



# Current GASB Projects (Subject to Change)

## Project Plan Summary Timeline



# Thank you

We appreciate all the support we received from  
Finance and Management!



Attachment "D"





Attachment "D"



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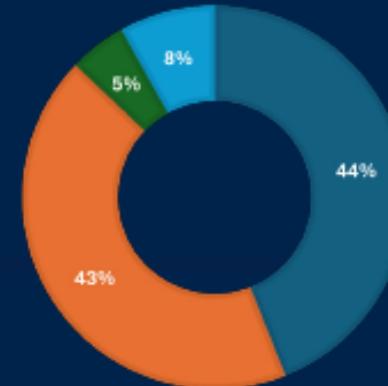
# About Us

## What Sets Us Apart



## Client Audits and Revenue

■ Non-Profit Orgs  
■ For-Profit  
■ State & Local  
■ Forensic & Other



## Local CPA Firm Serving NM for 52+ Years



**140+ State & Local Governments**



**145+ Non-Profit Organizations**



**7+ Long-Term Tenure of Audit Managers**



**16+ Forensic Accounting Engagements**



**Full Service CPA Firm (ABQ & Santa Fe)**

## Awards & Recognition



2024 Best & Brightest in the Nation



2024 ABQ Best Places to Work



2024 Expertise Top 10 Accountants in ABQ



2024 Best Accountants in ABQ



## SERVING NEW MEXICO CLIENTS WITH ANNUAL REVENUES:



- \$ 2.2 Billion Government
- \$ 190 Million Non-Profit
- \$ 74.4 Million Accounting
- \$ 97 Million For-Profit

# Contact Information

## On call throughout the year



### Farley Vener, CPA, CFE, CGMA

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Attachment "D"



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