

Los Alamos County Financial Highlights Fiscal Year 2022

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	BUSINESS – TYPE ACTIVITIES
<p>County’s Basic Services</p> <p>County Council, and Elected Officials</p> <p>County Manager</p> <p>PW, CDD, ASD, CSD, Police</p> <p>County Attorney</p> <p>Supported by general County Revenues (mainly taxes)</p>	<p>County’s Enterprise Activities</p> <p>Joint Utility System</p> <p>Environmental Services</p> <p>Fire</p> <p>Transit</p> <p>Airport</p> <p>Supported by charges paid by users (rates, inter-govt’l contracts)</p>

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

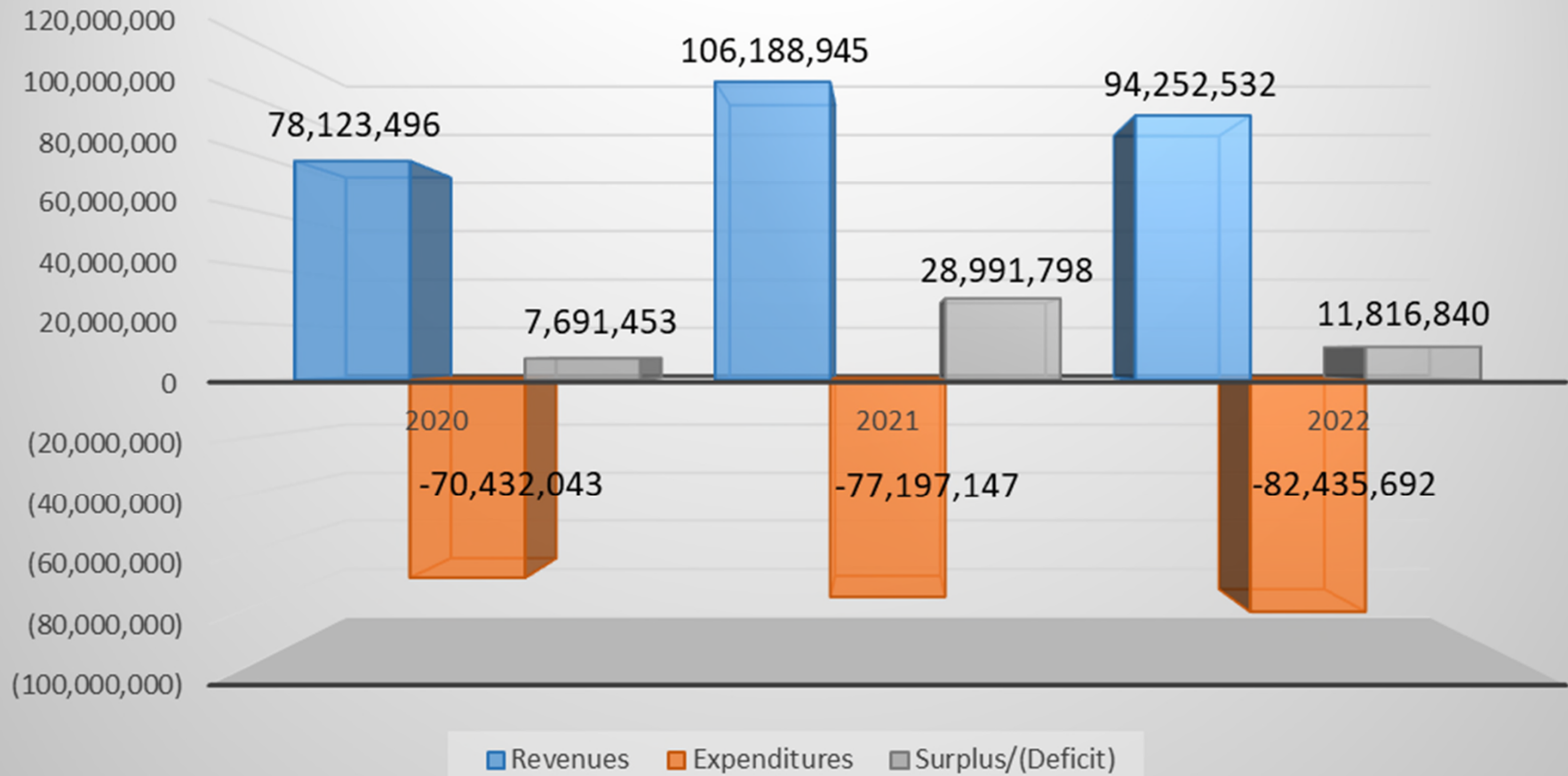
Table 2
Los Alamos County's Net Position
As of June 30, 2022
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Assets:						
Current and other assets	\$ 167.1	139.2	84.9	78.1	252.0	217.3
Capital assets	<u>273.7</u>	<u>271.3</u>	<u>219.5</u>	<u>218.9</u>	<u>493.2</u>	<u>490.2</u>
Total assets	<u>440.8</u>	<u>410.5</u>	<u>304.4</u>	<u>297.0</u>	<u>745.2</u>	<u>707.5</u>
Deferred outflows of resources	<u>12.6</u>	<u>23.2</u>	<u>14.0</u>	<u>25.3</u>	<u>26.6</u>	<u>48.5</u>
Liabilities:						
Current and other liabilities	5.3	7.4	8.1	9.7	13.4	17.1
Long-term liabilities	<u>78.9</u>	<u>106.3</u>	<u>117.1</u>	<u>136.4</u>	<u>196.0</u>	<u>242.7</u>
Total liabilities	<u>84.2</u>	<u>113.7</u>	<u>125.2</u>	<u>146.1</u>	<u>209.4</u>	<u>259.8</u>
Deferred inflows of resources	<u>43.5</u>	<u>10.4</u>	<u>26.4</u>	<u>16.2</u>	<u>69.9</u>	<u>26.6</u>
Net position:						
Net investment in capital assets	250.2	244.7	188.4	192.2	438.6	436.9
Restricted	45.6	51.6	17.6	13.9	63.2	65.5
Unrestricted	<u>29.9</u>	<u>13.3</u>	<u>(39.2)</u>	<u>(46.1)</u>	<u>(9.3)</u>	<u>(32.8)</u>
Total net position	<u>\$ 325.7</u>	<u>309.6</u>	<u>166.8</u>	<u>160.0</u>	<u>492.5</u>	<u>469.6</u>

Governmental Funds Overview

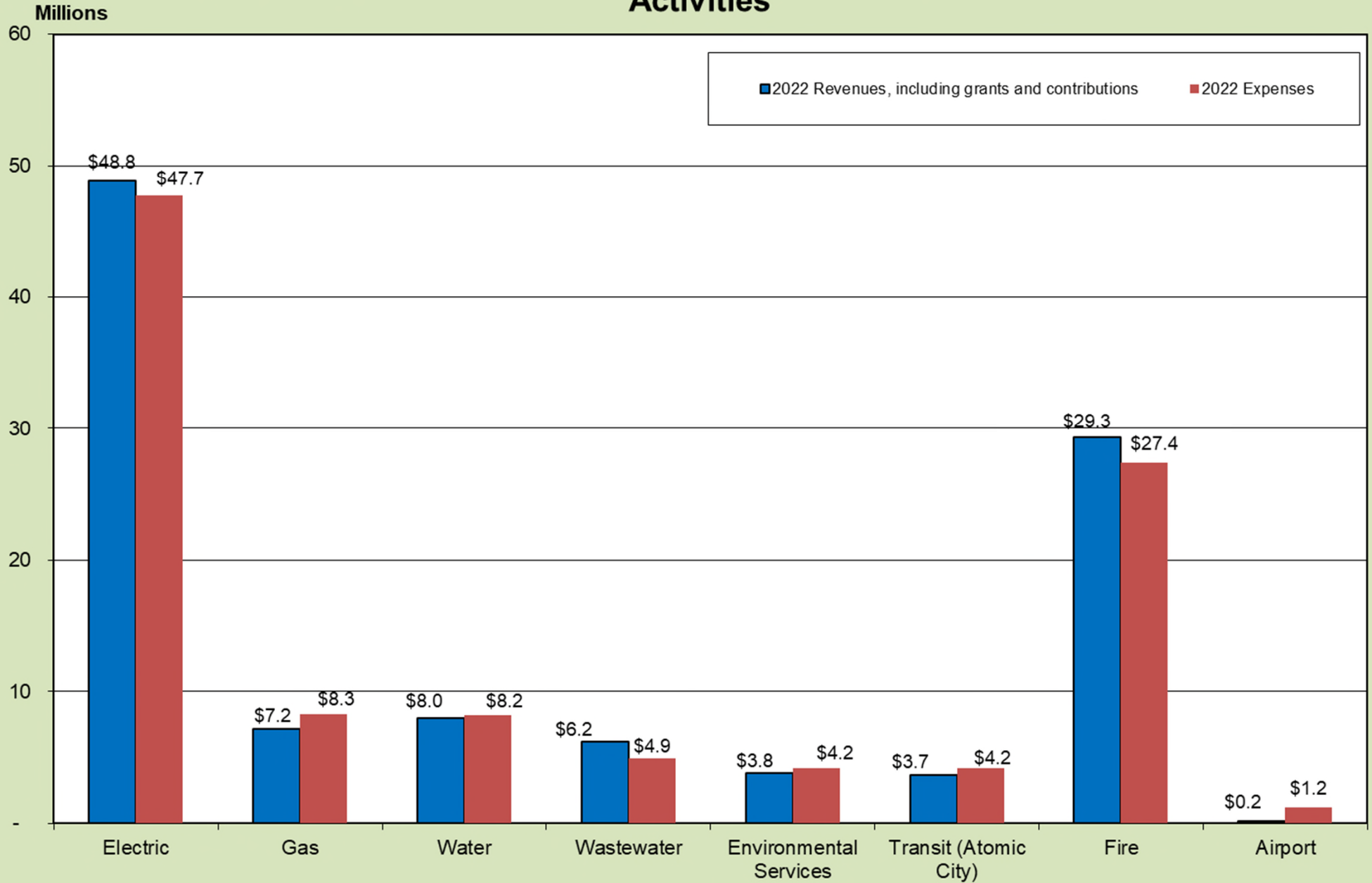
Governmental Funds Revenues	FY2018	FY2019	FY2020	FY2021	FY2022
Taxes and special assessments	34,508,399	39,741,012	39,934,857	43,857,792	53,606,223
Licenses and permits	292,869	271,167	397,269	560,069	310,007
Intergovernmental	20,174,079	24,159,020	24,346,020	34,384,924	30,460,894
Fines forfeitures and penalties	190,910	142,993	101,454	112,718	94,880
Charges for services	1,273,973	1,023,331	1,000,884	1,385,207	1,431,273
Interfund/Interdepartmental charges	7,224,440	7,130,081	8,023,975	8,004,968	8,826,224
Investment Income	3,719,637	3,467,279	2,623,382	14,620,287	(13,043,668)
Other revenues	1,684,264	1,855,709	1,695,655	3,262,980	12,566,699
Total Revenues	69,068,571	77,790,592	78,123,496	106,188,945	94,252,532
Governmental Funds Expenditures	FY2018	2019	2020	2021	2022
General government	18,872,265	22,558,333	20,133,201	22,088,973	24,224,186
Public safety	14,813,375	14,078,315	15,020,479	17,989,556	17,954,063
Physical and economic environment	3,535,192	3,951,468	3,471,347	4,079,822	5,543,713
Transportation	3,519,442	4,907,804	4,274,507	3,957,613	3,673,960
Health and welfare	3,831,088	4,028,652	4,809,190	4,883,588	5,347,004
Culture and recreation	8,689,730	8,188,393	8,287,118	8,491,488	9,294,639
Capital Projects/Outlay	4,860,632	4,601,011	9,885,442	11,153,948	11,841,718
Debt service	6,268,597	6,265,558	4,550,759	4,552,159	4,556,409
Total Expenditures	64,390,321	68,579,534	70,432,043	77,197,147	82,435,692
Surplus (deficit)	(8,085,435)	4,678,250	9,211,058	28,991,798	11,816,840

Governmental Funds

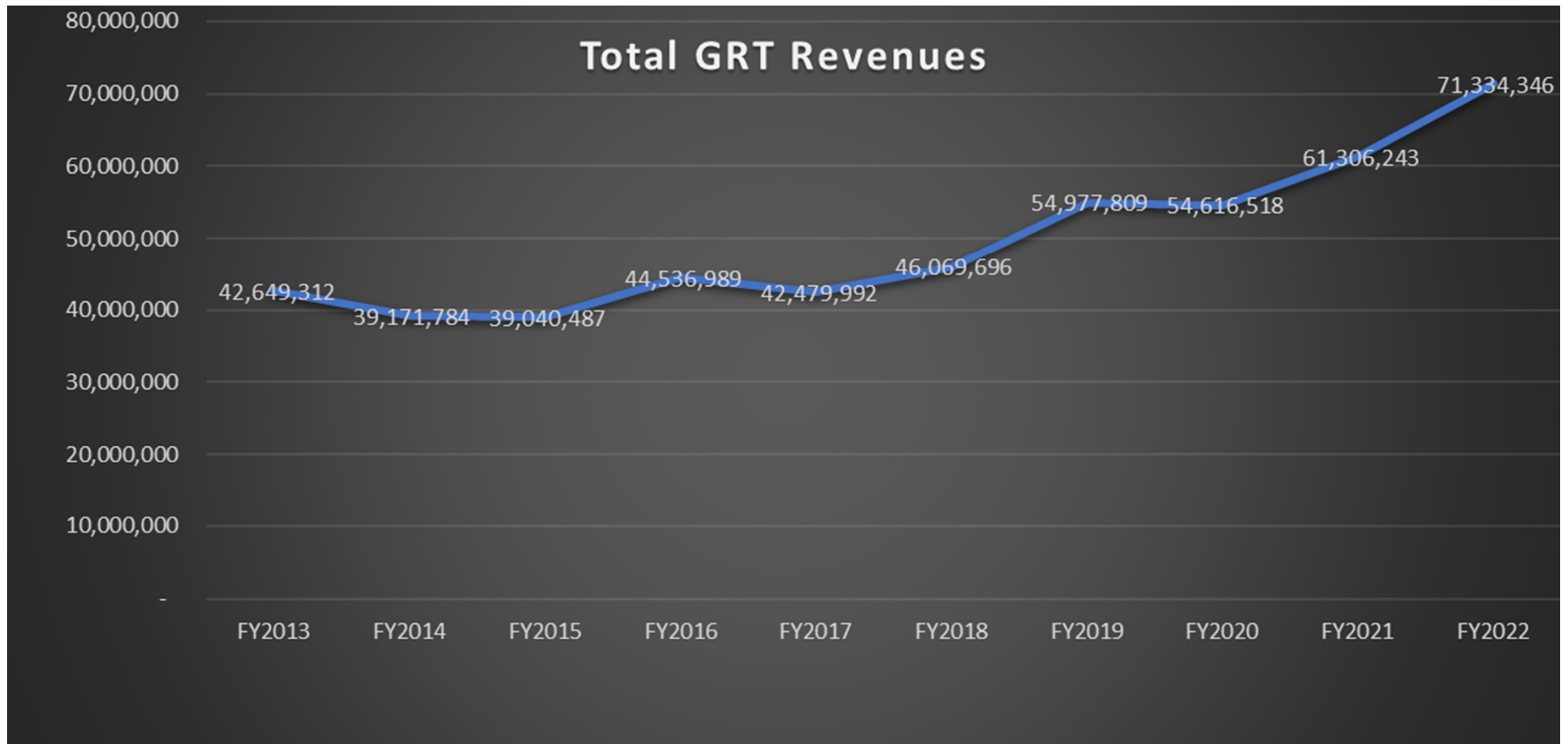


Governmental Funds Overview – Past 3 Yrs

Figure 3. 2022 Expenses and Program Revenues for Business Type Activities

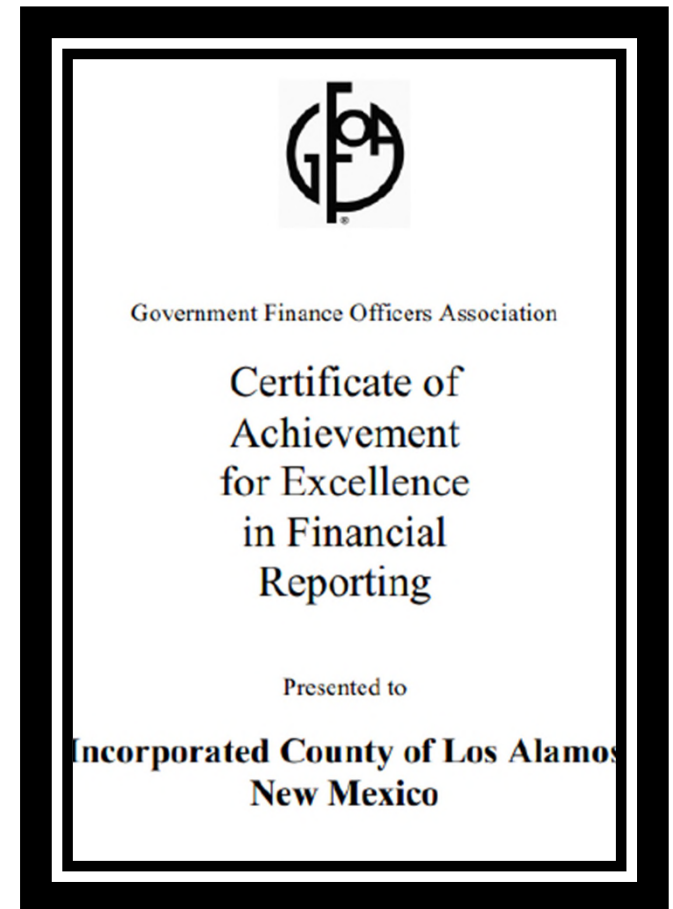


Gross Receipts Tax – Total County



What makes an ACFR Unique?

- 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 30 consecutive years





Perraglio, Helen
Chief Financial Officer



Dadzie, Melissa
Deputy Chief Financial Officer



Chavarria-Quam, Mauricio
Accounting Operations Manager



Odezulu, Beatrice
Accounting Operations Manager



Liu, Zhengyan
Management Analyst



Atencio, Yvette
Senior Budget Analyst



Griego, David
Senior Management Analyst



Cordova, Nicholle
Accounts Payable & P-Card Admini...



Andrus, Rebecca
Accounts Payable Coordinator



Ortiz, Sonya
Payroll Manager



Avila, Nicole
Payroll Coordinator



Lujan, Sara
Payroll Specialist



Thomas, Erika
Budget and Performance Manager



Ramirez, Melanie
Management 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.



Incorporated County of Los Alamos, NM



AUDIT EXIT CONFERENCE FYE JUNE 30, 2022

November 22, 2022
January 24, 2023

Janet Pacheco-Morton
CPA, CGFM, Principal



Agenda



- Auditor's Responsibilities vs. Management's Responsibilities
- Opinions
- Required Communications
- Schedule of Findings and Questioned Costs
- Timeline for Completion

Auditor's Responsibilities vs. Management's Responsibilities

Auditor

- Express Opinion over financial statements - material and fairly stated.
- Communicate significant matters.
- Plan and perform audit to obtain *reasonable*, rather than absolute assurance.
- Perform audit with planned scope and timing as previously communicated.
- Comply with Independence Requirements.
- Consider internal control.

Management

- Financial Statements.
- Provide access to information and documentation for audit.
- Maintain Internal Controls Structure.
- Provide management representations.

Audit Opinions



Independent Auditor's Report - Unmodified



Report On Compliance With Requirements That Could Have a Direct and Material Effect On Each Major Program and On Internal Control Over Compliance in Accordance with OMB Uniform Guidance - Unmodified

Required Communications

Significant Accounting Policies, Note 1

Significant Accounting Estimates –

- Allowance for Doubtful Accounts
- Lives of Capital Assets for calculating Depreciation Expense / Accumulated Depreciation
- Accrued Compensated Absences, Short Term Portion
- Self Insurance IBNR Reserve
- Net Pension Liability
- Other Post-Employment Benefits Liability
- Special Closure Costs –
 - San Juan Mine Reclamation
 - Laramie River Plant Decommissioning
 - Landfill Closure

Required Communications

- Financial Statement Disclosures – Implementation of GASB Statement No. 87 - Leases
- Significant Difficulties During Audit – None
- Disagreements with Management – None
- Representations will be Requested from Management



Schedule of Findings and Questioned Costs

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | |
|---|----|
| 1. Material weakness identified | No |
| 2. Significant deficiencies identified | No |
| 3. Noncompliance material to the financial statements | No |

Schedule of Findings and Questioned Costs, continued

SUMMARY OF AUDITOR'S RESULTS, continued

Federal Awards

Type of auditor's report issued on compliance over
Major programs

Unmodified

Internal control over financial reporting

- | | |
|---|----|
| 1. Material weakness identified | No |
| 2. Significant deficiencies identified | No |
| 3. Any findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

Schedule of Findings and Questioned Costs, continued

SUMMARY OF AUDITOR'S RESULTS, continued

Federal Awards, continued

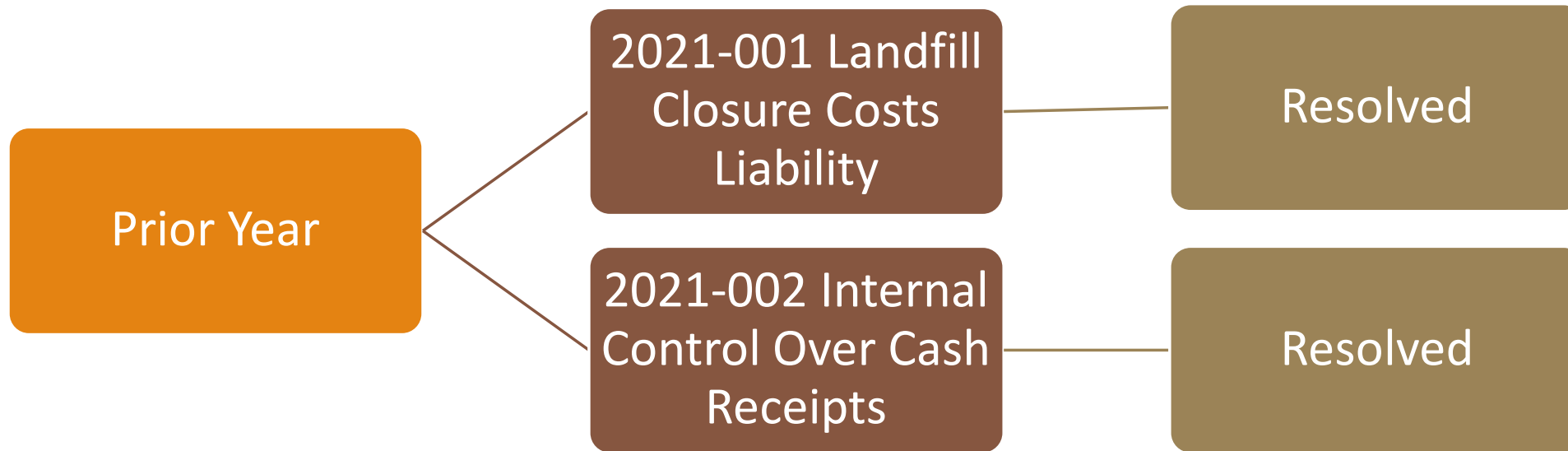
Identification of Major Programs

<u>CFDA No.</u>	<u>Name of Federal Program</u>
81.140 (USDOE)	Fire Protection, Emergency Medical and Rescue Services Cooperative Agreement
20.509 (USDOT)	Nonurbanized Area Formula Grant Program Section 5311
66.468 (USEPA)	Safe Drinking Water State Revolving Fund

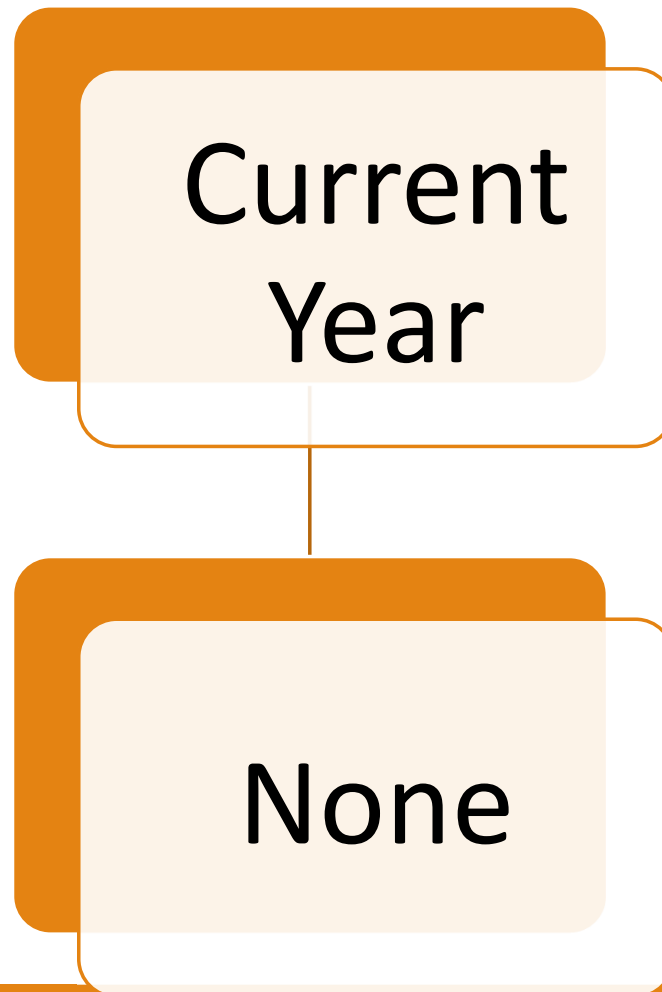
Dollar threshold used to distinguish between Type A and Type B Programs	\$968,276
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Auditee qualified as a low-risk auditee	Yes
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Findings



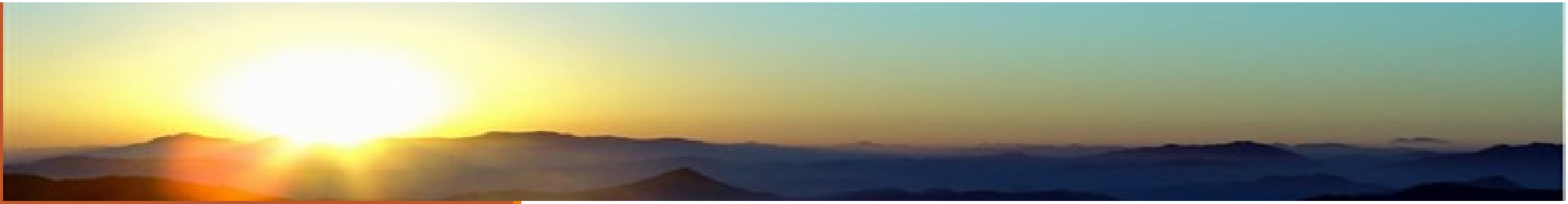
Findings, continued





Completion

- Finalizing audit programs and final procedures – In Process
- Review of CAFR – 2nd Review in Process
- Management Representation Letter – Week of November 28
- Submit to NM State Auditor's Office on or by December 1
- NM State Auditor's Office Review and Issuance of "Ok to Print" – TBD
- NM State Auditor's Office Release Letter - TBD



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Thank You