



# County of Los Alamos

Los Alamos, NM 87544  
www.losalamosnm.us

## Minutes

### County Council – Special Session

*Randall Ryti, Council Chair; Ryn Herrmann, Council Vice Chair;  
Theresa Cull, Melanee Hand, Suzie Havemann,  
Beverly Neal-Clinton, and David Reagor, Councilors*

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Monday, April 27 – Tuesday, April 28, 2026

6:00 PM

Council Chambers - 1000 Central Avenue

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#### 1. OPENING/ROLL CALL

The Council Chair, Randall Ryti, called the meeting to order at 6:00 p.m.

Chair Ryti made opening remarks regarding the meeting's procedure.

**The following Councilors were in attendance:**

**Present: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand,  
Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

#### 2. PLEDGE OF ALLEGIANCE

Led by: All.

#### 3. PUBLIC COMMENT

See attached eComments.

#### 4. APPROVAL OF AGENDA

**A motion was made by Councilor Cull, seconded by Councilor Neal-Clinton, that Council approve the agenda as presented.**

**The motion passed by a show of hands with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand,  
Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

## 5. PUBLIC HEARINGS

### A. Introduction, Overview, Budget Summary, Long Term Financial Projections & Budget Options

#### 1) FY2027 Budget Hearings and Possible Adoption of FY2027 Budget

Ms. Anne Laurent, County Manager, presented.  
Mrs. Melissa Dadzie, Chief Financial Officer, presented.  
Ms. Helen Perraglio, Administrative Services Director, spoke.

### B. Budget Presentations

#### 1) County Council

Ms. Linda Matteson, Deputy County Manager, presented.

**A motion was made by Councilor Cull, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the County Council in the amount of \$689,037.**

**The motion passed with the following vote:**

**Yes: 6 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, and Councilor Neal-Clinton**

**No: 1 – Councilor Reagor**

#### 2) County Assessor

Mr. George Chandler, County Assessor, presented.

**A motion was made by Councilor Hand, seconded by Councilor Havemann, that Council tentatively approve the proposed budget for the County Assessor in the amount of \$1,103,955.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

#### 3) County Clerk

Mr. Michael Redondo, County Clerk, presented.

**A motion was made by Councilor Havemann, seconded by Councilor Neal-Clinton, that Council tentatively approve the proposed budget for the County Clerk in the amount of \$1,413,467.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

4) County Sheriff

Mr. Dino Sgambellone, Police Chief, presented.  
Ms. Tara Mariano, Senior Financial and Budget Analyst, spoke.

**A motion was made by Councilor Herrmann, seconded by Councilor Hand, that Council tentatively approve the proposed budget for the Sheriff in the amount of \$18,671.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

5) Municipal Court

Ms. Elizabeth Allen, Municipal Judge, presented.

**A motion was made by Councilor Hand, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the County Municipal Court in the amount of \$945,750.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

6) Probate Court

Mr. Michael Redondo, County Clerk, presented.

**A motion was made by Councilor Cull, seconded by Councilor Neal-Clinton, that Council tentatively approve the proposed budget for the County Probate Court in the amount of \$19,149.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

7) County Attorney

Mr. Alvin Leaphart, County Attorney, presented.  
Ms. Anne Laurent, County Manager, spoke.

**A motion was made by Councilor Neal-Clinton, seconded by Councilor Havemann, that Council tentatively approve the proposed budget for the County Attorney in the amount of \$1,659,283.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

8) County Manager

Ms. Linda Matteson, Deputy County Manager, presented.  
Ms. Anne Laurent, County Manager, spoke.  
Ms. Helen Perraglio, Administrative Services Director, spoke.

**A motion was made by Councilor Havemann, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the County Manager in the amount of \$25,120,330 and a budget option in the amount of \$15,000 for Inclusivity Board program costs.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

**RECESS**

***Chair Ryti called for a recess at 8:18 p.m. The meeting reconvened at 8:31 p.m.***

9) Administrative Services

Ms. Helen Perraglio, Administrative Services Director, presented.  
Mr. John Roig, Chief Information Officer, spoke.  
Ms. Beverly Purtymun, IM Business Manager, spoke.  
Ms. Francella Montoya, RIM Program Manager, spoke.  
Ms. Anne Laurent, County Manager, spoke.

**A motion was made by Councilor Neal-Clinton, seconded by Councilor Cull, that Council tentatively approve the proposed budget for the Administrative Services Department in the amount of \$19,213,845.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

10) Community Development

Mr. Elias Isaacson, Community Development Director, presented.  
Ms. Anne Laurent, County Manager, spoke.  
Ms. Adrienne Lovato, Senior Management Analyst, spoke.  
Ms. Helen Perraglio, Administrative Services Director, spoke.

**A motion was made by Councilor Hand, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the Community Development Department in the amount of \$18,524,732.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

## **RECESS**

*The meeting recessed at 9:50 p.m. to be reconvened at 6:00 p.m. on Tuesday, April 28, 2026.*

### **1. OPENING/ROLL CALL**

The Council Chair, Randall Ryti, called the meeting to order at 6:00 p.m.

Chair Ryti made opening remarks regarding the meeting's procedure.

**The following Councilors were in attendance:**

**Present : 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

### **2. PLEDGE OF ALLEGIANCE**

Led by: All.

### **3. PUBLIC COMMENT**

Mr. Kyle Dickman spoke.

Mr. Bridger Dickman spoke.

Ms. Tally Dickman spoke.

Ms. Turin Dickman spoke.

### **5. PUBLIC HEARINGS (continued from April 27, 2026)**

#### **B. Budget Presentations**

##### **11) Community Services**

Mr. Cory Styron, Community Services Director, presented.

Mr. Eric Martinez, Public Works Director, spoke.

Ms. Anne Laurent, County Manager, spoke.

Mr. Miguel Jimenez, Senior Project Manager, spoke.

**A motion was made by Councilor Neal-Clinton, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the Community Services Department in the amount of \$33,543,026.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

12) Fire Department

Mr. Erik Litzenberg, Fire Chief, presented.

Mr. Xavier Anderson, Security/Administrative Service Manager, presented.

**A motion was made by Councilor Hand, seconded by Councilor Neal-Clinton, that Council tentatively approve the proposed budget for the Fire Department in the amount of \$58,258,315.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

13) Police Department

Mr. Dino Sgambellone, Police Chief, presented.

Ms. Tara Mariano, Senior Financial and Budget Analyst, spoke.

**A motion was made by Councilor Hand, seconded by Councilor Havemann, that Council tentatively approve the proposed budget for the Police Department in the amount of \$20,113,136.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

14) Public Works

Mr. Eric Martinez, Public Works Director, presented.

Ms. Tara Mariano, Senior Financial and Budget Analyst, spoke.

Ms. Helen Perraglio, Administrative Services Director, spoke.

Mr. James Barela, Transit Manager, spoke.

Ms. Anne Laurent, County Manager, spoke.

**A motion was made by Councilor Cull, seconded by Councilor Havemann, that Council tentatively approve the proposed budget for the Public Works Department in the amount of \$64,367,263.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

15) Department Of Public Utilities

Mr. Philo Shelton, Utilities Manager, presented.  
Ms. Joann Gentry, Deputy Utilities Manager – Finance and Administration, presented.  
Mrs. Melissa Dadzie, Chief Financial Officer, spoke.

**A motion was made by Councilor Neal-Clinton, seconded by Councilor Herrmann, that Council tentatively approve the proposed budget for the Public Utilities Department in the amount of \$94,688,744 and the budget option in the amount of \$900,000.**

**The motion passed with the following vote:**

**Yes: 6 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, and Councilor Neal-Clinton**

**No: 1 – Councilor Reagor**

**RECESS**

***Chair Ryti called for a recess at 8:40 p.m. The meeting reconvened at 8:56 p.m.***

16) Non-Departmental

Mrs. Melissa Dadzie, Chief Financial Officer, presented.

**A motion was made by Councilor Cull, seconded by Councilor Neal-Clinton, that Council tentatively approve the proposed budget for the Non-Departmental in the amount of \$8,179,409.**

**The motion passed with the following vote:**

**Yes: 7 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, Councilor Neal-Clinton, and Councilor Reagor**

17) Capital Improvement Projects (CIP) Fund, Financial Policies, and Long Range Financial Projection

Ms. Anne Laurent, County Manager, presented.  
Mr. Cory Styron, Community Services Director, spoke.  
Ms. Helen Perraglio, Administrative Services Director, spoke.

18) Discussion of Parking Lot Items

a. Council Budget Option

Ms. Linda Matteson, Deputy County Manager, spoke.

No action taken.

b. North Mesa Bike Park

Ms. Helen Perraglio, Administrative Services Director, spoke.  
Ms. Anne Laurent, County Manager, spoke.  
Mr. Cory Styron, Community Services Director, spoke.

**A motion was made by Councilor Havemann, seconded by Councilor Herrmann, that Council tentatively approve the reallocation of \$1,447,176 of CP9007 to the North Mesa Bike Park item number CP70x2.**

**The motion passed with the following vote:**

**Yes: 5 – Councilor Ryti, Councilor Herrmann, Councilor Hand, Councilor Havemann, and Councilor Reagor**

**No: 2 – Councilor Cull and Councilor Neal-Clinton**

**RECESS**

*Chair Ryti called for a recess at 10:11 p.m. The meeting reconvened at 10:16 p.m.*

C. Possible Budget Adoption

**A motion was made by Councilor Neal-Clinton, seconded by Councilor Cull, that Council adopt the FY2027 budget in the amount of \$350,220,288 as described in Attachment B, Summary of Changes from Proposed to Adopted Budget, as amended at the budget hearings.**

**She further moved that Council approve the following items related to the adoption of the FY2027 budget:**

- 1. Long Range Financial Projection in Attachment C,**
- 2. Equipment Replacement Schedule in Attachment F,**
- 3. Summary of Pension Fund Administrative Costs in Attachment G,**
- 4. Recurring Grants Schedule in Attachment H,**
- 5. Schedule of Appropriations for Salary Adjustments in Attachment I,**
- 6. FY2027 Department of Public Utilities' Schedule of Funds in Attachment J,**
- 7. Continuing appropriation in the FY2027 budget from the FY2026 budget for the items listed on Attachment L, and**
- 8. Financial Policies Revised in Attachment N.**

**The motion passed with the following vote:**

**Yes: 6 – Councilor Ryti, Councilor Herrmann, Councilor Cull, Councilor Hand, Councilor Havemann, and Councilor Neal-Clinton**

**No: 1 – Councilor Reagor**

## 6. ADJOURNMENT

The meeting adjourned at 10:21 p.m. on Tuesday, April 28, 2026.

INCORPORATED COUNTY OF LOS ALAMOS

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Randall Ryti, Council Chair

Attest:

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Michael D. Redondo, County Clerk

Meeting Transcribed by: Allison Collins, Senior Deputy Clerk

# County Council - Special Meeting on 2026-04-27 6:00 PM - Budget Hearings

Meeting Time: 04-27-26 17:45

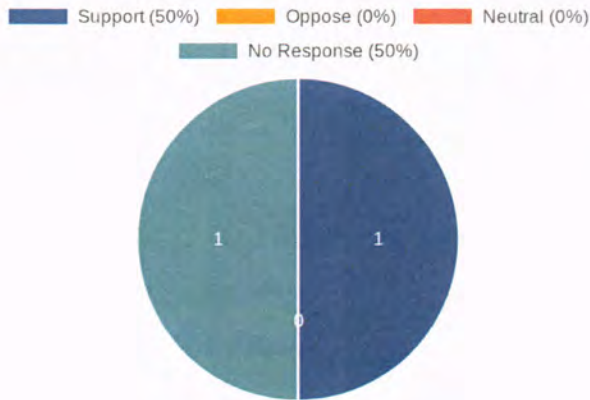
## eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
County Council - Special Meeting on 2026-04-27 6:00 PM - Budget Hearings	04-27-26 17:45	38	2	1	0	0

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

#### Overall Sentiment



# County Council - Special Meeting on 2026-04-27 6:00 PM - Budget Hearings

04-27-26 17:45

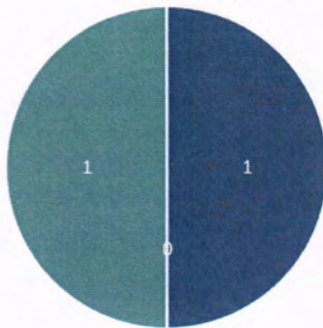
Agenda Name	Comments	Support	Oppose	Neutral
1) 21423-26 FY2027 Budget Hearings and Possible Adoption of FY2027 Budget	2	1	0	0

## Sentiments for All Agenda Items

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

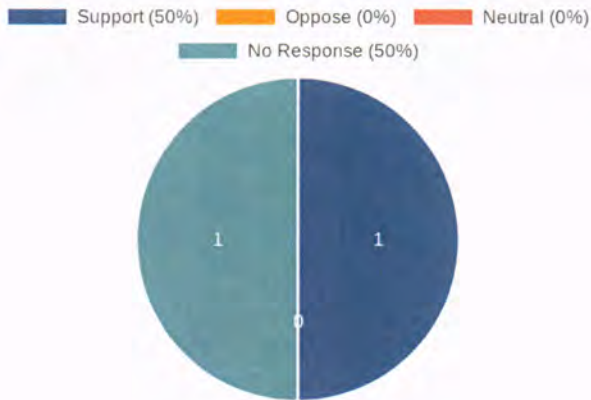
### Overall Sentiment

Support (50%)   Oppose (0%)   Neutral (0%)  
No Response (50%)



Agenda Item: eComments for 1) 21423-26 FY2027 Budget Hearings and Possible Adoption of FY2027 Budget

Overall Sentiment



**Corey Tucker**

Location:  
Submitted At: 8:28am 04-27-26

Dear Council -

I wanted to thank you for including funding for the Bike Park design and build in this year's budget. The mountain bike community has been advocating for bike-specific infrastructure for 20 years. Smaller municipalities across the country, especially in the western US, have Bike Parks and this is much overdue. Please continue to keep both the Bike Park design and build in the final budget.

Corey Tucker  
304 Venado St

**Naly Ramirez Naly Ramirez**

Location:  
Submitted At: 9:53pm 04-24-26

Dear Council,

I am very appreciative of the decision to include the Bike Park design and build in this years budget. My husband and the greater mountain biking community have been advocating for bike-specific infrastructure for many years. My daughters are very excited to hear that they will have a bike park to ride and practice in, and can't wait to do so. Please make sure both Bike Park design and build remain in the final budget. Thank you so much.

Naly Ramirez  
85 Obsidian Loop  
Los Alamos

Los Alamos County Council  
FY2027 Budget Hearings  
April 27, 2026  
Item 3

Dept/Prof-Cont Svcs	FY25 Actual	FY26 Revised Budget	FY27 Proposed	FY27 % of Total
<b>ASD</b>	<b>1,894,546</b>	<b>3,387,771</b>	<b>2,066,106</b>	
ADVERTISING	19,709	24,887	23,828	1.15%
CLAIMS EXPENSES-OTHER	-	200,000	200,000	9.68%
COMMUNICATIONS/FREIGHT-OTHER	504,423	555,071	212,056	10.26%
CONSTRUCTION SERVICES	-	8,755	-	0.00%
CONTRACTUAL SERVICES	723,127	1,582,083	1,253,773	60.68%
MEMBERSHIPS AND DUES	60,065	77,934	96,493	4.67%
OTHER SERVICES/EXPENSES	1,152	1,072	-	0.00%
PRINTING AND BINDING	67,909	100,715	2,325	0.11%
PROF SERVICES TECHNICAL	695	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	165,014	-	0.00%
PROFESSIONAL SERVICES-OTHER	316,965	341,320	103,388	5.00%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	67,382	171,705	37,923	1.84%
TRAVEL AND TRAINING COSTS	133,120	159,215	136,320	6.60%
TUITION REIMBURSEMENT	-	-	-	0.00%
<b>ASSESSOR</b>	<b>64,458</b>	<b>64,153</b>	<b>59,740</b>	
ADVERTISING	354	1,576	1,580	2.64%
COMMUNICATIONS/FREIGHT-OTHER	5,888	6,402	6,000	10.04%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	-	1,022	-	0.00%
MEMBERSHIPS AND DUES	2,754	3,058	2,530	4.24%
OTHER SERVICES/EXPENSES	-	-	-	0.00%
PRINTING AND BINDING	3,020	3,060	3,100	5.19%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	10,278	-	-	0.00%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	-	-	0.00%
TRAVEL AND TRAINING COSTS	42,165	49,035	46,530	77.89%
<b>CDD</b>	<b>5,143,256</b>	<b>15,224,016</b>	<b>9,369,548</b>	
ADVERTISING	14,680	40,917	27,000	0.29%
CLAIMS EXPENSES-OTHER	-	-	-	0.00%
COMMUNICATIONS/FREIGHT-OTHER	9,325	9,241	7,123	0.08%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	4,997,796	14,856,593	9,024,209	96.31%
MEMBERSHIPS AND DUES	7,700	13,748	11,892	0.13%
OTHER SERVICES/EXPENSES	5,850	5,500	5,500	0.06%
PRINTING AND BINDING	35,553	52,098	50,738	0.54%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	41,117	154,330	173,000	1.85%
RENTALS	-	4,456	-	0.00%
REPAIRS/MAINTENANCE	-	-	-	0.00%
TRAVEL AND TRAINING COSTS	31,234	87,133	70,086	0.75%
<b>COUNCIL</b>	<b>233,260</b>	<b>520,611</b>	<b>502,745</b>	
ADVERTISING	6,508	10,300	9,270	1.84%
COMMUNICATIONS/FREIGHT-OTHER	181	-	-	0.00%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	10,600	95,793	300,000	59.67%
MEMBERSHIPS AND DUES	125,151	127,900	133,825	26.62%
OTHER SERVICES/EXPENSES	590	-	-	0.00%
PRINTING AND BINDING	473	-	-	0.00%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	15,991	50,923	27,000	5.37%
PROFESSIONAL SERVICES-OTHER	48,082	203,045	-	0.00%

RENTALS	142	-	-	0.00%
REPAIRS/MAINTENANCE	-	-	-	0.00%
TRAVEL AND TRAINING COSTS	25,543	32,650	32,650	6.49%
<b>COUNTY ATTORNEY</b>	<b>84,967</b>	<b>241,389</b>	<b>240,923</b>	
ADVERTISING	-	318	286	0.12%
COMMUNICATIONS/FREIGHT-OTHER	289	424	382	0.16%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	-	-	-	0.00%
MEMBERSHIPS AND DUES	2,187	3,713	3,342	1.39%
OTHER SERVICES/EXPENSES	-	-	-	0.00%
PRINTING AND BINDING	-	-	-	0.00%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	75,841	221,190	221,190	91.81%
PROFESSIONAL SERVICES-OTHER	-	-	-	0.00%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	212	191	0.08%
TRAVEL AND TRAINING COSTS	6,650	15,532	15,532	6.45%
<b>COUNTY CLERK</b>	<b>47,018</b>	<b>96,578</b>	<b>105,436</b>	
ADVERTISING	16,297	20,327	20,327	19.28%
COMMUNICATIONS/FREIGHT-OTHER	4,744	5,305	5,305	5.03%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	8,320	33,412	38,394	36.41%
MEMBERSHIPS AND DUES	509	1,576	1,800	1.71%
OTHER SERVICES/EXPENSES	553	2,122	2,122	2.01%
PRINTING AND BINDING	-	530	-	0.00%
PROF SERVICES TECHNICAL	1,555	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	2,000	1.90%
PROFESSIONAL SERVICES-OTHER	698	12,306	11,988	11.37%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	198	-	-	0.00%
TRAVEL AND TRAINING COSTS	14,144	21,000	23,500	22.29%
<b>COUNTY MANAGER</b>	<b>14,749,445</b>	<b>26,561,964</b>	<b>18,845,408</b>	
ADVERTISING	59,349	90,152	62,000	0.33%
CLAIMS EXPENSES-AUTO	179,619	196,353	196,353	1.04%
CLAIMS EXPENSES-DENTAL	431,997	460,000	460,000	2.44%
CLAIMS EXPENSES-GENERAL	30,410	74,263	74,263	0.39%
CLAIMS EXPENSES-MEDICAL	8,228,580	9,671,000	8,900,356	47.23%
CLAIMS EXPENSES-OTHER	130,607	220,658	220,658	1.17%
CLAIMS EXPENSES-VISION	87,977	89,000	94,340	0.50%
COMMUNICATIONS/FREIGHT-OTHER	1,874	4,500	2,150	0.01%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	1,973,108	11,410,568	4,237,680	22.49%
INSURANCE (FD 512,73X ONLY)	1,786,432	2,138,481	2,543,636	13.50%
MEMBERSHIPS AND DUES	21,659	26,924	24,988	0.13%
OTHER SERVICES/EXPENSES	8,299	111,208	554	0.00%
PRINTING AND BINDING	891	3,578	2,000	0.01%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	20,233	136,553	15,300	0.08%
PROF SERVICES-OFFICIAL/ADMIN	8,470	54,230	50,800	0.27%
PROFESSIONAL SERVICES-OTHER	1,627,707	1,612,581	1,717,330	9.11%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	3,820	3,000	0.02%
TRAVEL AND TRAINING COSTS	107,674	171,866	240,000	1.27%
TUITION REIMBURSEMENT	44,561	86,229	-	0.00%
<b>COUNTY SHERIFF</b>	<b>6,681</b>	<b>4,901</b>	<b>4,412</b>	
ADVERTISING	1,169	-	-	0.00%
COMMUNICATIONS/FREIGHT-OTHER	-	-	-	0.00%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	-	-	-	0.00%

MEMBERSHIPS AND DUES	320	530	477	10.81%
OTHER SERVICES/EXPENSES	-	212	191	4.33%
PRINTING AND BINDING	-	-	-	0.00%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	132	-	-	0.00%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	128	116	2.63%
TRAVEL AND TRAINING COSTS	5,060	4,031	3,628	82.23%
<b>CSD</b>	<b>9,100,431</b>	<b>11,216,943</b>	<b>11,277,400</b>	
ADVERTISING	5,502	13,414	10,159	0.09%
COMMUNICATIONS/FREIGHT-OTHER	21,845	13,043	16,215	0.14%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	6,747,030	8,463,636	8,695,070	77.10%
INSURANCE (FD 512,73X ONLY)	-	-	-	0.00%
MEMBERSHIPS AND DUES	18,906	26,024	22,247	0.20%
OTHER SERVICES/EXPENSES	1,987	7,500	800	0.01%
PRINTING AND BINDING	36,398	51,421	42,450	0.38%
PROF SERVICES TECHNICAL	4,788	4,200	3,780	0.03%
PROF SERVICES-MEDICAL/DENTAL	12,157	87,550	87,550	0.78%
PROF SERVICES-OFFICIAL/ADMIN	762	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	1,964,535	2,207,216	1,961,535	17.39%
PURCHASED POWER/WATER/GAS	-	-	-	0.00%
RENTALS	47,328	59,324	49,399	0.44%
REPAIRS/MAINTENANCE	128,508	142,700	281,350	2.49%
TRAVEL AND TRAINING COSTS	110,684	140,914	106,845	0.95%
<b>FIRE</b>	<b>1,639,282</b>	<b>3,640,755</b>	<b>1,390,528</b>	
ADVERTISING	6,395	10,000	10,325	0.74%
COMMUNICATIONS/FREIGHT-OTHER	49,538	77,100	60,400	4.34%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	1,011,701	2,369,481	227,000	16.32%
MEMBERSHIPS AND DUES	13,044	35,416	30,724	2.21%
OTHER SERVICES/EXPENSES	89	-	-	0.00%
PRINTING AND BINDING	11,655	15,650	18,650	1.34%
PROF SERVICES TECHNICAL	79	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	900	132,000	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	6,980	70,600	61,613	4.43%
PROFESSIONAL SERVICES-OTHER	144,105	237,779	335,238	24.11%
RENTALS	471	300	1,000	0.07%
REPAIRS/MAINTENANCE	12,300	154,020	130,948	9.42%
TRAVEL AND TRAINING COSTS	382,025	538,409	514,630	37.01%
TUITION REIMBURSEMENT	-	-	-	0.00%
<b>MUNICIPAL COURT</b>	<b>89,668</b>	<b>308,797</b>	<b>151,286</b>	
ADVERTISING	3,677	6,622	5,960	3.94%
COMMUNICATIONS/FREIGHT-OTHER	2,377	530	477	0.32%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	46,414	251,141	97,224	64.27%
MEMBERSHIPS AND DUES	847	1,194	1,075	0.71%
OTHER SERVICES/EXPENSES	-	-	-	0.00%
PRINTING AND BINDING	-	1,803	1,623	1.07%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	-	3,278	2,950	1.95%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	18,829	21,708	21,708	14.35%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	530	477	0.32%
TRAVEL AND TRAINING COSTS	17,525	21,991	19,792	13.08%
<b>POLICE</b>	<b>922,346</b>	<b>1,952,535</b>	<b>1,784,904</b>	
ADVERTISING	17,426	22,000	20,400	1.14%

COMMUNICATIONS/FREIGHT-OTHER	13,991	9,600	8,880	0.50%
CONSTRUCTION SERVICES	-	-	-	0.00%
CONTRACTUAL SERVICES	416,890	1,245,611	1,066,832	59.77%
MEMBERSHIPS AND DUES	14,658	34,400	40,555	2.27%
OTHER SERVICES/EXPENSES	6,573	7,000	15,000	0.84%
PRINTING AND BINDING	335	2,000	3,900	0.22%
PROF SERVICES TECHNICAL	8,484	5,000	4,500	0.25%
PROF SERVICES-MEDICAL/DENTAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	181,798	358,664	344,463	19.30%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	8,098	15,060	18,854	1.06%
TRAVEL AND TRAINING COSTS	254,093	253,200	261,520	14.65%
<b>PROBATE COURT</b>	<b>325</b>	<b>3,112</b>	<b>2,803</b>	
MEMBERSHIPS AND DUES	-	22	22	0.78%
OTHER SERVICES/EXPENSES	-	-	-	0.00%
PRINTING AND BINDING	-	-	-	0.00%
PROF SERVICES TECHNICAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	-	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	-	-	-	0.00%
RENTALS	-	-	-	0.00%
REPAIRS/MAINTENANCE	-	-	-	0.00%
TRAVEL AND TRAINING COSTS	325	3,090	2,781	99.22%
<b>PUBLIC WORKS</b>	<b>8,269,611</b>	<b>22,470,556</b>	<b>13,027,191</b>	
ADVERTISING	20,154	58,731	38,784	0.30%
COMMUNICATIONS/FREIGHT-OTHER	9,958	24,004	21,603	0.17%
CONSTRUCTION SERVICES	-	1,084,628	1,950,000	14.97%
CONTRACTUAL SERVICES	7,176,608	20,209,007	10,096,212	77.50%
MEMBERSHIPS AND DUES	16,849	22,748	19,958	0.15%
OTHER SERVICES/EXPENSES	17,735	106,801	96,121	0.74%
PRINTING AND BINDING	2,956	8,487	7,638	0.06%
PROF SERVICES TECHNICAL	8,922	10,793	11,728	0.09%
PROF SERVICES-MEDICAL/DENTAL	-	-	-	0.00%
PROF SERVICES-OFFICIAL/ADMIN	4,943	-	-	0.00%
PROFESSIONAL SERVICES-OTHER	131,977	262,058	214,537	1.65%
RENTALS	13,372	25,288	20,385	0.16%
REPAIRS/MAINTENANCE	763,270	427,820	349,050	2.68%
TRAVEL AND TRAINING COSTS	102,866	230,193	201,175	1.54%
<b>DEPARTMENT OF PUBLIC UTILITIES</b>	<b>68,092,232</b>	<b>108,457,820</b>	<b>61,681,498</b>	
ADVERTISING	3,374	4,000	4,200	0.01%
COMMUNICATIONS/FREIGHT-OTHER	73,557	25,895	90,757	0.15%
CONSTRUCTION SERVICES	240,973	-	25,000	0.04%
CONTRACTUAL SERVICES	26,795,302	60,219,999	19,520,627	31.65%
INSURANCE (FD 512,73X ONLY)	190,464	194,862	199,988	0.32%
MEMBERSHIPS AND DUES	26,388	500	27,823	0.05%
OTHER SERVICES/EXPENSES	1,107,300	1,221,741	1,073,522	1.74%
PRINTING AND BINDING	3,150	-	1,300	0.00%
PROF SERVICES TECHNICAL	3,289	-	-	0.00%
PROF SERVICES-MEDICAL/DENTAL	2,736	-	1,718	0.00%
PROF SERVICES-OFFICIAL/ADMIN	9,744	12,000	12,600	0.02%
PROFESSIONAL SERVICES-OTHER	79,336	33,829	109,543	0.18%
PURCHASED POWER/WATER/GAS	36,020,946	41,874,427	34,865,044	56.52%
RENTALS	22,384	4,120	7,681	0.01%
REPAIRS/MAINTENANCE	231,470	249,161	900,554	1.46%
TRAVEL AND TRAINING COSTS	110,622	227,009	231,351	0.38%
WHEELING CHARGES	3,171,195	4,390,277	4,609,790	7.47%
<b>Grand Total</b>	<b>110,337,526</b>	<b>150,703,114</b>	<b>103,926,792</b>	

COUNTY-WIDE COMBINED BUDGET - REVENUE AND EXPENDITURE STATEMENT

	FY2024 Actual	FY2025 Actual	FY2026 Adopted	FY 2027 Proposed	\$ Variance FY2027 vs FY2026	% Variance FY2027 vs FY2026
<b>Total beginning fund balance working capital</b>	235,090,983	333,863,475	287,532,439	237,563,457	(46,331,036)	-13.9%
<b>Revenues</b>						
Taxes	118,950,913	98,472,161	106,978,377	123,995,358	17,016,981	17.3%
Intergovernmental	45,879,235	44,715,669	50,020,980	46,579,358	(3,441,622)	-7.7%
User Charges	80,083,337	83,498,465	104,240,085	95,607,399	(8,632,686)	-10.3%
Interdepartmental	40,035,892	41,600,871	47,908,002	45,643,307	(2,264,695)	-5.4%
Investment Income	17,559,932	21,743,418	12,418,415	12,671,903	253,488	1.2%
Debt Proceeds	14,778,924	13,733,082	8,000,000	7,340,000	(660,000)	-4.8%
Other	66,389,898	5,505,655	2,429,236	2,374,854	(54,382)	-1.0%
<b>Total Revenues</b>	<b>383,678,131</b>	<b>309,269,322</b>	<b>331,995,095</b>	<b>334,212,179</b>	<b>2,217,084</b>	<b>0.7%</b>
<b>Transfers from other funds</b>	<b>37,366,327</b>	<b>55,854,561</b>	<b>50,529,107</b>	<b>34,620,635</b>	<b>(15,908,472)</b>	<b>-28.5%</b>
<b>Total sources of funds</b>	<b>656,135,441</b>	<b>698,987,358</b>	<b>670,056,641</b>	<b>606,396,271</b>	<b>(60,022,424)</b>	<b>-8.6%</b>
<b>Expenditures</b>						
County Council	357,013	362,346	445,212	689,037	243,825	67.3%
County Assessor	892,339	967,228	1,041,202	1,103,955	62,753	6.5%
County Clerk	993,200	1,266,774	1,333,520	1,413,467	79,947	6.3%
County Sheriff	16,830	17,133	17,762	18,671	909	5.3%
Municipal Court	778,422	824,283	909,443	945,750	36,307	4.4%
Probate Court	5,649	5,413	8,496	19,149	10,653	196.8%
County Manager	18,089,645	19,514,007	25,468,200	25,120,330	(347,870)	-1.8%
County Attorney	1,403,374	1,282,449	1,500,630	1,659,283	158,653	12.4%
Administrative Services	14,760,527	13,938,435	22,432,928	20,661,021	(1,771,907)	-12.7%
Community Development	5,817,742	16,118,553	17,971,077	18,524,732	553,655	3.4%
Community Services	27,945,253	35,281,458	33,742,152	33,543,026	(199,126)	-0.6%
Fire	49,692,851	50,535,545	56,472,166	58,258,315	1,786,149	3.5%
Police	14,746,589	16,205,258	17,986,071	20,113,136	2,127,065	13.1%
Public Works	45,904,779	44,789,901	69,547,959	64,367,263	(5,180,696)	-11.6%
Utilities	90,934,845	95,328,065	108,739,835	94,688,744	(14,051,091)	-14.7%
Non-Departmental	5,864,253	4,549,159	10,363,787	8,179,409	(2,184,378)	-48.0%
<b>Total Expenditures</b>	<b>278,203,311</b>	<b>300,986,008</b>	<b>367,980,440</b>	<b>349,305,288</b>	<b>(18,675,152)</b>	<b>-6.2%</b>
<b>Transfers to other funds</b>	<b>39,548,601</b>	<b>55,854,561</b>	<b>50,529,107</b>	<b>34,620,635</b>	<b>(15,908,472)</b>	<b>-28.5%</b>
<b>Nonbudgeted Items</b>	<b>(4,520,054)</b>	<b>(8,704,826)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Ending fund balance</b>	<b>333,863,475</b>	<b>333,441,963</b>	<b>251,547,094</b>	<b>222,470,348</b>	<b>(25,438,800)</b>	<b>-7.6%</b>
<b>Total uses of funds</b>	<b>656,135,441</b>	<b>698,987,358</b>	<b>670,056,641</b>	<b>606,396,271</b>	<b>(60,022,424)</b>	<b>-8.6%</b>

**Budget Summary**

	FY2024 Actual	FY2025 Actual	FY2026 Adopted Budget	FY2027 Proposed Budget	% Variance FY2027 vs FY2026	FY2028 Projected Budget	% Variance FY2028 vs FY2027
<b>Expenditures by Program:</b>							
Administration	631,776	605,036	690,567	736,162	7%	758,247	3%
Airport	1,888,891	2,546,505	1,139,396	1,066,548	-6%	1,098,544	3%
Capital Projects and Facilities	4,511,494	5,022,997	6,188,709	6,288,230	2%	6,482,425	3%
Custodial Maintenance	1,715,161	1,721,286	1,900,880	2,023,752	6%	2,084,465	3%
Engineering	1,544,399	1,463,429	2,059,742	2,098,640	2%	2,156,051	3%
Environmental Services	5,490,400	6,705,871	7,207,301	7,412,330	3%	7,773,069	5%
Fleet	5,814,896	5,874,966	8,473,726	8,091,542	-5%	8,394,868	4%
Major Facilities Maint Projects	2,211,642	2,103,497	3,328,466	5,429,283	63%	5,592,161	3%
Traffic & Streets	6,132,966	5,295,127	6,321,556	7,275,860	15%	7,494,136	3%
Transit (Atomic City)	6,337,851	6,505,499	7,245,616	8,415,777	16%	8,668,584	3%
Capital Improvement Projects	9,625,302	6,945,689	24,992,000	15,529,139	-38%	15,465,013	0%
	45,904,779	44,789,901	69,547,959	64,367,263	-7%	65,967,564	2%
<b>Expenditures by Fund:</b>							
General	16,747,439	16,211,372	20,489,920	23,851,927	16%	24,567,485	3%
Fleet	5,814,896	5,874,966	8,473,726	8,091,542	-5%	8,394,868	4%
Transit	6,337,851	6,505,499	7,245,616	8,415,777	16%	8,668,584	3%
Environmental Services	5,490,400	6,705,871	7,207,301	7,412,330	3%	7,773,069	5%
Airport	1,888,891	2,546,505	1,139,396	1,066,548	-6%	1,098,544	3%
State Shared Revenues	-	-	1,000,000	1,000,000	0%	500,000	-50%
Capital Improvement Projects	9,625,302	6,945,689	23,992,000	14,529,139	-39%	14,965,013	3%
	45,904,779	44,789,901	69,547,959	64,367,263	-7%	65,967,564	2%
<b>FTE Summary:</b>							
Regular (full & part time)	144.00	145.00	145.00	146.00	1%	146.00	0%
Limited Term	6.55	6.55	6.55	5.55	-15%	5.55	0%
Temp/Casual	0.00	0.00	0.00	0.50	100%	0.50	0%
	150.55	151.55	151.55	152.05	0%	152.05	0%
<b>FTEs By Division:</b>							
Administration	3.34	3.34	3.34	3.34	0%	3.34	0%
Engineering	10.00	10.00	10.00	8.00	-20%	10.00	25%
Fleet	12.00	12.00	12.00	12.00	0%	12.00	0%
Traffic & Streets	25.00	25.00	25.00	25.00	0%	25.00	0%
Transit	37.97	37.97	37.97	37.97	0%	37.97	0%
Environmental Services	18.24	18.24	18.24	18.24	0%	18.24	0%
Airport	1.00	1.00	1.00	1.50	50%	1.50	0%
Capital Projects and Facilities	24.00	25.00	25.00	27.00	8%	25.00	-7%
Custodial Maintenance	19.00	19.00	19.00	19.00	0%	19.00	0%
	150.55	151.55	151.55	152.05	0%	152.05	0%

*Details on Capital Improvements Projects are provided in the Capital Improvement Program (CIP) Section.*

Los Alamos County Council  
 FY2027 Budget Hearings  
 April 28, 2026  
 Item 5.B.14

**Los Alamos County**  
**FY27 Summary of Changes from Proposed to Adopted Budget**

**Attachment B**

Fund Type	Fund	Department	FY2027 Proposed Expenditure Budget	Changes	FY2027 Adopted Expenditure Budget
<b>GOVERNMENTAL</b>					
General	General Fund	County Council	689,037		\$ 689,037
General	General Fund	County Assessor	732,562		732,562
General	General Fund	County Clerk	1,375,047		1,375,047
General	General Fund	County Sheriff	18,671		18,671
General	General Fund	Municipal Court	815,294		815,294
General	General Fund	Probate Court	19,149		19,149
General	General Fund	County Manager	10,172,026	15,000	10,187,026
General	General Fund	County Attorney	1,659,283		1,659,283
General	General Fund	Administrative Services	17,186,845		17,186,845
General	General Fund	Community Development	4,458,479		4,458,479
General	General Fund	Community Services	21,451,283		21,451,283
General	General Fund	Fire	10,641,437		10,641,437
General	General Fund	Police	19,910,517		19,910,517
General	General Fund	Public Works	23,851,927		23,851,927
<b>General Fund Subtotal</b>			<b>112,981,557</b>	<b>15,000</b>	<b>112,996,557</b>

<b>GOVERNMENTAL</b>					
Special Revenue	State Shared Revenues	Public Works	1,000,000		1,000,000
Special Revenue	Lodger's Tax	Community Development	512,253		512,253
Special Revenue	State Grants	Fire, Police, Community Services, Muni Ct	1,405,652		1,405,652
Special Revenue	Health Care Assistance	Community Services	4,690,226		4,690,226

**Los Alamos County**  
**FY27 Summary of Changes from Proposed to Adopted Budget**

Attachment B

Fund Type	Fund	Department	FY2027 Proposed Expenditure Budget	Changes	FY2027 Adopted Expenditure Budget
Special Revenue	Economic Development	Community Development	12,400,000		12,400,000
Special Revenue	Other Special Revenue	Community Services, Clerk, Assessor	527,813		527,813
Special Revenue	Emergency Declarations	Non Departmental	108,944		108,944
<b>Special Revenue Funds Subtotal</b>			<b>20,644,888</b>	<b>-</b>	<b>20,644,888</b>
<b>GOVERNMENTAL</b>					
Debt Service	Debt Service	Non Departmental	8,179,409		8,179,409
<b>GOVERNMENTAL</b>					
Capital Projects	Capital Improvement Projects	Public Works, Community Development, CSD, ASD	26,257,315		26,257,315
Capital Projects	Capital Projects Permanent	Non Departmental	-		-
<b>PROPRIETARY</b>					
Enterprise	Joint Utilities System	Utilities	94,688,744	900,000	95,588,744
Other Enterprise	Environmental Services	Public Works	7,412,330		7,412,330
Other Enterprise	Transit	Public Works	8,415,777		8,415,777
Other Enterprise	Fire	Fire	46,618,874		46,618,874
Other Enterprise	Airport	Public Works	1,066,548		1,066,548
<b>Other Enterprise Funds Subtotal</b>			<b>63,513,529</b>	<b>900,000</b>	<b>63,513,529</b>
<b>PROPRIETARY</b>					
Internal Service	Fleet	Public Works	8,091,542		8,091,542
Internal Service	Risk Management	County Manager	14,948,304		14,948,304
<b>Internal Services Funds Subtotal</b>			<b>23,039,846</b>	<b>-</b>	<b>23,039,846</b>

**Los Alamos County**  
**FY27 Summary of Changes from Proposed to Adopted Budget**

**Attachment B**

Fund Type	Fund	Department	FY2027 Proposed Expenditure Budget	Changes	FY2027 Adopted Expenditure Budget
<b>County-Wide Total Expenditures</b>			<b>\$ 349,305,288</b>	<b>915,000</b>	<b>\$ 350,220,288</b>

# LONG RANGE FINANCIAL PROJECTION

This Long Range Financial Projection (LRFP) is prepared in accordance with Financial Policies Section IX, Long Range Financial Projection, located in the "Other Information" section. The purpose is to provide a longer-term context for the budget, to clarify and illustrate Council's long-range financial policy direction, and to integrate the estimated long-term operating impacts from transfers from the general fund to fund capital, economic development, housing or other projects into the operating budget projections.

The focus of the LRFP is on the general governmental operations of the County. The Joint Utilities and other proprietary funds are excluded from most of this analysis, with the exception of total County GRT revenues which include Environmental Services and Fire Funds. The LRFP is also modeled based on FY2026 projected ending figures, based on assumptions currently known at the time of budget development, and is subject to change when actual realized audited financial statements are completed.

## Baseline Scenario

The key assumptions built into the baseline LRFP are the following:

### Revenue Assumptions:

1. Charges for services, franchise taxes and interfund/interdepartmental charges are estimated using a simple forecast based upon history. The primary assumptions for each of these lines was that the specific mix of revenues would remain stable over time and that there were no significant plans or other revenue interrelationships that would require a more refined projection model.
2. Grants – The detail for FY2027 was reviewed and those items that were one time in nature or declining were reduced in future years. The base estimate for expected recurring revenues in the General fund is an estimated \$1,488,546 in FY2027. The inflation rate was set at 3% thereafter.
3. Land Sales – The County does not have plans in FY2027 that would involve the sale of County land parcels. Any land sales will be subject to future development plans and subject to Council approval.
4. GRT revenue – The two primary sources of input for GRT revenue projections are the federal budget projections and input from LANL regarding projected spending. While the first input drives the other, it is the spending subject to tax that generates GRT. Over the past year, the County has continued discussions with LANL regarding reductions in the Laboratory's overall tax liability. These changes began to affect County GRT collections in FY2025, which is reflected in the downward trend starting that year. To strengthen long-term revenue stability, the Council adopted a .625% GRT increment during FY2026. This increase takes effect on July 1, 2026, and is incorporated into the financial model shown below. The projected rise in GRT revenues beginning in FY2027 is driven by the new .625% increment, followed by an assumed 3% annual inflationary growth in subsequent years.

The total County GRT revenues are estimated to change as follows (in \$millions):

(in \$millions)													
Actual		Projected											
FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	
107	88	92	113	117	121	123	127	131	135	139	143	147	
11.2%	-18.0%	4.9%	22.3%	3.7%	3.0%	2.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
		* 5/8 Cent GRT		*Admin Fee Rebate									

# LONG RANGE FINANCIAL PROJECTION

5. There are no specific property tax rate adjustments projected. However, if the County chooses to pursue General Obligation Debt for certain purposes, then the associated property tax rate adjustments would be discussed and proposed at that time. **NOTE** – the state’s yield control formula will impact the calculated levied rate, so Council and the public should expect to see some minor rate changes from the state calculation when the rates are certified from the state in September and presented to the Council for adoption.
  
6. If not specifically addressed, revenues are projected to follow either historical trends or historical averages.

Operating Expenditure Assumptions:

1. In FY2028 and beyond, General Fund Expenditures are estimated to inflate annually at an average of 3%.
  
2. Expenditures in other special revenue funds inflate at varying rates of 1% to 3% annually or match projected revenues for specifically required spending by law.
  
3. The total of \$3,050,000 per year transfer from the General Fund to the Economic Development Fund is comprised of \$400,000 per year for the housing loan programs, \$1,250,000 in grants for the Los Alamos Public Schools and University of New Mexico – Los Alamos, and \$1,400,000 in economic development infrastructure and LEDA projects. These recurring transfers are projected to continue through 2036. FY2027 transfers also include additional one-time transfers of \$5,010,000 in support of economic development infrastructure and LEDA projects.
  
4. FY2027 and forward includes planned operational costs within Community Services for small capital purchases, and Public Works for major facilities maintenance needs in the General Fund for capital projects under construction and for planned future projects.

The following table illustrates the projected outcomes of combined governmental funds:

<b>Governmental Activities Summary (in \$ millions)</b>													
	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>	<u>FY2032</u>	<u>FY2033</u>	<u>FY2034</u>	<u>FY2035</u>	<u>FY2036</u>
Total beginning fund balance	173	209	210	145	131	130	130	134	138	143	153	164	178
Revenues and other sources	187	182	267	184	192	190	193	195	202	204	210	214	220
Expenditures and other uses	(151)	(181)	(332)	(198)	(193)	(190)	(189)	(191)	(197)	(194)	(199)	(200)	(206)
Total ending fund balance	209	210	145	131	130	130	134	138	143	153	164	178	192

The projected fund balance fluctuation from FY2025 to FY2026 is primarily due to the decline in GRT revenues, and the draw down of fund balance to cover budgeted expenditures. The projected revenue and expenditure increases in FY2026 reflect the inclusion of \$75 million in bond proceeds and the associated bond-funded project costs. Normal inflation of 3% growth is built in for out years. This projection can be affected by many factors but especially if any decrease in GRT is realized.

# LONG RANGE FINANCIAL PROJECTION

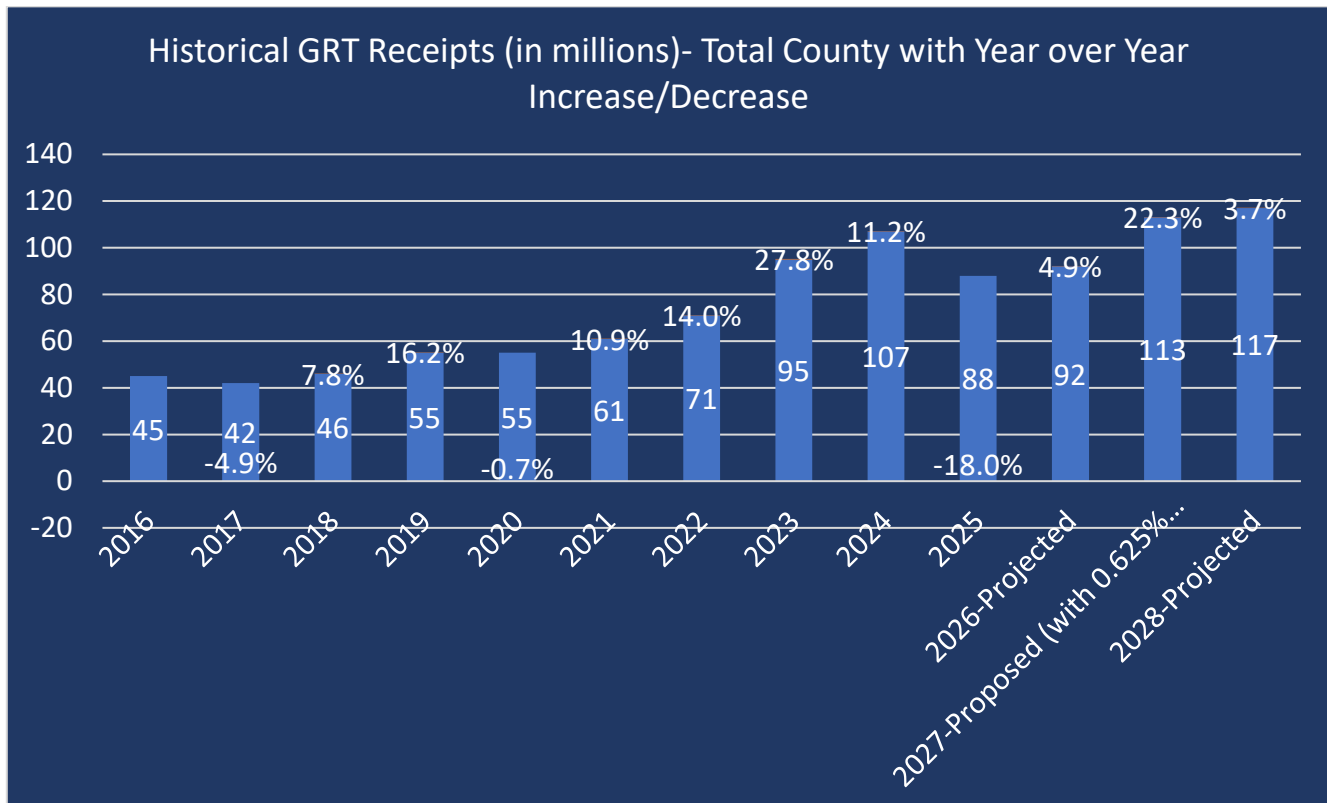
## Financial Risks and Mitigation Strategies

The most significant risk inherent in this LRFP is that projected GRT tax revenue from LANL decreases substantially (either the taxable status of the contractor or the spending/tax exemption changes and/or the nature and size of LANL operations changes, and/or State tax law changes unfavorably).

The Council’s regional strategy to pursue a State legislative change in 2019 was successful and has alleviated the risk associated with the tax status of the LANL contractor. Under the new law, any federal or state lab contractor will be subject to GRT, regardless of non-profit status. Another element used by the County is to have a relatively conservative policy for fund balance targets. This enables the County to have some lead time to react to unexpected GRT changes.

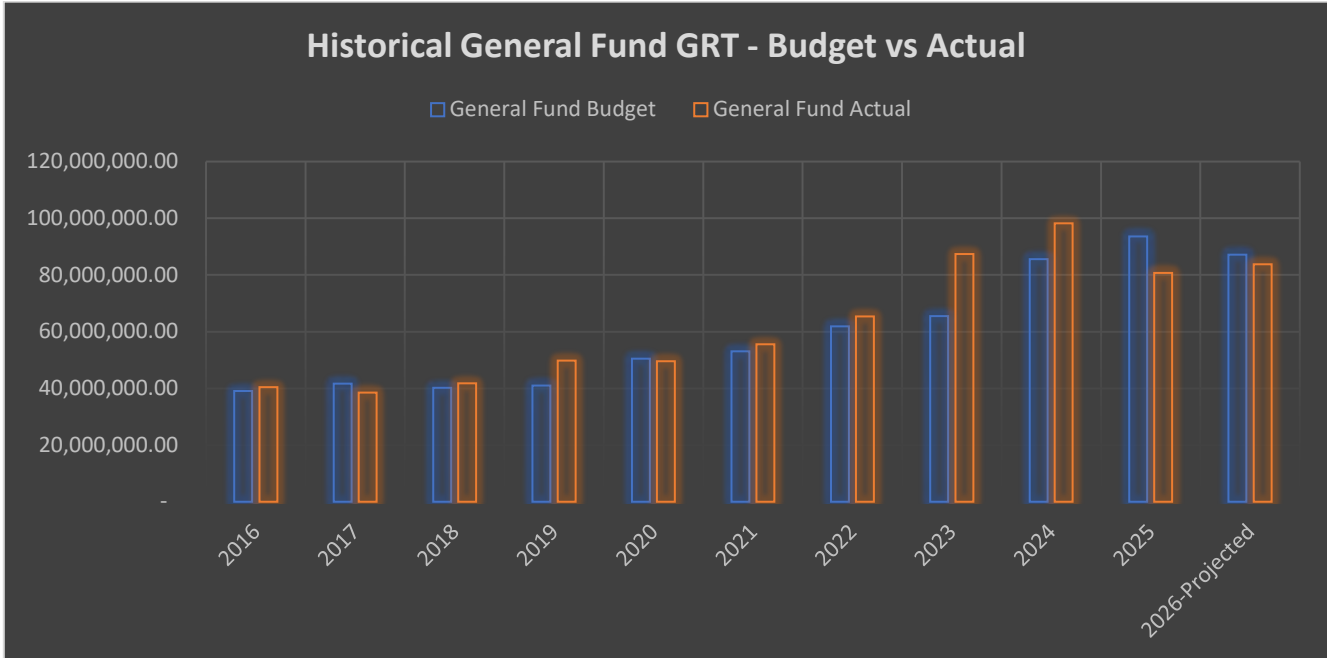
Beginning in FY2027 and proposed in this LRPF, an additional 5 percent has been added for a total of a 25 percent reserve target of unassigned ending General Fund balance. This additional reserve target provides for more resilience in years of GRT volatility. In addition, a basic tenet of the County’s ongoing budget development processes is to find efficiencies where possible, realign personnel with changing operations, and take measures in reducing recurring operating costs where possible.

The County experienced a notable decline in Gross Receipts Tax (GRT) revenues in FY2025, reflecting an 18% decrease from the prior year. To support a more resilient revenue base moving forward, the Council approved a 0.625 cent GRT increment effective July 1, 2026. This adjustment is incorporated into the financial projections beginning in FY2027 and is expected to provide a meaningful boost to recurring revenues. The increment helps offset recent volatility and positions the County to maintain service levels, invest in priority initiatives, and plan for future capital needs or to fund future strategic initiatives with greater predictability. A visual of the historical GRT receipts that have been received is presented below:



# LONG RANGE FINANCIAL PROJECTION

Part of the County’s resiliency in managing fluctuating GRT revenues has been due to the approach of carefully budgeting revenues conservatively in times of growth and balancing spending to achieve positive results in ending fund balance. This has significantly contributed to healthy reserves building up over the past four years. Beginning in FY2025, the County did spend down reserves with an operating shortfall of \$7.8 million. The County projects to continue to spend down reserves in FY2026 with a projected operating shortfall of an estimated \$23 million. Below are historical General Fund budgeted vs actual GRT revenues:



## SUMMARY

The purpose of the LRFP is to illustrate the potential long-term impacts of operating and capital plans from a comprehensive perspective. The Capital Improvement Program, implemented as a whole and based upon the stated assumptions, is projected to generate positive economic benefit and to improve the quality of life for the community, although there are risks that will need to be managed carefully. In this LRFP, fiscal year 2026 includes \$40 million in bond proceeds for the Broadband project and \$35 million in bond proceeds to fund various other capital projects. FY2027 proposes transfers from the General Fund in the amount of \$9.4 million, and another \$36 million in fiscal years 2028 and 2029 to catch up with the new GRT increment needed to support the proposed level of projects proposed. Some of the large projects that have been either removed or deferred to later years include the North Mesa Recreation Space, Social Services Facility and Fire Station 6. The ability to fund the capital plan relies on the excess unassigned fund balance in the General Fund after operating expenditures and reserve targets have been met. This excess fund balance after meeting targeted reserves provides additional capacity for other projects that become available over the long-term and will be revisited each fiscal year to budget for long term capital and economic plans accordingly.

### FY 2027 Equipment Replacement

Unit#	Division	Year of Unit	DESCRIPTION			Equipment Fund Budget
				Full Cost	Depart Budget	
1256	Police	2017	SM SUV Unmarked	\$75,000.00	\$25,000.00	\$50,000.00
1291	Police	2017	Pickup Marked	\$134,000.00	\$35,000.00	\$99,000.00
1292	Police	2018	Pickup Marked	\$134,000.00	\$35,000.00	\$99,000.00
1308	Police	2019	Pickup Marked	\$134,000.00	\$35,000.00	\$99,000.00
1341	Police	2020	Pickup Marked	\$134,000.00	\$35,000.00	\$99,000.00
1138	Assessor	2011	Mid-Size SUV			\$47,000.00
1167	Library	2012	Mid-Size SUV			\$47,000.00
3039	Parks	2005	Walk Behind Aerator			\$5,500.00
1197	Parks	2014	Pickup 1T Dump Body, tommy lift W/ plow set up			\$88,000.00
3054	Parks	2006	Turf Track, Debris Vacuum			\$62,000.00
3196	Parks	2013	Mower, Riding, Rough cut 4700D			\$123,000.00
3283	Parks	2017	Mower, Riding Rough cut			\$19,000.00
3263	Parks	2016	Sod Cutter			\$6,700.00
3282	Custodial	2017	ATV W/ Plow			\$8,800.00
1277	Fire	2018	Pickup Crew Cab W/ Camper			\$82,000.00
3205	Fire	2012	UTV Side by Side			\$22,000.00
3217	Golf	2014	Workman Turf Truck			\$16,000.00
3218	Golf	2014	Workman Turf Truck			\$16,000.00
3154	Golf	2011	UTV Side by Side			\$16,000.00
3157	Golf	2011	Sand Pro Groomer W Drag			\$25,500.00
3152	Golf	2011	Turf Sprayer 1750			\$67,000.00
3268	Golf	2016	Mower Riding Rough cut 4500			\$125,000.00
1205	Traffic and Streets	2015	Pickup, 1T Ext Cab W/ Utility Body			\$70,000.00
1095	Traffic and Streets	2009	Pickup 3/4 Crew Cab 4x4 W/ Wing Plow Set up			\$73,000.00
1150	Traffic and Streets	2013	Dump Truck 5YD			\$300,000.00
3168	Traffic and Streets	2012	Spreader 5YD			
3207	Traffic and Streets	2014	Plow 10 FT			
<b>Department Portion</b>						<b>\$165,000.00</b>
<b>Fleet Replacement Sub Total</b>						<b>\$1,665,500.00</b>

\* Police Grant will fund Cameras, Radios, Laptops, Gun Locks, and any additional items that are not part of the original replacement.

Unit#	Description	Year	Full Cost	In ECO Fund Budget	In Equipment Fund budget
1271	Refuse Truck Side Loader	2018			\$490,000.00
3135	Water Trailer 1000 Gallon	2010			\$13,500.00
3213	Loader Tool Carrier	2009			\$380,000.00
<b>Fleet Replacement Sub Total</b>					<b>\$883,500.00</b>

Utilities			Full Cost	In Utilities Fund Budget	In Equipment Fund budget
1235	Pickup 1T Ext Cab Utility Bed	2016			\$68,000.00
1236	Pickup 1T Ext Cab Utility Bed	2016			\$68,000.00
1242	Pickup 1/2T Ext. Cab	2016			\$47,000.00
1243	SUV SM	2016			\$47,000.00
1247	Pickup 1T Ext Cab Utility Bed W Tommy Lift	2016			\$75,000.00
17	Trailer Flat bed	1995			\$12,000.00
32	Welder Trailer Mounted	1994			\$30,000.00
<b>Fleet Replacement Sub Total</b>					<b>\$347,000.00</b>

Buses are grant funded, the grant funded portion resides in the Transit Budget. Replacement cost is split between the Transit Fund and The Equipment Fund.					
			Full Cost	In Transit Fund Budget	In Equipment Fund budget
4012	Bus Medium	2001	\$771,000.00	\$758,000.00	\$13,000.00
4123	Bus Medium	2014	\$771,000.00	\$698,000.00	\$73,000.00
4082	Mini Van	2008			\$47,000.00
			<b>Department Total</b>		<b>\$1,456,000.00</b>
<b>Fleet Replacement Subtotal</b>					<b>\$133,000.00</b>
<b>Fleet Equipment Fund Grand Total</b>					<b>\$3,029,000.00</b>

## PENSION FUND BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Projected Budget	FY 2027 Proposed Budget	Variance FY 2027 vs FY 2026
<b>Over (under funding carryover)</b>	\$ 163,949	187,297	252,433	305,283	21%
<b>Revenues:</b>					
Participant/Management Fees and Interest	171,162	213,848	200,000	206,000	3%
<b>Expenditures:</b>					
Administrative (trustee) Fees	141,221	144,310	137,304	138,000	1%
Legal and Audit Fees	6,593	4,402	9,846	10,141	3%
<b>Expenditures</b>	147,814	148,712	147,150	148,141	1%
<b>Over (under) funding of pension costs</b>	\$ 187,297	252,433	305,283	363,141	19%

The ***Pension Fund*** accounts for participant fees paid by employees and the costs for administrative, legal and audit fees of the pension. In FY2019, the County contracted with a new investment advisor. Under this new arrangement, the plan receives fees from the investment funds which combined with participant fees are used to pay the administrative, legal and audit fees of the plan. In prior years, the majority of the administrative fees were paid direct to the investment advisor and not reflected in this statement.

Budgets are generally not presented for Pension Trust Funds under current accounting standards. The FY2027 proposed budget for administrative costs are being presented here for Council approval, however it will not be listed as a formal part of the final budget that is adopted.

**Schedule of Recurring Grants  
Estimates for FY2027**

<b>Dept/Div</b>	<b>Funding Source</b>	<b>Grant Description</b>	<b>Amount</b>
Fire	NMPRC	Fire Protection Fund	\$ 998,004
Muni Court	NMDFA	DWI Distribution and Grant Program	130,456
<b>Community Services</b>			
	NMCYFD	Juvenile Justice Advisory Board	965,693
	NMDCA	Library Go Bonds	28,620
	NMSL	Library State Grant	14,570
	NMDOH	Community Health Council	74,573
<b>Police</b>			
	NMDHSEM	State Homeland Security Grant Program	521,787
	NMDFA	Law Enforcement Protection Fund	153,500
	NMPS	Law Enforcement Retention Fund	49,118
	NMCVRC	VAWA	27,007
	NMDFA	E911	376,674
	USDOJ	Bulletproof Vest Program	13,000
<b>Transit</b>			
	NMDOT	Transit 5311 (Admin/Operations Only)	5,605,740
	NMDOT	Transit 5310 Capital Grant	198,803
	USDOI	National Park Service - Bandelier Service	222,447
<b>Public Works</b>			
	NMDOT	School Bus Route Program	224,151
	NMDOT	County Arterial Program	28,753
	NMDOT	Cooperative Program	175,598
	NMDOT	Municipal Arterial Program	150,000

**Total** **\$ 9,958,494**

*Approval of this schedule authorizes the Department to apply for the grant. If the actual grant award is different from the amount included in the budget, a midyear budget revision will be presented to Council at a later date. For grant awards over \$300,000, Council approval is required before acceptance by the County Manager or Utilities Manager.*

**FY2027 Proposed Budget  
Schedule of Appropriations for Salary Adjustments**

<b>Group</b>	<b>In Accordance With</b>	<b>Estimated Costs</b>
Non-union employees	Per Compensation Policy or Employment Contract	\$ 1,727,261
Association of Plumbers & Pipefitters - Local 412	Collective Bargaining Agreement (July 1, 2021 to June 30, 2026)	-
Firefighters' Association Local 3279	Collective Bargaining Agreement (July 1, 2025 to June 30, 2029)	1,724,227
IBEW - Local 611 Utilities	Collective Bargaining Agreement (Oct. 1, 2024 to Sep. 30, 2027)	34,238
IBEW - Local 611 Public Works	Collective Bargaining Agreement (May 6, 2024 to June 30, 2027)	12,069
Police Union AFL-CIO, Local 14	Collective Bargaining Agreement (July 1, 2020 to June 30, 2025)	277,251
<b>TOTAL</b>		<b>\$ 3,775,046</b>

## Schedule of Funds



[LADPU.com/DPU](http://LADPU.com/DPU)



**LOS ALAMOS**  
Department of Public Utilities

**Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 Budget**

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
<b>Beginning Cash - Unrestricted per FY25 ACFR</b>	\$ 52,156,424	\$ (4,238,636)	\$ (120,873)	\$ 7,336,376	\$ 955,968	\$ 4,285,298	\$ 60,374,558
<b>Beginning Cash - Restricted Including Reserves per FY25 ACFR</b>	\$ 12,285,633	\$ 7,435,568	\$ 1,000,000	\$ 4,600,762	\$ -	\$ 652,613	\$ 25,974,576
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 64,442,057</b>	<b>\$ 3,196,933</b>	<b>\$ 879,127</b>	<b>\$ 11,937,138</b>	<b>\$ 955,968</b>	<b>\$ 4,937,911</b>	<b>\$ 86,349,135</b>
<b>Beginning Cash - Unrestricted per FY26 Projected</b>	\$ 50,759,570	\$ (9,898,325)	\$ (2,481,950)	\$ 2,524,541	\$ (1,699,740)	\$ (367,074)	\$ 38,837,023
<b>Beginning Cash - Restricted Including Reserves per FY26 Projected</b>	\$ 13,724,633	\$ 7,435,568	\$ 1,000,000	\$ 4,600,762	\$ -	\$ 652,613	\$ 27,413,576
<b>Total Cash Per FY26 Projected</b>	<b>\$ 64,484,203</b>	<b>\$ (2,462,757)</b>	<b>\$ (1,481,950)</b>	<b>\$ 7,125,303</b>	<b>\$ (1,699,740)</b>	<b>\$ 285,539</b>	<b>\$ 66,250,599</b>
Total Budgeted Revenue <i>(including transfers-in/grants/loans)</i> FY27	42,674,739	24,676,674	7,750,375	4,792,039	9,476,848	9,658,305	99,028,981
Intrafund Charges/Commodities FY27	9,344,537	(9,344,537)	(2,830,177)	4,588,272	(4,588,272)	-	(2,830,177)
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>							
1. Current Operations Budget (Including Normal Maintenance) Expense	(49,196,380)	(7,492,673)	(3,500,636)	(5,245,395)	(3,695,078)	(6,375,657)	(75,505,819)
2. Bond & Other Debt Service Expense	(416,362)	(1,161,971)	-	(926,593)	-	(2,147,709)	(4,652,635)
3b. Capital Plan for FY2027 - Replacement Expense	-	-	-	-	-	-	-
4a. Franchise Fee (paid to the General Fund) Expense		(502,784)	(115,829)	-	-	-	(618,613)
4b. In Lieu Taxes (paid to the General Fund) Expense	(8,500)	(136,000)	(62,000)	-	-	-	(206,500)
5. Capital Additions and Improvements for FY2027 - Capital Expense	(200,000)	(3,485,000)	(135,000)	(3,635,000)	(1,235,000)	(2,185,000)	(10,875,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>							
3a. Replacement Reserve <i>(Capital Expenditures Reserve)</i> Net Addition/Reduction							
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve							
w. Net Add/Reduction - Util Operating Reserve							
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	39,000						
y. Net Add/Reduction - Util Rate Stabilization Reserve							
z. Net Add/Reduction - Util Contingency Reserve							
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	(39,000)	-	-	-	-	-	(39,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(49,821,242)	(22,122,964)	(6,643,642)	(9,806,988)	(9,518,350)	(10,708,366)	(108,621,552)
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ 2,198,034	\$ 2,553,710	\$ 1,106,733	\$ (426,677)	\$ (41,502)	\$ (1,050,061)	\$ 4,340,238
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	- (2,000,000)	(893,217)	(361,009)	-	-	-	(1,254,226) (2,000,000)
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ 198,034	\$ 1,660,493	\$ 745,724	\$ (426,677)	\$ (41,502)	\$ (1,050,061)	\$ 1,086,012
<b>Projected Ending Cash - Unrestricted FY27 Proposed</b>	<b>\$ 50,918,605</b>	<b>\$ (8,237,833)</b>	<b>\$ (1,736,226)</b>	<b>\$ 2,097,864</b>	<b>\$ (1,741,242)</b>	<b>\$ (1,417,134)</b>	<b>\$ 39,884,034</b>
<b>Projected Ending Cash - Restricted FY27 Proposed</b>	<b>\$ 13,763,633</b>	<b>\$ 7,435,568</b>	<b>\$ 1,000,000</b>	<b>\$ 4,600,762</b>	<b>\$ -</b>	<b>\$ 652,613</b>	<b>\$ 27,452,576</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 Budget

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
Total Projected Ending Cash FY27 Proposed	\$ 64,682,238	\$ (802,264)	\$ (736,226)	\$ 6,698,627	\$ (1,741,242)	\$ (764,521)	\$ 67,336,611
Funded Reserve Balances	\$ 13,763,633	\$ 7,435,568	\$ 1,000,000	\$ 4,600,762	\$ -	\$ 652,613	\$ 27,452,576
Reserve Targets	\$ 14,847,137	\$ 14,626,522	\$ 2,597,533	\$ 5,999,891	\$ 5,478,311	\$ 6,856,086	\$ 50,405,479
Total Reserves Over<Under> Target	\$ (1,083,504)	\$ (7,190,953)	\$ (1,597,533)	\$ (1,399,129)	\$ (5,478,311)	\$ (6,203,473)	\$ (22,952,903)

**Schedule of Funds  
 FY2027 Budget**

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>							
Beginning Balance FY2025 ACFR	1,829,600	4,142,300	1,000,000	2,246,500	-	313,313	9,531,713
Net Change in Reserve FY2026 to be booked June 30	1,400,000	-	-	-	-	-	1,400,000
Projected Balance FY2026	3,229,600	4,142,300	1,000,000	2,246,500	-	313,313	
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	3,229,600	4,142,300	1,000,000	2,246,500	-	313,313	10,931,713
<b>TARGET FY2027</b>	<b>4,666,441</b>	<b>3,984,414</b>	<b>1,802,448</b>	<b>2,570,244</b>	<b>1,810,588</b>	<b>3,124,072</b>	<b>17,958,206</b>
<b>Debt Service Reserve (as required by loan docs)</b>							
Beginning Balance FY2025 ACFR	626,194	1,435,568	-	158,531	-	-	2,220,293
Net Change in Reserve FY2026 to be booked June 30	-	-	-	-	-	-	-
Projected Balance FY2026	626,194	1,435,568	-	158,531	-	-	
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	626,194	1,435,568	-	158,531	-	-	2,220,293
<b>TARGET FY2027</b>	<b>413,957</b>	<b>1,155,372</b>	<b>-</b>	<b>991,924</b>	<b>118,665</b>	<b>2,230,912</b>	<b>4,910,830</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>							
Beginning Balance FY2025 ACFR	9,521,439	-	-	-	-	-	9,521,439
Net Change in Reserve FY2026 to be booked June 30	39,000	-	-	-	-	-	39,000
Projected Balance FY2026	9,560,439	-	-	-	-	-	
Budgeted Additions to the Reserve FY2027	39,000	-	-	-	-	-	39,000
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	9,599,439	-	-	-	-	-	9,560,439
<b>TARGET FY2027</b>	<b>9,521,439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,521,439</b>
<b>Capital Expenditures Reserve</b>							
Beginning Balance FY2025 ACFR	308,400	1,257,700	-	1,745,731	-	-	3,311,831
Net Change in Reserve FY2026 to be booked June 30	-	-	-	-	-	-	-
Projected Balance FY2026	308,400	1,257,700	-	1,745,731	-	-	
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	308,400	1,257,700	-	1,745,731	-	-	3,311,831
<b>TARGET FY2027 (annual deprec + 2.5%)</b>	<b>245,300</b>	<b>1,384,184</b>	<b>525,085</b>	<b>1,937,724</b>	<b>655,087</b>	<b>1,001,102</b>	<b>5,748,481</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>							
Beginning Balance FY2025 ACFR	-	-	-	-	-	-	-
Net Change in Reserve FY2026 to be booked June 30	-	-	-	-	-	-	-
Projected Balance FY2026	-	-	-	-	-	-	-
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	-	-	-	-	-	-	-
<b>TARGET FY2027</b>	<b>-</b>	<b>7,484,552</b>	<b>-</b>	<b>-</b>	<b>2,693,971</b>	<b>-</b>	<b>10,178,524</b>

**Schedule of Funds  
 FY2027 Budget**

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>							
Beginning Balance FY2025 ACFR	-	600,000	-	450,000	-	339,300	1,389,300
Net Change in Reserve FY2026 to be booked June 30	-	-	-	-	-	-	-
Projected Balance FY2026	-	600,000	-	450,000	-	339,300	-
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	-	600,000	-	450,000	-	339,300	1,389,300
<b>TARGET FY2027</b>	-	<b>618,000</b>	<b>270,000</b>	<b>500,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,088,000</b>
<b>Bond Proceeds Restricted</b>							
Beginning Balance FY2025 ACFR	-	-	-	-	-	-	-
Net Change in Reserve FY2026 to be booked June 30	-	-	-	-	-	-	-
Projected Balance FY2026	-	-	-	-	-	-	-
Budgeted Additions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	-	-	-	-	-	-	-
<b>TARGET FY2027</b>	-	-	-	-	-	-	-
<b>TOTAL RESERVES/RESTRICTED CASH</b>							
Beginning Balance FY2025 ACFR	12,285,633	7,435,568	1,000,000	4,600,762	-	652,613	25,974,576
Net Change in Reserve FY2026 to be booked June 30	1,439,000	-	-	-	-	-	1,439,000
Projected Balance FY2026	13,724,633	7,435,568	1,000,000	4,600,762	-	652,613	-
Budgeted Additions to the Reserve FY2027	39,000	-	-	-	-	-	39,000
Budgeted Reductions to the Reserve FY2027	-	-	-	-	-	-	-
Budgeted Balance FY2027	13,763,633	7,435,568	1,000,000	4,600,762	-	652,613	27,452,576
<b>TARGET FY2027</b>	<b>14,847,137</b>	<b>14,626,522</b>	<b>2,597,533</b>	<b>5,999,891</b>	<b>5,478,311</b>	<b>6,856,086</b>	<b>50,405,479</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(1,083,504)</b>	<b>(7,190,953)</b>	<b>(1,597,533)</b>	<b>(1,399,129)</b>	<b>(5,478,311)</b>	<b>(6,203,473)</b>	<b>(22,952,903)</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 Budget**

See 10-Year Capital Plan for Detailed Listing of Projects

	<b>Electric Prod</b>	<b>Elec Dist</b>	<b>Gas</b>	<b>Water Prod</b>	<b>Water Dist</b>	<b>Wastewater</b>	<b>TOTAL</b>
Capital Projects Funded through Reserve or Unrestricted Cash	200,000	1,985,000	135,000	995,000	35,000	185,000	3,535,000
Capital Projects Funded through Debt	-	-	-	1,056,000	924,000	1,500,000	3,480,000
Capital Projects Funded through Grants	-	1,500,000	-	1,584,000	276,000	500,000	3,860,000
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>200,000</b>	<b>3,485,000</b>	<b>135,000</b>	<b>3,635,000</b>	<b>1,235,000</b>	<b>2,185,000</b>	<b>10,875,000</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>ELECTRIC PRODUCTION</b>										
Beginning Cash - Unrestricted per FY25 ACFR	\$ 52,156,424									
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ 12,285,633									
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 64,442,057</b>									
Beginning Cash - Unrestricted per FY26 Projected	\$ 50,759,570	\$ 50,918,605	\$ 51,083,284	\$ 51,044,284	\$ 51,005,284	\$ 50,966,284	\$ 50,927,284	\$ 50,888,284	\$ 50,849,284	\$ 50,810,284
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ 13,724,633	\$ 13,763,633	\$ 13,802,633	\$ 13,841,633	\$ 13,880,633	\$ 13,919,633	\$ 13,958,633	\$ 13,997,633	\$ 14,036,633	\$ 14,075,633
<b>Total Cash Per FY26 Projected</b>	<b>\$ 64,484,203</b>	<b>\$ 64,682,238</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>
Total Budgeted Revenue (including transfers-in/grants/loans)	42,674,739	70,773,909	78,669,290	84,877,820	82,182,929	110,640,094	104,086,749	102,672,452	101,511,961	87,974,679
Intrafund Charges/Commodities	9,344,537	11,467,654	13,406,368	15,988,242	16,514,948	15,605,872	15,869,764	15,991,054	17,126,211	13,401,027
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(49,196,380)	(78,565,427)	(88,559,265)	(97,151,870)	(96,339,377)	(124,237,466)	(117,948,013)	(116,655,006)	(116,629,672)	(99,367,206)
2. Bond & Other Debt Service Expense	(416,362)	(413,957)	(407,893)	(400,692)	-	-	-	-	-	-
3b. Capital Plan for FY2027 - Replacement Expense	-	-	-	-	-	-	-	-	-	-
4a. Franchise Fee (paid to the General Fund) Expense	-	-	-	-	-	-	-	-	-	-
4b. In Lieu Taxes (paid to the General Fund) Expense	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(200,000)	(1,050,000)	(1,100,000)	(1,305,000)	(350,000)	-	-	-	-	-
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	-	-	-	-	-	-
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	-	-	-	-	-	-
w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	-	-	-	-	-
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-	-	-	-
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A (39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	2,198,034	2,203,679	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ 2,198,034	\$ 2,203,679	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ 198,034	\$ 203,679	\$ (0)	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Projected Ending Cash - Unrestricted</b>	<b>\$ 50,918,605</b>	<b>\$ 51,083,284</b>	<b>\$ 51,044,284</b>	<b>\$ 51,005,284</b>	<b>\$ 50,966,284</b>	<b>\$ 50,927,284</b>	<b>\$ 50,888,284</b>	<b>\$ 50,849,284</b>	<b>\$ 50,810,284</b>	<b>\$ 50,771,284</b>
<b>Projected Ending Cash - Restricted</b>	<b>\$ 13,763,633</b>	<b>\$ 13,802,633</b>	<b>\$ 13,841,633</b>	<b>\$ 13,880,633</b>	<b>\$ 13,919,633</b>	<b>\$ 13,958,633</b>	<b>\$ 13,997,633</b>	<b>\$ 14,036,633</b>	<b>\$ 14,075,633</b>	<b>\$ 14,114,633</b>
<b>Total Projected Ending Cash</b>	<b>\$ 64,682,238</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>	<b>\$ 64,885,916</b>
<b>Funded Reserve Balances</b>	<b>\$ 13,763,633</b>	<b>\$ 13,802,633</b>	<b>\$ 13,841,633</b>	<b>\$ 13,880,633</b>	<b>\$ 13,919,633</b>	<b>\$ 13,958,633</b>	<b>\$ 13,997,633</b>	<b>\$ 14,036,633</b>	<b>\$ 14,075,633</b>	<b>\$ 14,114,633</b>
<b>Reserve Targets</b>	<b>\$ 14,847,137</b>	<b>\$ 13,375,347</b>	<b>\$ 13,757,782</b>	<b>\$ 13,721,326</b>	<b>\$ 13,649,216</b>	<b>\$ 14,735,948</b>	<b>\$ 14,496,038</b>	<b>\$ 14,456,249</b>	<b>\$ 14,463,538</b>	<b>\$ 13,774,526</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>\$ (1,083,504)</b>	<b>\$ 427,285</b>	<b>\$ 83,850</b>	<b>\$ 159,306</b>	<b>\$ 270,417</b>	<b>\$ (777,315)</b>	<b>\$ (498,405)</b>	<b>\$ (419,616)</b>	<b>\$ (387,905)</b>	<b>\$ 340,107</b>

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036  
 ELECTRIC PRODUCTION

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint)</b>										
Beginning Balance	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600	3,229,600
<b>TARGET</b>	<b>4,666,441</b>	<b>3,194,583</b>	<b>3,577,933</b>	<b>3,935,726</b>	<b>3,857,012</b>	<b>4,936,975</b>	<b>4,690,126</b>	<b>4,643,225</b>	<b>4,643,225</b>	<b>3,946,741</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194	626,194
<b>TARGET</b>	<b>413,957</b>	<b>407,893</b>	<b>400,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	9,560,439	9,599,439	9,638,439	9,677,439	9,716,439	9,755,439	9,794,439	9,833,439	9,872,439	9,911,439
Budgeted Additions to the Reserve	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Budgeted Reductions to the Reserve										
Budgeted Balance	9,599,439	9,638,439	9,677,439	9,716,439	9,755,439	9,794,439	9,833,439	9,872,439	9,911,439	9,950,439
<b>TARGET</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>	<b>9,521,439</b>
<b>Capital Expenditures Reserve (annual deprec + 2.5%)</b>										
Beginning Balance	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400	308,400
<b>TARGET (annual deprec + 2.5%)</b>	<b>245,300</b>	<b>251,433</b>	<b>257,718</b>	<b>264,161</b>	<b>270,765</b>	<b>277,534</b>	<b>284,473</b>	<b>291,585</b>	<b>298,874</b>	<b>306,346</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule of Funds  
 FY2027 to FY2036  
 ELECTRIC PRODUCTION

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	-	-	-	-	-	-	-	-	-	-
<b>Bond Proceeds Restricted</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	13,724,633	13,763,633	13,802,633	13,841,633	13,880,633	13,919,633	13,958,633	13,997,633	14,036,633	14,075,633
Budgeted Additions to the Reserve	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	13,763,633	13,802,633	13,841,633	13,880,633	13,919,633	13,958,633	13,997,633	14,036,633	14,075,633	14,114,633
<b>TARGET</b>	14,847,137	13,375,347	13,757,782	13,721,326	13,649,216	14,735,948	14,496,038	14,456,249	14,463,538	13,774,526
<b>Total Reserves Over&lt;Under&gt; Target</b>	(1,083,504)	427,285	83,850	159,306	270,417	(777,315)	(498,405)	(419,616)	(387,905)	340,107

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

**ELECTRIC PRODUCTION**

	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	200,000	1,050,000	1,100,000	1,305,000	350,000	-	-	-	-	-
Capital Projects Funded through Debt	-	-	-	-	-	-	-	-	-	-
Capital Projects Funded through Grants	-	-	-	-	-	-	-	-	-	-
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>200,000</b>	<b>1,050,000</b>	<b>1,100,000</b>	<b>1,305,000</b>	<b>350,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>ELECTRIC DISTRIBUTION</b>										
Beginning Cash - Unrestricted per FY25 ACFR	\$ (4,238,636)									
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ 7,435,568									
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 3,196,933</b>									
Beginning Cash - Unrestricted per FY26 Projected	\$ (9,898,325)	\$ (8,237,833)	\$ (6,478,787)	\$ (6,913,617)	\$ (8,398,875)	\$ (9,059,400)	\$ (9,378,220)	\$ (9,300,081)	\$ (9,657,203)	\$ (7,835,588)
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ 7,435,568	\$ 7,435,568	\$ 7,435,568	\$ 7,435,568	\$ 7,435,568	\$ 7,435,568	\$ 8,435,568	\$ 9,435,568	\$ 10,935,568	\$ 12,435,568
<b>Total Cash Per FY26 Projected</b>	<b>\$ (2,462,757)</b>	<b>\$ (802,264)</b>	<b>\$ 956,781</b>	<b>\$ 521,951</b>	<b>\$ (963,307)</b>	<b>\$ (1,623,831)</b>	<b>\$ (942,651)</b>	<b>\$ 135,487</b>	<b>\$ 1,278,365</b>	<b>\$ 4,599,980</b>
Total Budgeted Revenue (including transfers-in/grants/loans)	24,676,674	27,230,508	30,925,716	29,871,301	29,359,716	30,308,783	33,791,401	32,311,909	35,427,310	34,566,144
Intrafund Charges/Commodities	(9,344,537)	(11,467,654)	(13,406,368)	(15,988,242)	(16,514,948)	(15,605,872)	(15,869,764)	(15,991,054)	(17,126,211)	(13,401,027)
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(7,492,673)	(7,799,132)	(8,052,270)	(8,313,002)	(8,581,556)	(8,858,167)	(9,143,076)	(9,436,532)	(9,738,792)	(10,050,120)
2. Bond & Other Debt Service Expense	(1,161,971)	(1,155,372)	(1,480,230)	(1,616,191)	(1,123,813)	(1,122,830)	(1,317,437)	(1,314,722)	(681,237)	(681,237)
3b. Capital Plan for FY2027 - Replacement Expense	-									
4a. Franchise Fee (paid to the General Fund) Expense	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)	(502,784)
4b. In Lieu Taxes (paid to the General Fund) Expense	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(3,485,000)	(3,450,000)	(6,750,000)	(3,700,000)	(2,000,000)	(2,200,000)	(4,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	-	-	-	-	-	200,000
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	-	-	-	-	-	(200,000)
w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	-	-	-	1,500,000	-
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	-	-	-	-	-	-	-	-	-	-
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	1,000,000	1,000,000	1,500,000	-	3,100,000
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-	-	-	-
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A -	-	-	-	-	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	(3,100,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(22,122,964)	(24,510,942)	(30,327,651)	(30,256,219)	(28,859,101)	(28,425,653)	(31,469,061)	(29,881,092)	(30,685,023)	(27,271,167)
<b>Net Cash Budgeted Sources and Uses (Operating Profit)</b>	<b>\$ 2,553,710</b>	<b>\$ 2,719,566</b>	<b>\$ 598,064</b>	<b>\$ (384,918)</b>	<b>\$ 500,615</b>	<b>\$ 1,883,130</b>	<b>\$ 2,322,340</b>	<b>\$ 2,430,817</b>	<b>\$ 4,742,287</b>	<b>\$ 7,294,976</b>
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	(893,217)	(960,521)	(1,032,894)	(1,100,340)	(1,161,140)	(1,201,950)	(1,244,202)	(1,287,939)	(1,420,672)	(1,380,071)
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ 1,660,493	\$ 1,759,045	\$ (434,830)	\$ (1,485,258)	\$ (660,525)	\$ 681,180	\$ 1,078,138	\$ 1,142,878	\$ 3,321,615	\$ 5,914,905
<b>Projected Ending Cash - Unrestricted</b>	<b>\$ (8,237,833)</b>	<b>\$ (6,478,787)</b>	<b>\$ (6,913,617)</b>	<b>\$ (8,398,875)</b>	<b>\$ (9,059,400)</b>	<b>\$ (9,378,220)</b>	<b>\$ (9,300,081)</b>	<b>\$ (9,657,203)</b>	<b>\$ (7,835,588)</b>	<b>\$ (5,220,683)</b>
<b>Projected Ending Cash - Restricted</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 8,435,568</b>	<b>\$ 9,435,568</b>	<b>\$ 10,935,568</b>	<b>\$ 12,435,568</b>	<b>\$ 15,735,568</b>
<b>Total Projected Ending Cash</b>	<b>\$ (802,264)</b>	<b>\$ 956,781</b>	<b>\$ 521,951</b>	<b>\$ (963,307)</b>	<b>\$ (1,623,831)</b>	<b>\$ (942,651)</b>	<b>\$ 135,487</b>	<b>\$ 1,278,365</b>	<b>\$ 4,599,980</b>	<b>\$ 10,514,886</b>
<b>Funded Reserve Balances</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 7,435,568</b>	<b>\$ 8,435,568</b>	<b>\$ 9,435,568</b>	<b>\$ 10,935,568</b>	<b>\$ 12,435,568</b>	<b>\$ 15,735,568</b>
<b>Reserve Targets</b>	<b>\$ 14,626,522</b>	<b>\$ 15,138,967</b>	<b>\$ 15,436,560</b>	<b>\$ 15,109,727</b>	<b>\$ 15,278,365</b>	<b>\$ 15,646,661</b>	<b>\$ 15,821,944</b>	<b>\$ 15,370,827</b>	<b>\$ 16,068,686</b>	<b>\$ 16,621,036</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>\$ (7,190,953)</b>	<b>\$ (7,703,399)</b>	<b>\$ (8,000,991)</b>	<b>\$ (7,674,159)</b>	<b>\$ (7,842,796)</b>	<b>\$ (7,211,092)</b>	<b>\$ (6,386,375)</b>	<b>\$ (4,435,259)</b>	<b>\$ (3,633,118)</b>	<b>\$ (885,468)</b>

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036

ELECTRIC DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>										
Beginning Balance	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	5,142,300
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	1,000,000	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	4,142,300	5,142,300	5,142,300
<b>TARGET</b>	<b>3,984,414</b>	<b>4,134,579</b>	<b>4,258,616</b>	<b>4,386,375</b>	<b>4,517,967</b>	<b>4,653,506</b>	<b>4,793,111</b>	<b>4,936,905</b>	<b>5,085,012</b>	<b>5,237,563</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,935,568
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	500,000	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,435,568	1,935,568	1,935,568
<b>TARGET</b>	<b>1,155,372</b>	<b>1,480,230</b>	<b>1,616,191</b>	<b>1,123,813</b>	<b>1,122,830</b>	<b>1,317,437</b>	<b>1,314,722</b>	<b>681,237</b>	<b>681,237</b>	<b>1,553,092</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures Reserve</b>										
Beginning Balance	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	200,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,257,700	1,457,700
<b>TARGET (annual deprec + 2.5%)</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>	<b>1,384,184</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	1,000,000	2,000,000	3,500,000	3,500,000
Budgeted Additions to the Reserve	-	-	-	-	-	1,000,000	1,000,000	1,500,000	-	3,100,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	1,000,000	2,000,000	3,500,000	3,500,000	6,600,000
<b>TARGET</b>	<b>7,484,552</b>	<b>7,521,975</b>	<b>7,559,569</b>	<b>7,597,355</b>	<b>7,635,384</b>	<b>7,673,534</b>	<b>7,711,927</b>	<b>7,750,502</b>	<b>8,300,254</b>	<b>7,828,197</b>

Schedule of Funds  
 FY2027 to FY2036

ELECTRIC DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
<b>TARGET</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>	<b>618,000</b>
<b>Bond Proceeds Restricted (no outstanding bond proceeds at this time)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,435,568	9,435,568	10,935,568	12,435,568
Budgeted Additions to the Reserve	-	-	-	-	-	1,000,000	1,000,000	1,500,000	1,500,000	3,300,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,435,568	9,435,568	10,935,568	12,435,568	15,735,568
<b>TARGET</b>	<b>14,626,522</b>	<b>15,138,967</b>	<b>15,436,560</b>	<b>15,109,727</b>	<b>15,278,365</b>	<b>15,646,661</b>	<b>15,821,944</b>	<b>15,370,827</b>	<b>16,068,686</b>	<b>16,621,036</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(7,190,953)</b>	<b>(7,703,399)</b>	<b>(8,000,991)</b>	<b>(7,674,159)</b>	<b>(7,842,796)</b>	<b>(7,211,092)</b>	<b>(6,386,375)</b>	<b>(4,435,259)</b>	<b>(3,633,118)</b>	<b>(885,468)</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

<b>ELECTRIC DISTRIBUTION</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	\$ 1,985,000	\$ 950,000	\$ 2,250,000	\$ 1,800,000	\$ 2,000,000	\$ 2,200,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Capital Projects Funded through Debt			4,500,000	1,900,000	-	-	2,500,000	-	-	-
Capital Projects Funded through Grants	1,500,000	2,500,000								
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>\$ 3,485,000</b>	<b>\$ 3,450,000</b>	<b>\$ 6,750,000</b>	<b>\$ 3,700,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,200,000</b>	<b>\$ 4,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

GAS DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Beginning Cash - Unrestricted per FY25 ACFR	\$ (120,873)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Per FY25 ACFR	\$ 879,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Cash - Unrestricted per FY26 Projected	\$ (2,481,950)	\$ (1,736,226)	\$ (739,221)	\$ 111,448	\$ 931,046	\$ 1,061,760	\$ 1,310,935	\$ 2,524,971	\$ 3,806,544	\$ 5,133,516
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 2,250,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000
Total Cash Per FY26 Projected	\$ (1,481,950)	\$ (736,226)	\$ 260,779	\$ 1,111,448	\$ 2,181,046	\$ 3,311,760	\$ 4,460,935	\$ 5,674,971	\$ 6,956,544	\$ 8,283,516
Total Budgeted Revenue (including transfers-in/grants/loans)	7,750,375	8,136,894	8,386,920	8,658,999	8,944,075	9,238,430	9,541,228	9,853,870	10,176,669	10,509,326
Intrafund Charges/Commodities	(2,830,177)	(2,915,082)	(3,003,000)	(3,094,000)	(3,187,000)	(3,283,000)	(3,382,000)	(3,484,000)	(3,589,000)	(3,697,000)
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(3,500,636)	(3,557,919)	(3,669,992)	(3,785,427)	(3,904,325)	(4,026,790)	(4,152,929)	(4,282,852)	(4,416,673)	(4,554,509)
2. Bond & Other Debt Service Expense	-	-	-	-	-	-	-	-	-	-
3b. Capital Plan for FY2027 - Replacement Expense	-	-	-	-	-	-	-	-	-	-
4a. Franchise Fee (paid to the General Fund) Expense	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)	(115,829)
4b. In Lieu Taxes (paid to the General Fund) Expense	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(135,000)	(110,000)	(295,000)	(130,000)	(130,000)	(175,000)	(175,000)	(175,000)	(200,000)	(220,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	250,000	276,000	-	-	-	-
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	(250,000)	(276,000)	-	-	-	-
w. Net Add/Reduction - Util Operating Reserve	-	-	-	250,000	750,000	354,000	-	-	-	-
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	-	-	-	-	-	-	-	-	-	-
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	270,000	-	-	-	-
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A -	-	-	(250,000)	(750,000)	(624,000)	-	-	-	-
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(6,643,642)	(6,760,830)	(7,145,821)	(7,187,256)	(7,399,154)	(7,662,619)	(7,887,758)	(8,119,681)	(8,383,502)	(8,649,338)
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ 1,106,733	\$ 1,376,064	\$ 1,241,099	\$ 1,471,743	\$ 1,544,921	\$ 1,575,811	\$ 1,653,470	\$ 1,734,189	\$ 1,793,167	\$ 1,859,988
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	(361,009)	(379,059)	(390,431)	(402,144)	(414,208)	(426,635)	(439,434)	(452,617)	(466,195)	(480,181)
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ 745,724	\$ 997,005	\$ 850,668	\$ 1,069,599	\$ 1,130,713	\$ 1,149,176	\$ 1,214,036	\$ 1,281,572	\$ 1,326,972	\$ 1,379,807
Projected Ending Cash - Unrestricted	\$ (1,736,226)	\$ (739,221)	\$ 111,448	\$ 931,046	\$ 1,061,760	\$ 1,310,935	\$ 2,524,971	\$ 3,806,544	\$ 5,133,516	\$ 6,513,323
Projected Ending Cash - Restricted	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 2,250,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000
Total Projected Ending Cash	\$ (736,226)	\$ 260,779	\$ 1,111,448	\$ 2,181,046	\$ 3,311,760	\$ 4,460,935	\$ 5,674,971	\$ 6,956,544	\$ 8,283,516	\$ 9,663,323
Funded Reserve Balances	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 2,250,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000
Reserve Targets	\$ 2,597,533	\$ 2,625,601	\$ 2,680,517	\$ 2,737,080	\$ 2,795,340	\$ 2,855,348	\$ 2,917,156	\$ 2,980,819	\$ 3,046,391	\$ 3,113,931
Total Reserves Over<Under> Target	\$ (1,597,533)	\$ (1,625,601)	\$ (1,680,517)	\$ (1,487,080)	\$ (545,340)	\$ 294,652	\$ 232,844	\$ 169,181	\$ 103,609	\$ 36,069

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036

GAS DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>										
Beginning Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,250,000	2,000,000	2,354,000	2,354,000	2,354,000	2,354,000
Budgeted Additions to the Reserve	-	-	-	250,000	750,000	354,000				
Budgeted Reductions to the Reserve										
Budgeted Balance	1,000,000	1,000,000	1,000,000	1,250,000	2,000,000	2,354,000	2,354,000	2,354,000	2,354,000	2,354,000
<b>TARGET</b>	<b>1,802,448</b>	<b>1,830,516</b>	<b>1,885,432</b>	<b>1,941,995</b>	<b>2,000,255</b>	<b>2,060,263</b>	<b>2,122,071</b>	<b>2,185,734</b>	<b>2,251,306</b>	<b>2,318,846</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures Reserve</b>										
Beginning Balance	-	-	-	-	-	250,000	526,000	526,000	526,000	526,000
Budgeted Additions to the Reserve					250,000	276,000				
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	250,000	526,000	526,000	526,000	526,000	526,000
<b>TARGET (annual deprec + 2.5%)</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>	<b>525,085</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule of Funds  
 FY2027 to FY2036

GAS DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	-	-	-	-	-	-	270,000	270,000	270,000	270,000
Budgeted Additions to the Reserve						270,000				
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	270,000	270,000	270,000	270,000	270,000
<b>TARGET</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>
<b>Bond Proceeds Restricted (no outstanding bond proceeds at this time)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,250,000	2,250,000	3,150,000	3,150,000	3,150,000	3,150,000
Budgeted Additions to the Reserve	-	-	-	250,000	1,000,000	900,000	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	1,000,000	1,000,000	1,000,000	1,250,000	2,250,000	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000
<b>TARGET</b>	<b>2,597,533</b>	<b>2,625,601</b>	<b>2,680,517</b>	<b>2,737,080</b>	<b>2,795,340</b>	<b>2,855,348</b>	<b>2,917,156</b>	<b>2,980,819</b>	<b>3,046,391</b>	<b>3,113,931</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(1,597,533)</b>	<b>(1,625,601)</b>	<b>(1,680,517)</b>	<b>(1,487,080)</b>	<b>(545,340)</b>	<b>294,652</b>	<b>232,844</b>	<b>169,181</b>	<b>103,609</b>	<b>36,069</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

<b>GAS DISTRIBUTION</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	135,000	110,000	295,000	130,000	130,000	175,000	175,000	175,000	200,000	220,000
Capital Projects Funded through Debt	-	-	-	-	-	-	-	-	-	-
Capital Projects Funded through Grants	-	-	-	-	-	-	-	-	-	-
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>135,000</b>	<b>110,000</b>	<b>295,000</b>	<b>130,000</b>	<b>130,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>200,000</b>	<b>220,000</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>WATER PRODUCTION</b>										
Beginning Cash - Unrestricted per FY25 ACFR	\$ 7,336,376									
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ 4,600,762									
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 11,937,138</b>									
Beginning Cash - Unrestricted per FY26 Projected	\$ 2,524,541	\$ 2,097,864	\$ 1,860,709	\$ 2,227,474	\$ 3,093,980	\$ 4,082,042	\$ 6,068,670	\$ 7,375,214	\$ 8,490,787	\$ 9,710,060
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ 4,600,762	\$ 4,600,762	\$ 4,600,762	\$ 4,600,762	\$ 4,600,762	\$ 4,600,762	\$ 4,600,762	\$ 5,100,762	\$ 5,800,762	\$ 6,600,762
<b>Total Cash Per FY26 Projected</b>	<b>\$ 7,125,303</b>	<b>\$ 6,698,627</b>	<b>\$ 6,461,471</b>	<b>\$ 6,828,236</b>	<b>\$ 7,694,742</b>	<b>\$ 8,682,804</b>	<b>\$ 10,669,432</b>	<b>\$ 12,475,976</b>	<b>\$ 14,291,550</b>	<b>\$ 16,310,822</b>
Total Budgeted Revenue (including transfers-in/grants/loans)	4,792,039	6,412,581	5,737,136	4,923,144	5,494,094	3,446,382	4,226,427	4,754,381	4,485,045	4,623,359
Intrafund Charges/Commodities	4,588,272	4,955,334	5,302,207	5,673,362	5,957,030	6,254,881	6,442,528	6,635,803	6,834,878	7,039,924
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(5,245,395)	(5,393,146)	(5,554,941)	(5,721,590)	(5,893,238)	(6,070,036)	(6,252,138)	(6,439,703)	(6,632,895)	(6,831,882)
2. Bond & Other Debt Service Expense	(926,593)	(991,924)	(1,042,638)	(1,108,410)	(1,069,824)	(1,094,599)	(1,110,272)	(1,134,908)	(1,167,755)	(1,153,665)
3b. Capital Plan for FY2027 - Replacement Expense	-									
4a. Franchise Fee (paid to the General Fund) Expense	-	-	-	-	-	-	-	-	-	-
4b. In Lieu Taxes (paid to the General Fund) Expense	-	-	-	-	-	-	-	-	-	-
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(3,635,000)	(5,220,000)	(4,075,000)	(2,900,000)	(3,500,000)	(550,000)	(1,500,000)	(2,000,000)	(1,500,000)	(1,500,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	-	-	-	-	-	200,000
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	-	-	-	-	-	(200,000)
w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	-	500,000	500,000	-	250,000
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	-	-	-	-	-	-	-	-	-	-
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-	-	-	50,000
w-2 Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A -	-	-	-	-	-	(500,000)	(500,000)	-	(300,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(9,806,988)	(11,605,070)	(10,672,579)	(9,730,000)	(10,463,062)	(7,714,635)	(8,862,410)	(9,574,611)	(9,300,650)	(9,485,547)
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ (426,677)	\$ (237,155)	\$ 366,765	\$ 866,506	\$ 988,062	\$ 1,986,628	\$ 1,806,544	\$ 1,815,574	\$ 2,019,273	\$ 2,177,736
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ (426,677)	\$ (237,155)	\$ 366,765	\$ 866,506	\$ 988,062	\$ 1,986,628	\$ 1,806,544	\$ 1,815,574	\$ 2,019,273	\$ 2,177,736
<b>Projected Ending Cash - Unrestricted</b>	<b>\$ 2,097,864</b>	<b>\$ 1,860,709</b>	<b>\$ 2,227,474</b>	<b>\$ 3,093,980</b>	<b>\$ 4,082,042</b>	<b>\$ 6,068,670</b>	<b>\$ 7,375,214</b>	<b>\$ 8,490,787</b>	<b>\$ 9,710,060</b>	<b>\$ 11,387,796</b>
<b>Projected Ending Cash - Restricted</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 5,100,762</b>	<b>\$ 5,800,762</b>	<b>\$ 6,600,762</b>	<b>\$ 7,100,762</b>
<b>Total Projected Ending Cash</b>	<b>\$ 6,698,627</b>	<b>\$ 6,461,471</b>	<b>\$ 6,828,236</b>	<b>\$ 7,694,742</b>	<b>\$ 8,682,804</b>	<b>\$ 10,669,432</b>	<b>\$ 12,475,976</b>	<b>\$ 14,291,550</b>	<b>\$ 16,310,822</b>	<b>\$ 18,488,559</b>
<b>Funded Reserve Balances</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 4,600,762</b>	<b>\$ 5,100,762</b>	<b>\$ 5,800,762</b>	<b>\$ 6,600,762</b>	<b>\$ 7,100,762</b>
<b>Reserve Targets</b>	<b>\$ 5,999,891</b>	<b>\$ 6,123,003</b>	<b>\$ 6,268,055</b>	<b>\$ 6,311,126</b>	<b>\$ 6,420,009</b>	<b>\$ 6,522,313</b>	<b>\$ 6,636,179</b>	<b>\$ 6,760,933</b>	<b>\$ 6,841,507</b>	<b>\$ 6,963,645</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>\$ (1,399,129)</b>	<b>\$ (1,522,241)</b>	<b>\$ (1,667,293)</b>	<b>\$ (1,710,364)</b>	<b>\$ (1,819,247)</b>	<b>\$ (1,921,551)</b>	<b>\$ (1,535,417)</b>	<b>\$ (960,171)</b>	<b>\$ (240,745)</b>	<b>\$ 137,117</b>

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036

WATER PRODUCTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>										
Beginning Balance	2,246,500	2,246,500	2,246,500	2,246,500	2,246,500	2,246,500	2,246,500	2,746,500	3,246,500	3,246,500
Budgeted Additions to the Reserve							500,000	500,000		250,000
Budgeted Reductions to the Reserve										
Budgeted Balance	2,246,500	2,246,500	2,246,500	2,246,500	2,246,500	2,246,500	2,746,500	3,246,500	3,246,500	3,496,500
<b>TARGET</b>	<b>2,570,244</b>	<b>2,642,642</b>	<b>2,721,921</b>	<b>2,803,579</b>	<b>2,887,687</b>	<b>2,974,318</b>	<b>3,063,548</b>	<b>3,155,454</b>	<b>3,250,119</b>	<b>3,347,622</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	158,531	158,531	158,531	158,531	158,531	158,531	158,531	158,531	358,531	1,158,531
Budgeted Additions to the Reserve								200,000	800,000	
Budgeted Reductions to the Reserve										
Budgeted Balance	158,531	158,531	158,531	158,531	158,531	158,531	158,531	358,531	1,158,531	1,158,531
<b>TARGET</b>	<b>991,924</b>	<b>1,042,638</b>	<b>1,108,410</b>	<b>1,069,824</b>	<b>1,094,599</b>	<b>1,110,272</b>	<b>1,134,908</b>	<b>1,167,755</b>	<b>1,153,665</b>	<b>1,178,299</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures Reserve</b>										
Beginning Balance	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731
Budgeted Additions to the Reserve										200,000
Budgeted Reductions to the Reserve										
Budgeted Balance	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,745,731	1,945,731
<b>TARGET (annual deprec + 2.5%)</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>	<b>1,937,724</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule of Funds  
 FY2027 to FY2036

WATER PRODUCTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Budgeted Additions to the Reserve										50,000
Budgeted Reductions to the Reserve										
Budgeted Balance	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	500,000
<b>TARGET</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Bond Proceeds Restricted (no outstanding bond proceeds at this time)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	5,100,762	5,800,762	6,600,762
Budgeted Additions to the Reserve	-	-	-	-	-	-	500,000	700,000	800,000	500,000
Budgeted Reductions to the Reserve										
Budgeted Balance	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	5,100,762	5,800,762	6,600,762	7,100,762
<b>TARGET</b>	<b>5,999,891</b>	<b>6,123,003</b>	<b>6,268,055</b>	<b>6,311,126</b>	<b>6,420,009</b>	<b>6,522,313</b>	<b>6,636,179</b>	<b>6,760,933</b>	<b>6,841,507</b>	<b>6,963,645</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(1,399,129)</b>	<b>(1,522,241)</b>	<b>(1,667,293)</b>	<b>(1,710,364)</b>	<b>(1,819,247)</b>	<b>(1,921,551)</b>	<b>(1,535,417)</b>	<b>(960,171)</b>	<b>(240,745)</b>	<b>137,117</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

<b>WATER PRODUCTION</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	995,000	1,104,000	775,000	580,000	750,000	-	300,000	400,000	300,000	300,000
Capital Projects Funded through Debt	1,056,000	1,046,400	1,320,000	928,000	1,100,000	412,500	480,000	640,000	480,000	480,000
Capital Projects Funded through Grants	1,584,000	3,069,600	1,980,000	1,392,000	1,650,000	137,500	720,000	960,000	720,000	720,000
Capital Projects Funded through Other Sources	-									
<b>Total Capital Projects</b>	<b>3,635,000</b>	<b>5,220,000</b>	<b>4,075,000</b>	<b>2,900,000</b>	<b>3,500,000</b>	<b>550,000</b>	<b>1,500,000</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

WATER DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Beginning Cash - Unrestricted per FY25 ACFR	\$ 955,968									
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ -									
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 955,968</b>									
Beginning Cash - Unrestricted per FY26 Projected	\$ (1,699,740)	\$ (1,741,242)	\$ (1,835,387)	\$ (1,591,200)	\$ (1,192,911)	\$ (717,930)	\$ (303,248)	\$ 253,605	\$ 308,432	\$ 267,868
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000
<b>Total Cash Per FY26 Projected</b>	<b>\$ (1,699,740)</b>	<b>\$ (1,741,242)</b>	<b>\$ (1,835,387)</b>	<b>\$ (1,591,200)</b>	<b>\$ (1,192,911)</b>	<b>\$ (717,930)</b>	<b>\$ (303,248)</b>	<b>\$ 253,605</b>	<b>\$ 808,432</b>	<b>\$ 1,267,868</b>
Total Budgeted Revenue (including transfers-in/grants/loans)	9,476,848	9,932,196	9,967,500	10,694,155	11,280,612	12,464,393	12,227,415	12,658,827	13,208,123	13,585,696
Intrafund Charges/Commodities	(4,588,272)	(4,955,334)	(5,302,207)	(5,673,362)	(5,957,030)	(6,254,881)	(6,442,528)	(6,635,803)	(6,834,878)	(7,039,924)
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(3,695,078)	(3,652,342)	(3,761,913)	(3,874,771)	(3,991,015)	(4,110,746)	(4,234,069)	(4,361,092)	(4,491,925)	(4,626,683)
2. Bond & Other Debt Service Expense	-	(118,665)	(139,193)	(147,733)	(157,587)	(169,083)	(193,965)	(207,104)	(221,884)	(240,361)
3b. Capital Plan for FY2027 - Replacement Expense	-				-					
4a. Franchise Fee (paid to the General Fund) Expense	-	-	-	-	-	-	-	-	-	-
4b. In Lieu Taxes (paid to the General Fund) Expense	-	-	-	-	-	-	-	-	-	-
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(1,235,000)	(1,300,000)	(520,000)	(600,000)	(700,000)	(1,515,000)	(800,000)	(900,000)	(1,200,000)	(1,200,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	-	-	-	-	-	-
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	-	-	-	-	-	-
w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	-	-	500,000	500,000	500,000
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	-	-	-	-	-	-	-	-	-	-
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-	-	-	-
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A -	-	-	-	-	-	-	(500,000)	(500,000)	(500,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(9,518,350)	(10,026,341)	(9,723,313)	(10,295,865)	(10,805,631)	(12,049,711)	(11,670,562)	(12,103,999)	(12,748,687)	(13,106,968)
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ (41,502)	\$ (94,145)	\$ 244,186	\$ 398,289	\$ 474,981	\$ 414,682	\$ 556,853	\$ 554,828	\$ 459,436	\$ 478,728
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ (41,502)	\$ (94,145)	\$ 244,186	\$ 398,289	\$ 474,981	\$ 414,682	\$ 556,853	\$ 554,828	\$ 459,436	\$ 478,728
<b>Projected Ending Cash - Unrestricted</b>	<b>\$ (1,741,242)</b>	<b>\$ (1,835,387)</b>	<b>\$ (1,591,200)</b>	<b>\$ (1,192,911)</b>	<b>\$ (717,930)</b>	<b>\$ (303,248)</b>	<b>\$ 253,605</b>	<b>\$ 308,432</b>	<b>\$ 267,868</b>	<b>\$ 246,596</b>
<b>Projected Ending Cash - Restricted</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,500,000</b>
<b>Total Projected Ending Cash</b>	<b>\$ (1,741,242)</b>	<b>\$ (1,835,387)</b>	<b>\$ (1,591,200)</b>	<b>\$ (1,192,911)</b>	<b>\$ (717,930)</b>	<b>\$ (303,248)</b>	<b>\$ 253,605</b>	<b>\$ 808,432</b>	<b>\$ 1,267,868</b>	<b>\$ 1,746,596</b>
Funded Reserve Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000
Reserve Targets	\$ 5,478,311	\$ 5,477,899	\$ 5,540,128	\$ 5,605,283	\$ 5,673,739	\$ 5,757,289	\$ 5,830,856	\$ 5,907,877	\$ 5,990,462	\$ 6,074,970
Total Reserves Over<Under> Target	\$ (5,478,311)	\$ (5,477,899)	\$ (5,540,128)	\$ (5,605,283)	\$ (5,673,739)	\$ (5,757,289)	\$ (5,830,856)	\$ (5,407,877)	\$ (4,990,462)	\$ (4,574,970)

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036

WATER DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	500,000	1,000,000
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	500,000	500,000	500,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	500,000	1,000,000	1,500,000
<b>TARGET</b>	<b>1,810,588</b>	<b>1,789,648</b>	<b>1,843,337</b>	<b>1,898,638</b>	<b>1,955,597</b>	<b>2,014,266</b>	<b>2,074,694</b>	<b>2,136,935</b>	<b>2,201,043</b>	<b>2,267,075</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>118,665</b>	<b>139,193</b>	<b>147,733</b>	<b>157,587</b>	<b>169,083</b>	<b>193,965</b>	<b>207,104</b>	<b>221,884</b>	<b>240,361</b>	<b>258,837</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures Reserve</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET (annual deprec + 2.5%)</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>	<b>655,087</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>	<b>2,693,971</b>

Schedule of Funds  
 FY2027 to FY2036

WATER DISTRIBUTION	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Bond Proceeds Restricted (no outstanding bond proceeds at this time)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	-	-	-	-	-	-	-	-	500,000	1,000,000
Budgeted Additions to the Reserve	-	-	-	-	-	-	-	500,000	500,000	500,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	-	-	-	-	-	-	-	500,000	1,000,000	1,500,000
<b>TARGET</b>	<b>5,478,311</b>	<b>5,477,899</b>	<b>5,540,128</b>	<b>5,605,283</b>	<b>5,673,739</b>	<b>5,757,289</b>	<b>5,830,856</b>	<b>5,907,877</b>	<b>5,990,462</b>	<b>6,074,970</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(5,478,311)</b>	<b>(5,477,899)</b>	<b>(5,540,128)</b>	<b>(5,605,283)</b>	<b>(5,673,739)</b>	<b>(5,757,289)</b>	<b>(5,830,856)</b>	<b>(5,407,877)</b>	<b>(4,990,462)</b>	<b>(4,574,970)</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

<b>WATER DISTRIBUTION</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	35,000	300,000	104,000	120,000	140,000	303,000	160,000	180,000	300,000	300,000
Capital Projects Funded through Debt	924,000	400,000	166,400	192,000	224,000	484,800	256,000	288,000	360,000	360,000
Capital Projects Funded through Grants	276,000	600,000	249,600	288,000	336,000	727,200	384,000	432,000	540,000	540,000
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>1,235,000</b>	<b>1,300,000</b>	<b>520,000</b>	<b>600,000</b>	<b>700,000</b>	<b>1,515,000</b>	<b>800,000</b>	<b>900,000</b>	<b>1,200,000</b>	<b>1,200,000</b>

Cash Projection by Priority of Budgeted Expenditures Schedule  
 FY2027 to FY2036

WASTEWATER (COLLECTION & TREATMENT)	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Beginning Cash - Unrestricted per FY25 ACFR	\$ 4,285,298									
Beginning Cash - Restricted Including Reserves per FY25 ACFR	\$ 652,613									
<b>Total Cash Per FY25 ACFR</b>	<b>\$ 4,937,911</b>									
Beginning Cash - Unrestricted per FY26 Projected	\$ (367,074)	\$ (1,417,134)	\$ (2,102,208)	\$ (2,004,117)	\$ (1,457,924)	\$ (424,885)	\$ 344,424	\$ 624,782	\$ 708,452	\$ 666,673
Beginning Cash - Restricted Including Reserves per FY26 Projected	\$ 652,613	\$ 652,613	\$ 652,613	\$ 652,613	\$ 652,613	\$ 652,613	\$ 1,152,613	\$ 2,152,613	\$ 3,652,613	\$ 5,652,613
<b>Total Cash Per FY26 Projected</b>	<b>\$ 285,539</b>	<b>\$ (764,521)</b>	<b>\$ (1,449,595)</b>	<b>\$ (1,351,504)</b>	<b>\$ (805,311)</b>	<b>\$ 227,728</b>	<b>\$ 1,497,037</b>	<b>\$ 2,777,395</b>	<b>\$ 4,361,065</b>	<b>\$ 6,319,286</b>
Total Budgeted Revenue (including transfers-in/grants/loans)	9,658,305	11,982,461	10,622,658	11,635,671	12,405,725	18,166,205	13,508,714	13,113,788	13,755,098	14,435,857
Intrafund Charges/Commodities	-	-	-	-	-	-	-	-	-	-
<i>Budgeted Expenditures by Priority per Charter or Utilities Financial Policies</i>										
1. Current Operations Budget (Including Normal Maintenance) Expense	(6,375,657)	(6,286,623)	(6,475,222)	(6,669,479)	(6,869,564)	(7,075,651)	(7,287,921)	(7,506,559)	(7,731,756)	(7,963,709)
2. Bond & Other Debt Service Expense	(2,147,709)	(2,230,912)	(2,349,344)	(2,419,999)	(2,503,122)	(2,586,245)	(2,940,436)	(3,023,559)	(3,065,120)	(2,646,528)
3b. Capital Plan for FY2027 - Replacement Expense	-	-								
4a. Franchise Fee (paid to the General Fund) Expense										
4b. In Lieu Taxes (paid to the General Fund) Expense										
5a. Capital Additions and Improvements for FY2027 - Capital Expense	(2,185,000)	(4,150,000)	(1,700,000)	(2,000,000)	(2,000,000)	(7,235,000)	(2,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Cash Projection for Other Utilities Reserves per Schedule of Funds</b>										
3a. Replacement Reserve (Capital Expenditures Reserve) Net Addition/Reduction	A -	-	-	-	-	-	-	-	-	1,000,000
3a. Move unrestricted cash to restricted cash to fund Replacement Reserve	-	-	-	-	-	-	-	-	-	(1,000,000)
w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	500,000	1,000,000	1,500,000	400,000	300,000
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	-	-	-	-	-	-	-	-	-	-
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-	-	-	200,000
w-z Move unrestricted cash to restricted cash to fund Other Utilities Reserves	A -	-	-	-	-	(500,000)	(1,000,000)	(1,500,000)	(400,000)	(500,000)
Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3a. and w through x.)	(10,708,366)	(12,667,535)	(10,524,566)	(11,089,478)	(11,372,686)	(16,896,896)	(12,228,357)	(11,530,118)	(11,796,876)	(11,610,237)
Net Cash Budgeted Sources and Uses (Operating Profit)	\$ (1,050,061)	\$ (685,074)	\$ 98,092	\$ 546,193	\$ 1,033,039	\$ 1,269,309	\$ 1,280,357	\$ 1,583,670	\$ 1,958,221	\$ 2,825,620
6a. Budgeted Revenue Transfer (5% ED & GA Retail Sales excluding County/Schools) Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
6b. All Remaining Operating Profits (after initial 5% Revenue Transfer) prior to funding reserve targets. See unfunded reserves balances below.	\$ (1,050,061)	\$ (685,074)	\$ 98,092	\$ 546,193	\$ 1,033,039	\$ 1,269,309	\$ 1,280,357	\$ 1,583,670	\$ 1,958,221	\$ 2,825,620
<b>Projected Ending Cash - Unrestricted</b>	<b>\$ (1,417,134)</b>	<b>\$ (2,102,208)</b>	<b>\$ (2,004,117)</b>	<b>\$ (1,457,924)</b>	<b>\$ (424,885)</b>	<b>\$ 344,424</b>	<b>\$ 624,782</b>	<b>\$ 708,452</b>	<b>\$ 666,673</b>	<b>\$ 992,293</b>
<b>Projected Ending Cash - Restricted</b>	<b>\$ 652,613</b>	<b>\$ 652,613</b>	<b>\$ 652,613</b>	<b>\$ 652,613</b>	<b>\$ 652,613</b>	<b>\$ 1,152,613</b>	<b>\$ 2,152,613</b>	<b>\$ 3,652,613</b>	<b>\$ 5,652,613</b>	<b>\$ 8,152,613</b>
<b>Total Projected Ending Cash</b>	<b>\$ (764,521)</b>	<b>\$ (1,449,595)</b>	<b>\$ (1,351,504)</b>	<b>\$ (805,311)</b>	<b>\$ 227,728</b>	<b>\$ 1,497,037</b>	<b>\$ 2,777,395</b>	<b>\$ 4,361,065</b>	<b>\$ 6,319,286</b>	<b>\$ 9,144,906</b>
Funded Reserve Balances	\$ 652,613	\$ 652,613	\$ 652,613	\$ 652,613	\$ 652,613	\$ 1,152,613	\$ 2,152,613	\$ 3,652,613	\$ 5,652,613	\$ 8,152,613
Reserve Targets	\$ 6,856,086	\$ 6,930,892	\$ 7,093,960	\$ 7,272,269	\$ 7,453,433	\$ 7,908,607	\$ 8,095,742	\$ 8,244,436	\$ 7,936,191	\$ 8,091,409
Total Reserves Over<Under> Target	\$ (6,203,473)	\$ (6,278,279)	\$ (6,441,347)	\$ (6,619,656)	\$ (6,800,820)	\$ (6,755,994)	\$ (5,943,129)	\$ (4,591,823)	\$ (2,283,578)	\$ 61,204

A - Transfer and recording in the G/L moving cash from unrestricted to restricted for established Reserves

Schedule of Funds  
 FY2027 to FY2036

WASTEWATER (COLLECTION & TREATMENT)	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Operations Reserve (180 days of bud operations and maint, excluding commodities)</b>										
Beginning Balance	313,313	313,313	313,313	313,313	313,313	313,313	813,313	1,813,313	3,313,313	3,713,313
Budgeted Additions to the Reserve	-					500,000	1,000,000	1,500,000	400,000	300,000
Budgeted Reductions to the Reserve										
Budgeted Balance	313,313	313,313	313,313	313,313	313,313	813,313	1,813,313	3,313,313	3,713,313	4,013,313
<b>TARGET</b>	<b>3,124,072</b>	<b>3,080,445</b>	<b>3,172,859</b>	<b>3,268,045</b>	<b>3,366,086</b>	<b>3,467,069</b>	<b>3,571,081</b>	<b>3,678,214</b>	<b>3,788,560</b>	<b>3,902,217</b>
<b>Debt Service Reserve (as required by loan docs)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	1,600,000
Budgeted Additions to the Reserve									1,600,000	1,000,000
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	1,600,000	2,600,000
<b>TARGET</b>	<b>2,230,912</b>	<b>2,349,344</b>	<b>2,419,999</b>	<b>2,503,122</b>	<b>2,586,245</b>	<b>2,940,436</b>	<b>3,023,559</b>	<b>3,065,120</b>	<b>2,646,528</b>	<b>2,688,089</b>
<b>Retirement/Reclamation Reserve (per agreements)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures Reserve</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										1,000,000
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	1,000,000
<b>TARGET (annual deprec + 2.5%)</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>	<b>1,001,102</b>
<b>Rate Stabilization Reserve (where pass-through rate for commodities not in place)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule of Funds  
 FY2027 to FY2036

WASTEWATER (COLLECTION & TREATMENT)	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)</b>										
Beginning Balance	339,300	339,300	339,300	339,300	339,300	339,300	339,300	339,300	339,300	339,300
Budgeted Additions to the Reserve	-									200,000
Budgeted Reductions to the Reserve										
Budgeted Balance	339,300	339,300	339,300	339,300	339,300	339,300	339,300	339,300	339,300	539,300
<b>TARGET</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Bond Proceeds Restricted (no outstanding bond proceeds at this time)</b>										
Beginning Balance	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve										
Budgeted Reductions to the Reserve										
Budgeted Balance	-	-	-	-	-	-	-	-	-	-
<b>TARGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES/RESTRICTED CASH</b>										
Beginning Balance	652,613	652,613	652,613	652,613	652,613	652,613	1,152,613	2,152,613	3,652,613	5,652,613
Budgeted Additions to the Reserve	-	-	-	-	-	500,000	1,000,000	1,500,000	2,000,000	2,500,000
Budgeted Reductions to the Reserve	-	-	-	-	-	-	-	-	-	-
Budgeted Balance	652,613	652,613	652,613	652,613	652,613	1,152,613	2,152,613	3,652,613	5,652,613	8,152,613
<b>TARGET</b>	<b>6,856,086</b>	<b>6,930,892</b>	<b>7,093,960</b>	<b>7,272,269</b>	<b>7,453,433</b>	<b>7,908,607</b>	<b>8,095,742</b>	<b>8,244,436</b>	<b>7,936,191</b>	<b>8,091,409</b>
<b>Total Reserves Over&lt;Under&gt; Target</b>	<b>(6,203,473)</b>	<b>(6,278,279)</b>	<b>(6,441,347)</b>	<b>(6,619,656)</b>	<b>(6,800,820)</b>	<b>(6,755,994)</b>	<b>(5,943,129)</b>	<b>(4,591,823)</b>	<b>(2,283,578)</b>	<b>61,204</b>

**Capital Plan with Funding Sources Schedule  
 FY2027 to FY2036**

See 10-Year Capital Plan for Detailed Listing of Projects

<b>WASTEWATER (COLLECTION &amp; TREATMENT)</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Capital Projects Funded through Reserve or Unrestricted Cash	185,000	430,000	-	-	-	-	-	-	-	-
Capital Projects Funded through Debt	1,500,000	2,188,000	1,275,000	1,500,000	1,500,000	7,001,250	1,500,000	750,000	750,000	750,000
Capital Projects Funded through Grants	500,000	1,532,000	425,000	500,000	500,000	233,750	500,000	250,000	250,000	250,000
Capital Projects Funded through Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>2,185,000</b>	<b>4,150,000</b>	<b>1,700,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>7,235,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

**List of Continuing Appropriations in FY2027 from the FY2026 budget:**

- a) All valid encumbrances outstanding on June 30, 2026;
- b) All unexpended and unencumbered previously approved Capital Improvement project budgets on June 30, 2026;  
Org Codes # CP1000 to CP9008
- c) All unexpended and unencumbered previously approved Major Facilities Maintenance budget on June 30, 2026; Org Code #01172410 and the CSD Small Projects Org Code #01150015
- d) All unexpended and unencumbered previously approved Traffic & Streets Pavement Preservation budget on June 30, 2026;  
Org Code # 01171120
- e) All unexpended and unencumbered previously approved Traffic Signal & Street Light Replacement budget at June 30, 2026; Org Code # 01171230
- f) All unexpended and unencumbered previously approved Regional Strategic Partnership budget on June 30, 2026;  
Org Codes # 01130220 and # 01130225
- g) All unexpended and unencumbered previously approved Economic Development Improvements/Housing budgets on June 30, 2026 in Funds 171 and 173
- h) All unexpended and unencumbered previously approved budget for Fire Mitigation budget on June 30 2026;  
Org Code # 01162610
- i) All unexpended and unencumbered previously approved Human Resources Operational Excellence budget on June 30, 2026; Org Code # 01130120
- j) All unexpended and unencumbered grant budgets on June 30, 2026 that are permitted to be carried forward by their governing grant agreement.

# FINANCIAL POLICIES

## I. PURPOSE

The purpose of these financial policies is to give overall direction to Council, management, and employees for the long-term financial operation of the Incorporated County of Los Alamos. This direction is not only intended to be the basic framework for strategic long-term financial planning for the delivery of services to all the citizens and visitors of the County but is also intended to provide specific policy guidance for the development of the annual budget. These policies may also be used by those who are familiar with County operations to communicate to others how certain community goals are being addressed.

## II. GENERAL POLICY STATEMENT

The Incorporated County of Los Alamos shall strive to maintain a sound financial condition by taking a fiscally conservative and disciplined approach to revenue forecasting, budgeting, capital improvement programming, investing of public funds, and managing its expenditures and debt. This goal will be accomplished by making financial decisions based on the community's ability to pay; maintaining reserves for emergencies and future expenditure demands; and providing future generations with the ability to borrow capital without severe financial burden or undue constraint.

## III. OPERATING POSITION

### A. General Fund Unassigned Fund Balance

The General Fund Unassigned Fund Balance shall be the source used by Council and management to deal with unforeseen contingencies or to fund necessary and worthwhile projects and programs which may arise during the course of the fiscal year but have no specific long-term funding source. Examples include (but are not limited to) the matching of grants, funding of loans to other funds, and providing capital for transfers to other funds. This can also be a source of funds that helps to mitigate the magnitude of adverse budget changes if larger and longer-term negative revenue trends occur. The method to be used for utilization of this account is by formal budget revision approved by the Council.

The target amount to be maintained in the General Fund Unassigned Fund Balance is twenty-five percent (25%) of General Fund actual revenues. The amount should be adjusted during the course of budget development and re-adjusted based upon audited figures.

The following process must be followed whenever the General Fund Unassigned Fund Balance falls below 20% of actual revenues:

Within 90 calendar days of the acceptance of the Annual Comprehensive Financial Report that indicates that the balance is below the 20% level, the Council must approve a documented plan to rebuild the balance to at least 20% of actual revenues within a period of three fiscal years. The plan may include enhanced or new revenues, reduced expenditures, or a combination utilizing both additional revenue and reduced expenditures. The documented plan must be considered by Council during each annual budget development cycle until the balance is restored to the 25% level.

## FINANCIAL POLICIES

### B. Nonspendable Fund Balance

Nonspendable fund balances are recorded in governmental funds, where the resources cannot be spent to satisfy current obligations. This includes resources that are not in a spendable form (inventories, prepaid amounts, long-term loans/receivables, or assets held for resale) and resources that are legally or contractually required to remain intact, such as the principal balance in the Capital Projects Permanent Fund.

### C. Restricted Fund Balances

Restricted fund balances are recorded in governmental funds, where there are constraints placed upon the use of the resources either by an external party (grants, donations for a specified purpose, bond agreements, etc.) or imposed by law (federal, state, or local). The most significant restricted balances are described below.

1. Restricted for Cash Requirements. The purpose of this balance Restricted for Cash Requirements is to provide a margin to help maintain services during periods of economic decline; meet emergency conditions which may threaten the life, health, or safety of our citizens; meet major unanticipated cash flow shortfalls; and maintain the County's credit rating. The account is established to satisfy the requirements of the State Department of Finance and Administration (DFA) to maintain a cash balance of at least one twelfth of annual General Fund revised budgeted expenditures. The amount to be maintained in the balance Restricted for Cash Requirements is one twelfth (8.3%) of General Fund revised budgeted expenditures. The amount should be adjusted during the course of budget development and re-adjusted based upon audited figures.
2. Restricted for Income Stabilization (in the Capital Projects Permanent Fund). In accordance with County Code section 20-361, the resources in the Permanent Fund, in excess of principal, are restricted and should be accumulated for eventual transfer to the Capital Improvement Projects Fund or addition to principal.

### D. Economic Development Fund Balance Assigned for Economic Development

The purpose of this fund was initially to account for the receipt, management, investment, and expenditure of the \$22.6 million lump-sum buyout payment from DOE that was the negotiated payment the County received under the Atomic Energy Community Act. It was established as a special revenue fund in recognition of the unique circumstances under which the County received the funds and because the use of the funds is intended to be limited. This fund is not intended to be a permanent fund. The establishment of this separate fund recognizes:

1. The dependence the County has upon actions related to our single largest employer (DOE/LANL) and the impact of decisions made by other entities that may have far reaching and significant effects upon County resources and service levels; and
2. The need to invest and expend the balance in this fund in order to create economic development and diversify the economy, and to decrease the County's dependence upon DOE/LANL.

By County Council direction, the balance in the Economic Development Fund, including interest earnings, should be used for providing initial capital for economic development projects, economic

## FINANCIAL POLICIES

development loans, housing rehabilitation loans, land development, affordable housing initiatives, or similar activities which are designed to achieve Council's economic development strategic goals. In the event the County realizes excess fund balance over the 25% reserve target, County management will engage with the Council during Budget Hearings to consider increasing funding for these economic development priorities.

### E. Debt Service Fund Balance Assigned for Debt Service

The County's Gross Receipts Tax (GRT) taxpayer base is significantly concentrated in a single taxpaying entity. This represents an additional unique risk for the County whenever GRT revenue bonds are outstanding. To help mitigate this additional risk, the County may, at the direction of the County Council, accumulate a fund balance Assigned for Debt Service over and above any legally required debt service reserve amount. Additionally, this balance may accumulate residual interest over and above those funds that are restricted by debt agreements.

### F. Fund Balances Assigned for Continuing Appropriations

The fund balances Assigned for Continuing Appropriations segregate a portion of fund balance which reflects part of the unexpended appropriations on June 30th that are re-appropriated and carried forward to the subsequent fiscal year. County Council approval is required through the established formal budget revision process.

### G. Fund Balance Assigned for Capital Projects

The fund balance Assigned for Capital Projects segregates a portion of the fund balance in the Capital Improvement Projects Fund to reflect Council's intent that these funds be spent for approved capital projects. In the event the County realizes excess fund balance over the 25% reserve target, County management will engage with the Council during Budget Hearings to consider increasing funding for these capital improvement projects priorities.

### H. Fund Balance Assigned for Emergency Response and Recovery

The fund balance Assigned for Emergency Response and Recovery is reflected in the Emergency Declarations Fund to reflect Council's intent that these funds be spent for recovery efforts in response to federally declared emergencies.

### I. Fund Balance or Working Capital of Other Funds

Financial planning for other County operating funds should provide a positive fund balance, the appropriate level of which would be dictated by legal requirements and characteristics of the individual fund and the specific purpose(s) of the fund. These would include, as appropriate:

1. Legal or regulatory requirements affecting revenues and expenditures, e.g., Charter requirements to maintain the real value of the Capital Projects Permanent Fund.
2. Cash flow requirements to support operating expenses.
3. Relative rate stability from year to year for enterprise and internal service funds.
4. Susceptibility to emergency or unanticipated expenditures.

## FINANCIAL POLICIES

5. Long-term maintenance and replacement plans for infrastructure and equipment.
6. Ability to support debt service requirements.

The financial planning for other County operating funds should avoid large rate increases from one year to the next.

If the “unassigned fund balance” or “working capital balance” becomes excessive within any fund, action shall be taken in the subsequent budget cycles to reduce the balance. Reductions may be accomplished by the deferral of rate increases, rebates to customers, or utilization of funds for one-time expenditures that do not unduly increase ongoing operating expenses.

### IV. INTERFUND ACTIVITIES

#### A. General Fund Transfers to Other Funds

Annual transfers of General Fund revenues to other funds should be construed as payments intended only for the support of specific programs. If revenues generated within those funds exceed the budgeted estimates, the amount of the budgeted transfer from the General Fund will be reduced accordingly.

#### B. Interfund Loans

Interfund loans are made under the following conditions:

1. The loan is approved by the County Council.
2. The County Council shall review and approve the proposed lending terms including interest rate, period of repayment, and other terms.

#### C. Interdepartmental Charges

Los Alamos County will use Interdepartmental Charges (IDCs) in order to fully account for all costs of providing services including administrative and indirect support. IDCs will be utilized, particularly for enterprise and internal service fund activities, to account for and recover only those costs where it is determined to be reasonable and cost effective to do so. IDCs will be allocated in an equitable and reasonable manner among benefited departments the individual fund and the specific purpose(s) of the fund.

These would include, as appropriate:

1. Legal or regulatory requirements affecting revenues and expenditures, e.g., Charter requirements to maintain the real value of the Capital Projects Permanent Fund.
2. Cash flow requirements to support operating expenses.
3. Relative rate stability from year to year for enterprise and internal service funds.
4. Susceptibility to emergency or unanticipated expenditures.
5. Long-term maintenance and replacement plans for infrastructure and equipment.
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## FINANCIAL POLICIES

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### D. Pooling of Cash and Investments

Funds which participate in the pooled cash and investments portfolio are allocated investment earnings on a pro-rata basis, for eligible funds. Funds with positive cash balances are credited their pro-rata share of investment earnings, while funds with negative balances are charged interest expense.

### E. Recording of Interfund Transactions

Whenever interfund transactions occur the County shall record the complete transaction within the financial records. The financial records include the budget, the annual comprehensive financial report, and applicable interim reports.

## V. OPERATING BUDGET

### A. Pay-As-You-Go Operating Budget

The County shall conduct its operations on a pay-as-you-go basis from available current revenues. To the fullest extent possible, the County shall fund from general revenues those activities that generally benefit a significantly large number of County citizens. Activities that benefit a small portion of the community should be funded directly by those benefited through user fees in accordance with the adopted “User Fee Policy” rather than through general County resources.

To carry out these policy objectives, the County will adhere to the following practices:

1. The County will fund annual operating expenses from current revenues and available fund balances consistent with these financial policies.
2. The County will only fund a new recurring activity if there is an assured funding source for continuing the activity.
3. To initiate new General Fund supported activities, trade-offs of existing activities must first be considered by the County, unless there is a new revenue source available to fund such activities.
4. The County will review existing activities annually to determine the need to continue or modify them.

The County shall observe the following practices regarding the management of its resources:

## FINANCIAL POLICIES

1. The County will encourage economic development activities to broaden its tax base.
2. The County will minimize its General Fund contributions to fund special activities that can be supported by dedicated tax revenues or user fees.
3. The County will annually plan and budget for a reasonable level of maintenance to existing major infrastructure including streets and facilities in order to minimize lifecycle costs.
4. Services for the public or others that can be accomplished effectively by outside agencies for less cost will be performed by an outside agency instead of the County.
5. The County's compensation program will be competitive to attract and retain motivated and high-performing staff members.
6. The County will coordinate the operating and capital budgets so that future capital needs will be integrated with projected operating requirements.
7. The County will seek regional cooperation and funding for any program that has regional benefits.
8. The County will only participate in intergovernmental programs that are consistent with the long-term vision and goals of the County.

While observing these practices, the County will strive to prepare a "balanced budget" that adheres to the following definition:

An individual fund's adopted budget is considered balanced if the current year estimated revenues, plus transfers in from other funds, plus appropriations of fund balance is at least as much as the current year estimated expenditures, plus transfers out to other funds. This condition must be true for the single annual budget and in total for the projected following three years.

The entire County budget is considered balanced when each individual fund budget is balanced. When looking to see if a fund has a balanced budget, the use of (or appropriation of) fund balance is considered a satisfactory source for balancing the budget if the fund balance is already restricted, committed, or assigned for such use. For example, using the assigned fund balance in the Capital Improvement Projects Fund as a source for capital projects, even with no other current revenues or operating transfers in, is a legitimate use and would balance the budget. On the other hand, using the unassigned fund balance in the General Fund as a source for regular ongoing operations for multiple years would not be a preferred use and if it was necessary, the budget would not be considered balanced.

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### B. Revenues

The County shall observe the following practices to manage its revenues effectively:

1. Encourage economic development activities to broaden the County's tax revenue base.
2. Pursue state-wide tax structure revisions to obtain the greatest tax source flexibility for the County.
3. Aggressively collect revenues and coordinate revenue reporting with appropriate parties.
4. To the fullest extent possible and when appropriate, establish user fees and charges at levels which recover the full costs of providing the services.
5. Review fees and charges annually and develop a system for periodically changing rates to keep pace with changes in the costs of providing services.
6. Charge fees for all services that benefit limited interest within the community with the exception of human services needs for persons with limited ability to pay.
7. Whenever possible and practical, use multi-year forecasting techniques and tools in order to detect in advance significant changes in revenue.
8. Use one-time revenues for one-time expenditures whenever appropriate.
9. Provide management with regular reports comparing actual revenue to budget estimates.

### C. Expenditures

The County shall observe the following practices to manage its expenditures effectively:

1. Ensure that the expenditure growth rate will not exceed the revenue growth rate.
2. Where possible, use performance measures and productivity indicators and integrate them into the annual budget.
3. Analyze all costs of a service and make cost projections for at least three years before increasing a level of service or adding new services.
4. Take advantage of changing technology, improved systems, and management techniques whenever available in order to reduce long-term costs and improve productivity.
5. Eliminate any program or service which is no longer necessary.
6. Before undertaking any agreements that would create fixed costs, determine fully and project for at least three years the cost implications (both operating and capital) of such agreements.

## FINANCIAL POLICIES

7. Whenever possible and practical, use multi-year forecasting techniques and tools in order to detect in advance significant changes in expenditures.
8. Prior to any change in the salary and benefit level, prepare a complete cost analysis and multi-year year projection of salaries and benefits.
9. Provide management with regular reports comparing actual expenditures to budgeted appropriations.
10. Transfers into or out of budget line items for salaries or employee benefits may be made only after the County Manager has approved the transfer.

### D. Grants

The Council shall review and approve non-recurring grants during the fiscal year. The annual budget will recognize non-recurring grant revenues and expenditures only after Council acceptance of such grants.

Prior to accepting any grant, the County shall analyze the cost-effectiveness of the grant. The analysis should include the consistency of the grant with the County vision and long-term goals, the full costs associated with administering the grant including indirect support for grant management, accounting and auditing, the feasibility of continuing the program with County resources after the conclusion of grant funding, and that the program offered by the grant will benefit a significant number of County citizens.

## VI. INVESTMENTS

County funds will be invested in accordance with State law, the Charter, the County Code and the adopted Investment Policy.

The County will apply the prudent investor rule to all its investments. These standards state that investments are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

All idle cash shall be continuously invested at the highest available rate, but only in instruments allowed under the investment policy. Disbursement, collection, and deposit of all funds will be scheduled to ensure maximum cash availability and investment earnings.

## VII. CAPITAL IMPROVEMENT PROGRAMMING, FINANCING, AND MAINTENANCE

### A. Capital Improvement Programming

In developing the County's capital improvement projects, the County shall evaluate the need for the capital project and its urgency; perform a long-term cost-benefit analysis of the project; determine the financing

## FINANCIAL POLICIES

sources available for the project and the project's impact on the County's ongoing operating and maintenance costs; and plan for its future replacement.

Highest priority capital improvement projects should be those projects deemed necessary to remedy deficient conditions adversely impacting safety, health, and security; those projects necessary to meet mandatory federal, state, and local legal requirements; those projects which represent a phase of an approved master plan or represent ongoing implementation of phased projects approved in previous years; or those projects which maintain the structural or architectural integrity of existing infrastructure.

### **B. Capital Improvement Financing**

Annually, a 10-year Capital Improvement Program (CIP) will be updated and incorporated into the Long-Range Financial Projection (LRFP). The process of updating the CIP will include evaluating new proposed major CIP projects and prioritizing them with already approved projects, as well as adding a new year to the plan. It will not include a comprehensive re-evaluation of all projects already included in the CIP. Those, generally, should proceed as previously programmed.

CIP projects will not be funded unless they are included in the approved CIP budget. Addition of new projects to the CIP will be contingent upon identifying the funding sources for all phases of the project and committing, through Council approval, all such sources.

The annual budget, the LRFP, and the 10-year CIP should include sufficient funding for adequate maintenance and the orderly replacement and/or upgrade of all capital plant and equipment. All County assets should be maintained at a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Prior to approval of any capital project, the future maintenance and operational costs of the project must be fully analyzed, and those costs must then be included in the approved LRFP for full disclosure of the long-term maintenance and operating impact of the project. The annual budget should include funding for capital programs as identified in the CIP.

The County will actively pursue external long-term financing in accordance with its Debt Management Policy. The County will also pursue external grant funding for CIP project financing whenever it is available and practical to do so. In the event the County realizes excess fund balance over the 25% reserve target, County management may engage with the Council to consider increasing funding for these capital improvement projects priorities.

### **C. Capital Plant Maintenance**

The County shall establish and maintain an inventory showing the condition of its capital plant and shall develop long-term replacement schedules for use in setting priorities and capital financing plan development.

## **VIII. DEBT MANAGEMENT**

The County will manage its debt in accordance with its adopted Debt Management Policy.

## FINANCIAL POLICIES

### IX. LONG RANGE FINANCIAL PROJECTION

The County Manager will, as an initial step in the development of the annual budget, present to Council for consideration and approval a Long-Range Financial Projection (LRFP). This action recognizes that short-term financial plans (annual budgets) need to be placed within a long-term context to be effective and properly coordinated from year to year. Approval by Council indicates their long-range financial policy direction.

The projection will cover 10 years and will include operational and capital budgets that impact the General Fund.

The projection will be updated at least annually. Updating includes:

- A. Adding new items from the updated CIP, including the operating impact of new capital items;
- B. Reviewing and updating assumptions used for forecasting purposes;
- C. Adding any changes which reflect more current information and significantly change the projection; and
- D. Determining the financial effect of any significant changes in County policy.

Only the annually adopted budget appropriates funds for expenditure. However, the annual budget should be developed to fit within the context of the LRFP. The LRFP should be approved annually concurrently with the annual budget. This approval shall not be construed as agreement with every aspect and assumption within the plan but shall be considered as a formal acknowledgment of the projected potential long-term impact of adoption of the annual budget.

### X. ACCOUNTING & FINANCIAL REPORTING

The County shall follow a high standard in all financial reports by:

- A. Preparing appropriate financial reports in accordance with Generally Accepted Accounting Principles (GAAP);
- B. Making all possible and ethical efforts to obtain unmodified independent auditors' opinions on every annual report;
- C. Adopting a spirit of "full disclosure" in preparing annual reports;
- D. Refraining from the use of "creative accounting" to defer costs or hide long-term problems;
- E. Disclosing within interim reports or analysis all pertinent assumptions which may impact decision making; and

## **FINANCIAL POLICIES**

F. Minimizing the number of funds and accounts to prevent unnecessary complexity and cost of maintaining and auditing the records while maintaining ease of reporting.

### **XI. UTILITIES BUDGET**

As required in the section 506 and 509 of the County Charter and Chapter 40 of the County Code, the Department of Public Utilities shall prepare the Department's proposed budget for presentation to and consideration by the Board of Public Utilities (BPU) and County Council.

The proposed budget shall also include 10-year projections of rates and revenues, funding of reserves (the Schedule of Funds) and Capital Project Program Plan. These projections shall be reviewed and approved by the Utility Manager and County Manager or their designees prior to presentation to BPU and Council for their approval in order to ensure adequate and appropriate articulation and reconciliation between these projections and the County's financial statements.

The Schedule of Funds shall identify both targeted reserve balances and annual budgeted funding levels. Individual reserves shall be recorded and reflected in the general ledger at the sub-fund level.

The targeted reserve balances are set and managed in accordance with the Utilities Financial Policies as approved by BPU and County Council (as required per County Code Section 40-45).

### **XII. PERFORMANCE MEASURES**

The County will develop strategic and program performance measures to be used as a component of decision making and to be incorporated into the budgeting process. The performance measures should:

A. Be based upon program goals and objectives that relate to a statement of program purpose that are developed within the context of broader strategic goals and objectives;

B. Measure program results or accomplishments;

C. Provide for comparisons over time;

D. Measure efficiency and effectiveness;

E. Be reported internally and externally;

F. Be monitored and used in decision-making processes; and

G. Be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

### **GLOSSARY OF TERMS**

## **FINANCIAL POLICIES**

### **Advances**

An account used to segregate a non-spendable portion of fund balance to indicate the noncurrent portion of long-term interfund receivables that do not represent expendable and available financial resources. This accounting is established by GAAP and is used by the County for interfund loans--particularly from the General Fund to other County funds.

### **Capital Projects**

An account that assigns a portion of the fund balance that reflects money set aside for capital improvement projects.

### **Cash Requirements**

An account which restricts a portion of the fund balance within the General Fund that is equal to one twelfth of General Fund revised budgeted expenditures. The amount is segregated to provide a margin to help maintain services during periods of economic decline; meet unanticipated cash flow shortfalls; meet emergency conditions which may threaten the life, health and safety of our citizens; and maintain the County's credit rating.

### **Cemetery Perpetual Care**

An account used to restrict a portion of the fund balance in the General Fund, which by contract with the purchasers of cemetery lots, is restricted for future care of the cemetery. When the cemetery is fully developed and all lots are sold, the interest earnings from this reserve will be used to guarantee the maintenance of the cemetery property.

### **Committed Fund Balance**

A "committed fund balance" is a portion of the fund balance that is required by County code to be used for a specific purpose.

### **Continuing Appropriations**

An account used to assign a portion of fund balance which reflects part of the unexpended appropriations on June 30th that are re-appropriated and carried forward to the subsequent fiscal year. Council and County Manager approval is required through the established formal budget process.

### **Debt Service**

An account used to restrict the fund balance in the Debt Service funds to demonstrate that this balance is only expendable for debt service purposes as required by provisions of individual legal debt instruments. Additional fund balance amounts may be assigned by Council.

### **Fund Balances**

"Fund Balance" is generally defined as the difference between fund assets and fund liabilities of governmental type funds. In enterprise and internal service type funds, "Retained Earnings" is a similar concept. The State Department of Finance and Administration (DFA) is required to report local governments' fund balances at the end of each fiscal year to the state legislature. Los Alamos County shall record certain restrictions and commitments of fund balance which have specific and/or legal future local uses.

### **Grants**

## **FINANCIAL POLICIES**

An account used to restrict a portion of fund balance for expenditure once certain grant requirements are met. This account is established by GAAP and by conditions of the grant award.

### **Health Care Assistance**

An account used to restrict the full fund balance in the Health Care Assistance Fund to demonstrate that this balance is only expendable on the specific activities allowed by the applicable statutes. This reserve is established by the statutory restrictions on the second County increment of Gross Receipts Tax revenue and may be expended with Council approval only for those allowed purposes. Further information, restrictions, and guidelines are contained in the Council approved Health Care policy which is updated periodically.

### **Inventories**

An account used to segregate a non-spendable portion of fund balance because supplies inventories are not readily available financial resources. This accounting is established by GAAP and is limited to warehouse stock and golf course pro shop inventory items.

### **Lodgers Tax**

An account used to restrict a portion of fund balance in the Lodgers Tax Fund which is planned for promotional activities or expenditure on specific capital infrastructure items allowed by statute. This restriction is established by statutory restrictions on the lodger's tax revenue and may be expended with Council approval only on those allowed purposes.

### **Prepaid Items**

An account used to segregate a non-spendable portion of fund balance which is not available for expenditure. This accounting is established by GAAP.

### **Restricted Fund Balances**

A "restricted fund balance" is a portion of the fund balance that has external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislations which require the resources to be used only for a specific purpose.

### **Unassigned Fund Balances**

The amount of the fund balance that is totally available for appropriation for any legal purpose. This term is limited in usage to governmental type funds. In proprietary type funds "working capital" is a similar concept.