

L  **S** **A** **L** **A** **M**  **S**
where discoveries are made

Popular Annual Financial Report

Incorporated County of Los Alamos
Fiscal Year Ended June 30, 2020

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County Manager & Chief Financial Officer Message

To the County Council and Citizens of the Incorporated County of Los Alamos:

We are pleased to submit to you this **Popular Annual Financial Report (PAFR)** for fiscal year 2020. Our goal is to insure that the citizens are kept informed on the state of the County's finances and discover more about their County government's operations. Fiscal Year 2020 (FY2020) began on July 1, 2019 and ended on June 30, 2020.

The Finance Division of the Administrative Services Department has prepared this summary of the financial activities of Los Alamos County reported in the Comprehensive Annual Financial Report (CAFR). This **PAFR** includes condensed and selected information from the CAFR and therefore, is a non-GAAP (Generally Accepted Accounting Principles) presentation.

The CAFR outlines the County's financial position at June 30, 2020 and the results of its operations for the fiscal year. The CAFR represents the audited information for last year, is presented in GAAP format, and contains more detailed information. The CAFR is available to all citizens at the Municipal Building (1000 Central Avenue), on the County's website (https://www.losalamosnm.us/government/departments/administrative_services/finance_budget/reports_and_budgets), and also at both the Mesa Public Library and White Rock Branch Library.

Although the County is a relatively small government in terms of resident population served, the numerous direct and indirect relationships with the Department of Energy require levels of service and complexity normally found in large metropolitan areas. We are also unique in that we are classified as a Class H County in the State of New Mexico and we operate as both a City and County government. As always, providing top-notch service is our number one priority. We work for you, the residents of Los Alamos County, and appreciate the high levels of engagement from our community.

Our community began taking measures such as wearing masks and staying home in mid March due to the COVID-19 pandemic. The fight against the pandemic is a marathon, not a sprint. We are in this for the long haul. It is important that we continue to model the behavior that we want our community to follow. Continue to be diligent in your COVID Safe Practices, and, more importantly, be encouraging and supportive of your fellow co-workers – especially those on the front lines at the County. Working together, we will continue to keep our focus on doing our part to fight the virus and turn Los Alamos County from “red” to “green” to allow facilities, amenities and businesses to re-open, increase capacity, or offer more services. We can accomplish this task. Our community is resilient.

Sincerely,



Harry Burgess, County Manager



Helen Perraglio, Chief Financial Officer



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

Incorporated County of Los Alamos

New Mexico

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Response to COVID-19

- On March 18, 2020, Council Chair Sara Scott declared a local public health emergency because of the novel coronavirus COVID-19.
- The County's senior management team and the County Manager worked together to formulate a plan to keep our community and County employees safe, as well as to comply with health guidance from the Governor and state agencies. As of March 18th, County employees providing essential services who have the ability to work from home (telecommute) were given assigned work and County-issued laptops. Department Directors have identified employees that fall within this category, including any employee who may be at higher health risk if they contract COVID-19. Employees providing essential services who have a job that requires them to be in the field, such as public safety or utilities' workers, reported to work as scheduled. All other employees who provide non-essential services remained at home on special Emergency Paid Leave status.
- The County continued providing essential services to the community during the public health emergency in the last four months of the fiscal year and continuing into FY2021.
- Since March 2020, all Council and Board meetings have been conducted via Zoom allowing for public comment and involvement. The April budget hearings were also conducted over Zoom.

LOS ALAMOS

where discoveries are made

THE COUNTY'S FINANCIAL POSITION

Los Alamos County's Changes in Net Position
For Fiscal Year Ended June 30, 2020
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Revenues:						
Total Revenues	66.4	68.3	96.2	95.4	162.6	163.7
Expenses:						
Total Expenses	62.4	68.1	93.9	97.8	156.3	165.9
Total Change in net position	4.9	3.2	1.4	(5.4)	6.3	(2.2)
Beginning net position	272.2	269.0	152.6	152.4	424.8	421.4
Prior period adjustment	0.0	0.0	0.0	5.6	0.0	5.6
Ending net position	\$ 277.1	272.2	154.0	152.6	431.1	424.8

The County as a whole, gained \$6.3million in net position in FY20 primarily due to decreased expenses

DID YOU KNOW?

Governmental Activities are supported by taxes and grants to provide basic services

Business-type Activities are supported by user fees and contract revenue based on the service level used





MORE ON THE COUNTY'S NET POSITION

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

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

When you look at the County in terms of its financial statements in this way like a balance sheet, you can see that a significant amount of our net worth is invested in capital assets (our infrastructure, buildings, land, etc.) and restricted for purposes of serving the public.



The presentation of this statement is meant to look at the County as a whole. Unrestricted net position is impacted by required accounting adjustments mainly related to our long-term pension liability for participating in the State Public Employer Retirement Association (PERA).



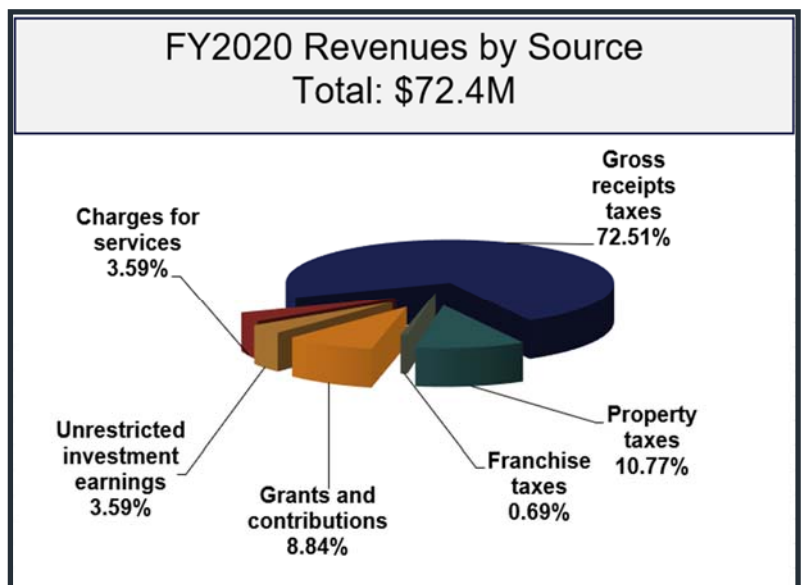
ACCOMPLISHMENT HIGHLIGHTS

- ◆ The community has seen many positive changes and exciting new paths forward. One of the biggest highlights was an advancement in the number and types of housing units: Mirador Subdivision initiated its first phase of homes in White Rock, apartments known as “The Hill” south of Trinity took design plans to the Planning & Zoning Commission, the Black Hole property was sold to a private housing developer, the proposed Canyon Walk Apartments closed on their property acquisition and “The Bluffs,” a new Senior housing development was approved nearby on DP Rd. Most of these projects began construction in 2020, adding urgently needed housing to Los Alamos, which is rapidly growing, thanks to a hiring boom at LANL.
- ◆ The County received a State legislative capital outlay grant for \$475,000 to use toward infrastructure that is needed for land owned by the Los Alamos Public Schools east of the Middle School. The County continues to have a set-aside in the annual budget for dollars targeted to specifically support Schools’ needs such as this. An option being explored for the North Mesa project involves setting up a community land trust. This model, or a similar property ownership model, could affect lower prices to help meet income-qualified needs voiced by the Schools’ staff.
- ◆ The County Council approved a development agreement that will bring a new Marriott hotel to Los Alamos, located at 20th and Trinity. Marriott will build an 86-room hotel as well as a new conference center that can seat up to 300 people for large events. Marriott will manage the new conference center, which has been an urgent need identified in economic development plans for well over a decade.
- ◆ Infrastructure projects also took center stage including the State Department of Transportation’s NM502 roundabout project. County staff coordinated outreach with commuters and nearby businesses to support the community’s needs and resolve concerns with traffic or access.
- ◆ Capital projects for four quality of life initiatives were funded and are moving from design to construction: a Kiddie Pool addition to the Aquatic Center, a Splash Pad for White Rock, Golf Course irrigation replacement, and improvements at the Ice Rink.
- ◆ Staff in the Social Services Division successfully reinstated the local Public Health Office. The County secured and renovated leased space for the Public Health office (required by State statute) and services are now jointly provided by Las Clinicas del Norte and the State Department of Health. The new office is called the Health Commons.
- ◆ The County continues its commitment to operational excellence. The Government Finance Officers Association awarded Los Alamos County with the Certificate of Achievement for Excellence in Financial Reporting (29 consecutive years) for the Comprehensive Annual Financial Report (CAFR) and the Distinguished Budget Presentation Award (28 consecutive years), and the GFOA Outstanding Achievement in Popular Annual Financial Reporting Award (4 consecutive years) for the County’s PAFR, all of which contributed to our GFOA Triple Crown honor.



General Fund Activities Expenditures

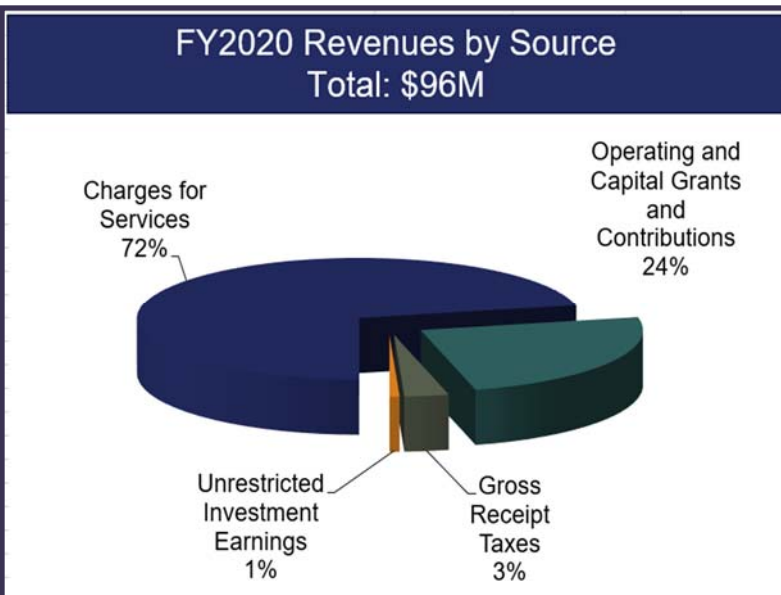
General Fund Expenditures			
	FY2018	FY2019	FY2020
County Council	\$ 416,268	\$ 394,776	\$ 362,077
Municipal Court	474,329	475,235	543,063
County Manager	3,375,242	3,179,516	4,529,503
County Assessor	405,752	416,237	474,885
County Attorney	645,014	680,206	822,440
County Clerk	529,379	557,178	641,966
County Probate	4,587	4,540	5,310
County Sheriff	16,694	12,204	13,731
Administrative Services	7,283,349	7,337,414	7,673,734
Public Works	9,451,049	14,547,257	10,781,374
Community Development	1,804,465	1,573,284	1,781,322
Fire	5,629,137	5,381,751	6,338,046
Police	8,151,630	8,241,900	9,094,942
Community Services	10,364,600	9,941,705	10,457,991
TOTAL EXPENDITURES	48,551,495.00	52,743,203.00	53,520,384.00





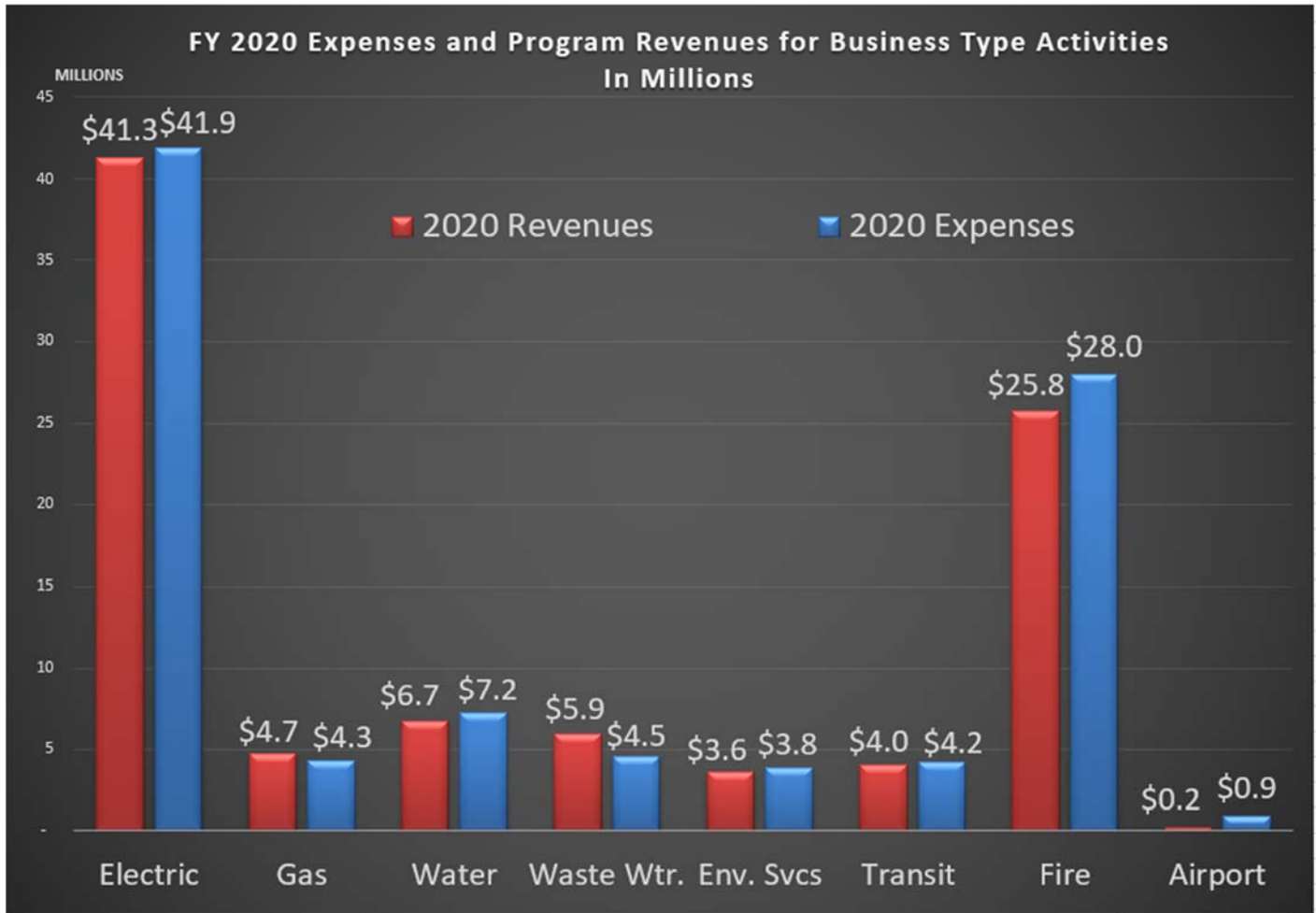
Business-Type Activities Expenses

Expenses (in millions)			
	FY2018	FY2019	FY2020
Electric	\$ 42.05	\$ 45.10	\$ 41.90
Gas	4.42	5.10	4.30
Water	6.68	7.00	7.20
Wastewater	4.19	4.20	4.50
Environmental Services	4.49	4.80	3.80
Transit (Atomic City)	4.24	4.10	4.20
Fire	26.74	28.10	28.00
Airport	1.13	0.90	0.90
TOTAL EXPENSES	\$ 93.94	\$ 99.30	\$ 94.80



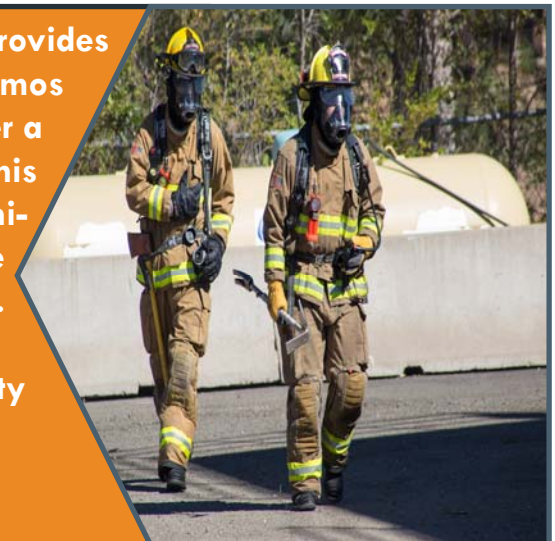


Business Type Activities - Compared



DID YOU KNOW?

The Los Alamos Fire Department provides fire protection services to Los Alamos National Laboratory (LANL) under a cooperative agreement. Through this partnership, LANL and the community receives an elevated level of fire protection and ambulance services. The cost of services provided to LANL are reimbursed to the County through monthly billings.





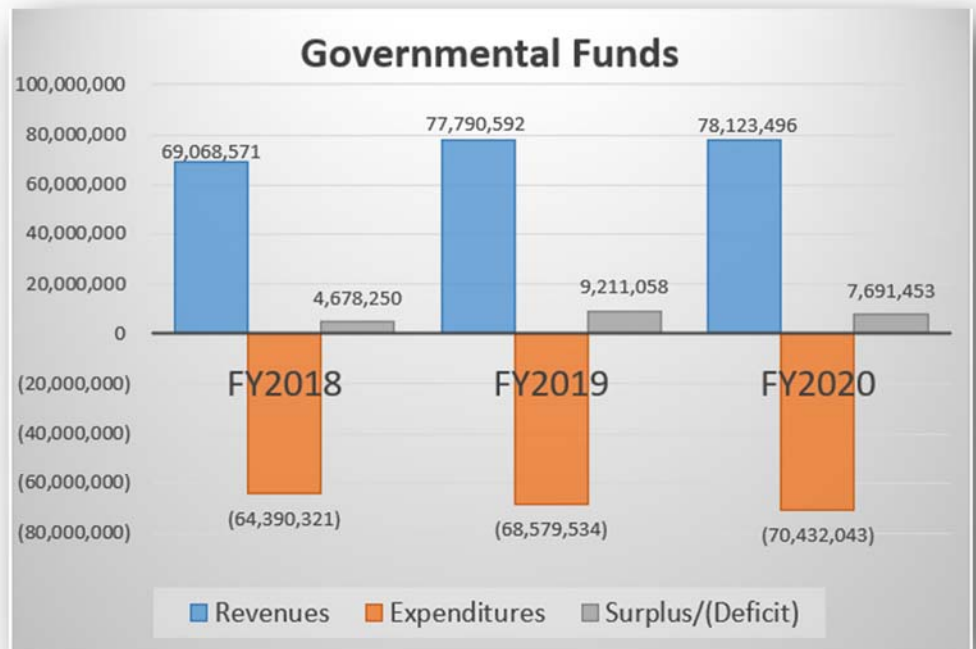
FUND BALANCE - GOVERNMENTAL FUNDS

	Unassigned Fund Balance	Committed Fund Balance*	Total Fund Balance
General Fund	\$ 30,409,028	12,158,083	42,567,111
Economic Development	-	5,978,045	5,978,045
Emergency Declarations**	69,994	93,101	163,095
Capital Improvement Projects	-	19,816,594	19,816,594
Capital Projects Permanent	-	30,096,796	30,096,796
Other Governmental	-	3,511,923	3,511,923
Total Governmental Funds	\$ 30,479,022	71,654,542	102,133,564

* Non-spendable, Restricted, Committed or Assigned

County-wide Results

Overall, the County continues to have a strong financial position, with operating reserves and assets available to provide services to citizens.



GRT — What is it?

Gross Receipts Tax, or GRT is a tax imposed by the State and the County for selling goods; performing services; leasing or licensing property; granting a right to use a franchise; and selling research and development services. GRT is New Mexico's version of a sales tax.

How does it work?

The County adopts tax rates in increments for general or special purposes. Every time you pay GRT on a transaction, the local business collects the tax and remits it to the State of New Mexico through CRS-1 reporting. The state retains a portion of the tax and then distributes the remainder to the individual county or municipality. Los Alamos County is unique in that we can implement both City and County increments since we're one in the same. GRT makes up 72% of our revenue to provide services to the community. Our single largest contributor is LANL.

Buy Local, Keep it Local!



For every \$1.00 spent in Los Alamos subject to tax, we get \$.03 of the \$.07 collected back.

HOW DO WE COMPARE TO OTHER MUNICIPALITIES IN THE STATE?

Gross Receipts Tax Rates

Espanola (SF) 9.0625

Espanola (RA) 8.9375

Taos 8.5000

Santa Fe 8.4375

Las Cruces 8.3125

Rio Rancho 8.125

Albuquerque 7.875

Los Alamos 7.3125



TOTAL GRT REVENUES IN MILLIONS - OVER 10 YRS





A LITTLE ABOUT PROPERTY TAXES

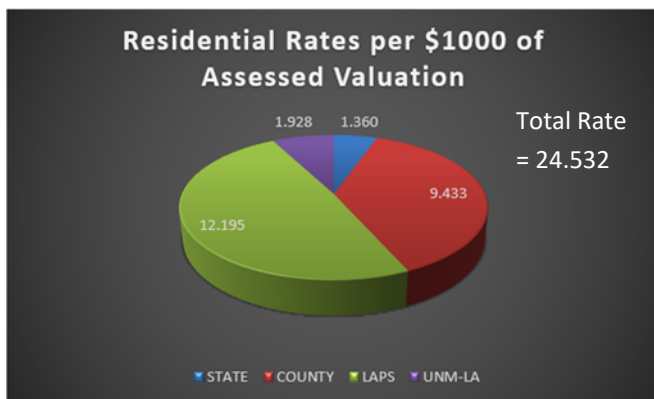
How does it work?



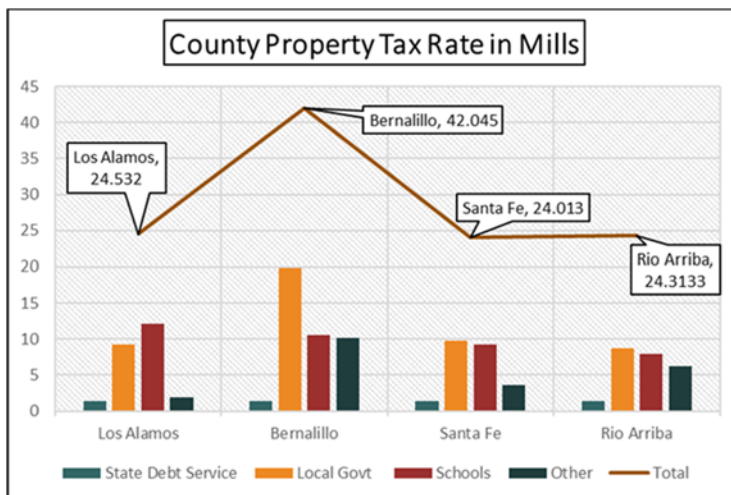
There are many factors that go into the Property Tax Rate determined by the NM Department of Finance and Administration (DFA). The Total Net Taxable Value of the County, Total New Construction in the County, additional or expired voter imposed General Obligation Bonds, and the amount of mill rate imposed by the specific entities all play a role in the calculation of the Property Tax Rates. The residential tax rate in Los Alamos County is 24.532 mills. The non-residential tax rate is 28.590.



WHERE DO YOUR PROPERTY TAX DOLLARS GO?



GO?



← HOW DO WE COMPARE ?



FULL TIME EQUIVALENTS (FTE)

County employment in Full Time Equivalents (FTEs)	FY2017	FY2018	FY2019	FY2020
County Council	7.00	7.00	7.00	7.00
Municipal Court	4.75	5.50	5.30	5.80
County Manager's Office	23.00	22.00	22.00	22.00
County Assessor's Office	7.00	7.00	7.00	7.00
County Attorney's Office	5.00	5.00	5.00	5.00
County Clerk's Office	7.16	7.16	6.77	7.27
Probate Court	1.00	1.00	1.00	1.00
County Sheriff	1.98	1.00	1.00	1.00
Community Development	15.00	16.00	16.00	16.00
Administrative Services	46.01	52.01	47.61	46.38
Community Services	95.04	94.15	91.73	92.73
Fire Department	150.00	150.00	150.00	150.00
Police Department	73.00	74.75	74.75	77.75
Public Works	133.83	136.55	137.55	137.55
Utilities	98.34	98.30	97.60	98.60
TOTAL FTE's	668.11	677.42	670.31	675.08

CHANGE IN FTE'S



The adopted budget has 647.50 Regular, 5.30 Limited Term and 22.28 Temp/Casual for a total of 675.08 budgeted FTE in all funds and a net increase of 4.77 FTEs.

The 5.5 increase in regular FTE is due to the addition of the following:

Utilities – Power System Operation – 1.0

Police – Dispatch – 3.0

Community Services – Parks Maintenance and Construction Specialists – 1.0

Municipal Court – Court Clerk - .5

The 1.6 FTE reduction in limited term positions is due to the completion of the PRISM software implementation project.

Temps/Casual – 1.6

The .87 increase in limited term position is due to the addition of the following:

County Clerk - .5

Information Management - .37

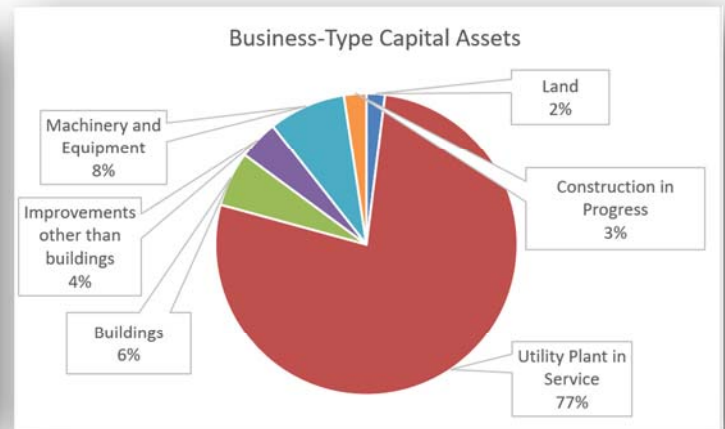
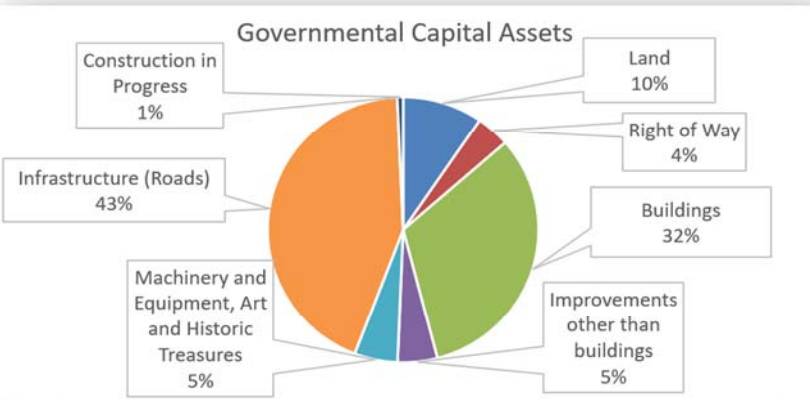
+5.5
-1.6
<u>+0.87</u>
4.77



CAPITAL PROJECTS TURN INTO CAPITAL ASSETS

Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2020 and 2019
(in millions of \$)

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




Los Alamos County adopts a project-length budget for capital projects that may cross multiple fiscal years. As those projects go from construction in progress to finished buildings, roads, or utility infrastructure, these assets get capitalized in the respective year they are placed in service and ready for use.

LOS ALAMOS


where discoveries are made

Operating Indicators BY THE NUMBERS



ENVIRONMENTAL

- **Nature Center Participants**
- FY19 - 44,334
- FY20 - 37,637
- **Megawatts Solar Energy Produced**
- FY19 - 558,282
- FY20 - 952,917



CULTURE

- **Historical Society Museum Visitors**
- FY19 - 13,120
- FY20 - 20,206
- **Historical Society Lecture Program Attendees**
- FY19 - 2,862
- FY20 - 2,303




RECREATION

- **Number of Aquatic Visits**
- FY19 - 175,444
- FY20 - 114,533
- **Golf Rounds**
- FY19 - 20,745
- FY20 - 14,437
- **Ice Rink Visits**
- FY19 - 18,962
- FY20 - 23,846



MOBILITY

- **Transit Passenger Rides**
- FY19 - 321,743
- FY20 - 451,793




EXCELLENCE

- **Therms of Gas Delivered**
- FY19 - 9,449,825
- FY20 - 8,973,360
- **Thousands of Gallons of Sewage Conveyed**
- FY19 - 397,292
- FY20 - 450,124



CULTURE

- **Fuller Lodger Art Center Program Participants**
- FY19 - 35,482
- FY20 - 15,209
- **Los Alamos Arts Council Participants**
- FY19 - 10,011
- FY20 - 6,981

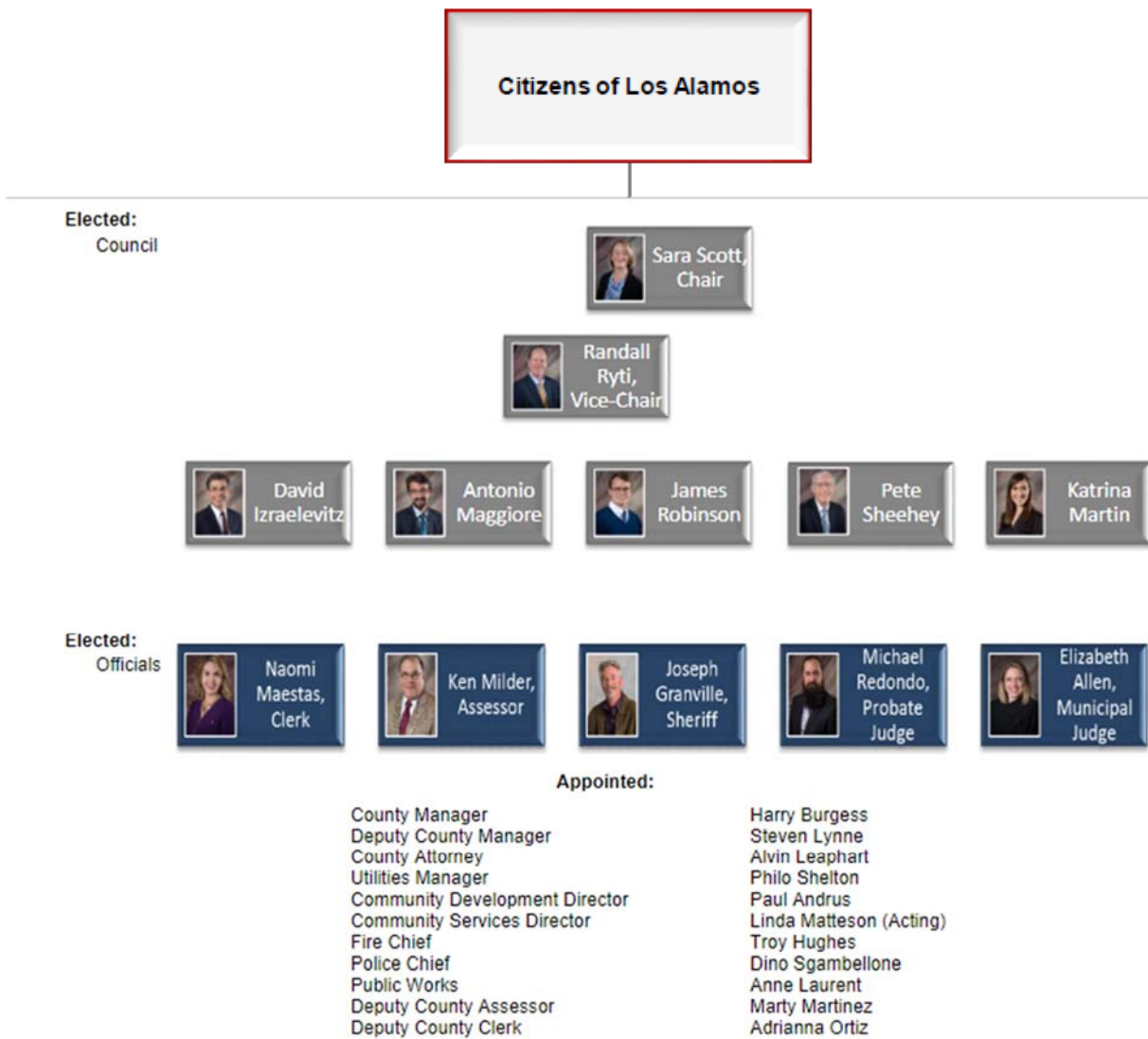


OPERATIONAL

- **Service Calls Responded to by Police**
- FY19 - 13,533
- FY20 - 13,439
- **Number of Traffic Accidents**
- FY19 - 212
- FY20 - 205



COUNTY-WIDE ORGANIZATION CHART





COUNTY COUNCIL



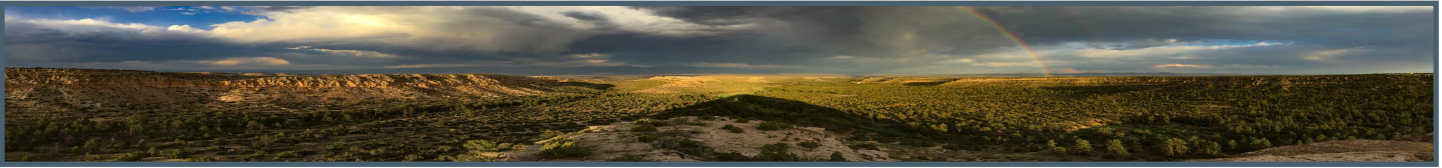
**LOS ALAMOS COUNTY
NEW MEXICO
POPULATION
19,369**

The Council of the Incorporated County of Los Alamos is the governing body of Los Alamos County and was created by the Los Alamos County Charter. The Council consists of seven members elected at large for four-year, staggered terms. Each year the Council elects a Chair and Vice-Chair from within its membership.

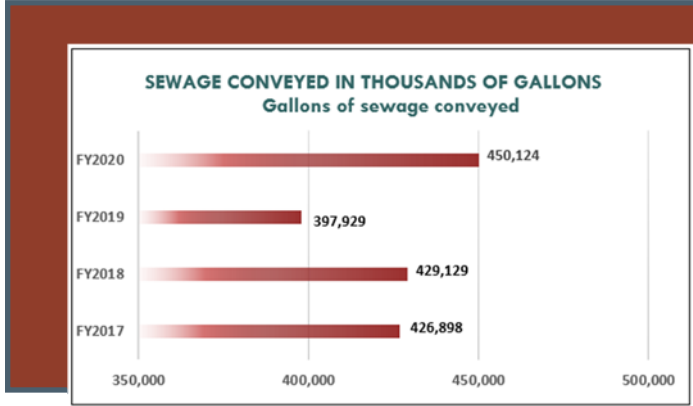
An incorporated county is established under a special provision of the state constitution. It has both county and municipal authority and powers. Los Alamos County Council has also adopted a home rule charter which allows the County to depart from certain statutory requirements. Under the Charter, the Council is the governing body of the County.



- | | |
|-------------------------------------|------------------------------------|
| Sara Scott, Chair | |
| Randall Ryti, Vice-Chair | |
| David Izraelevitz, Councilor | Antonio Maggiore, Councilor |
| Katrina Martin, Councilor | James Robinson, Councilor |
| Pete Sheehey, Councilor | |



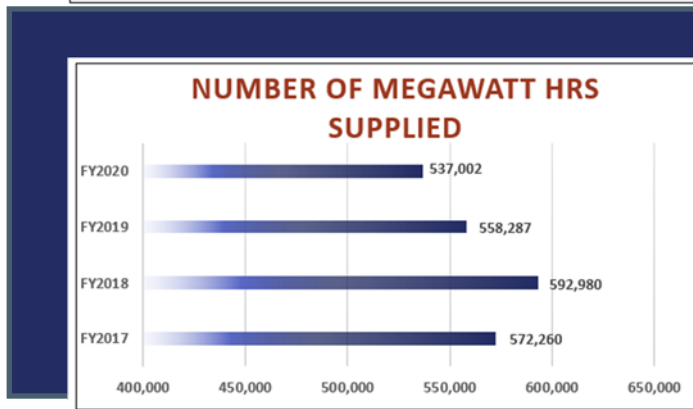
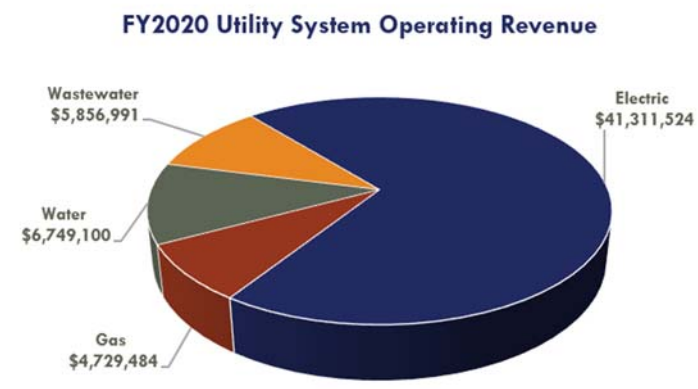
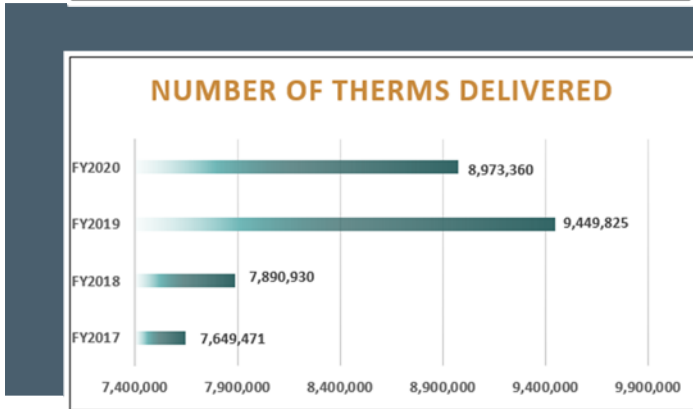
UTILITIES AT A GLANCE



Did You Know?

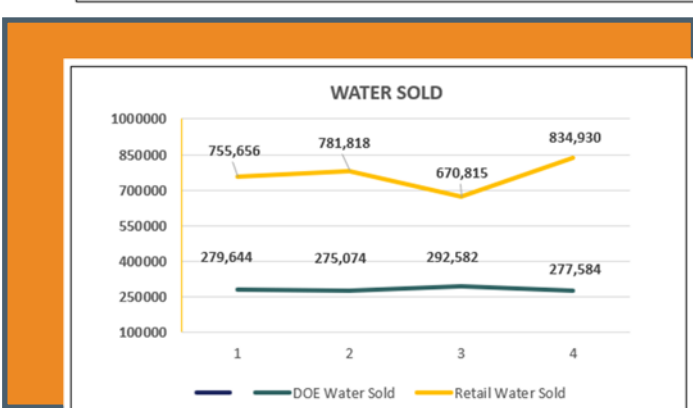
Utilities produces green energy!

The Department of Public Utilities generates clean energy for Los Alamos County and Los Alamos National Laboratory through two hydroelectric facilities at Abiquiu and El Vado, as well as a solar array field in Los Alamos.



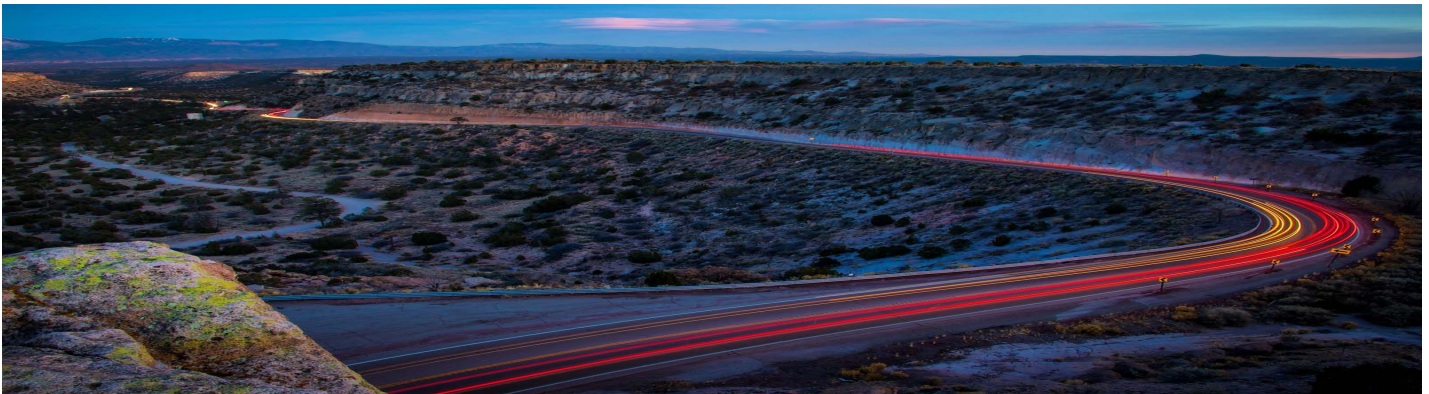
Did You Know?

DPU reclaimed 96.2 million gallons of water to irrigate Los Alamos



LOS ALAMOS

where discoveries are made



2020 Accolades

2020 America's Healthiest Communities: #1 Los Alamos County
U.S. NEWS & WORLD REPORT

2020 Best Counties to Live in America: #1 Los Alamos County
NICHE.COM

2020 Counties with the Best Public Schools in America:
#1 Los Alamos County
NICHE.COM

2020 Best Counties to Buy a House in America:
#1 Los Alamos County
NICHE.COM

2020 10 Best – Most Secret National Park:
Manhattan Project National Historical Park
USA TODAY

2020 Best Places to Live in New Mexico -
#1 Los Alamos, #2 White Rock
MONEY MAGAZINE

2020 Best High Schools in New Mexico -
#3 Los Alamos High School
U.S. NEWS & WORLD REPORT

2020 Safest City in New Mexico - #1 Los Alamos
NATIONAL COUNCIL FOR HOME SAFETY & SECURITY

2020 Best Suburbs to Live in America - #7 Los Alamos
NICHE.COM

2020 Best Counties for Families in America: #9 Los Alamos County
NICHE.COM

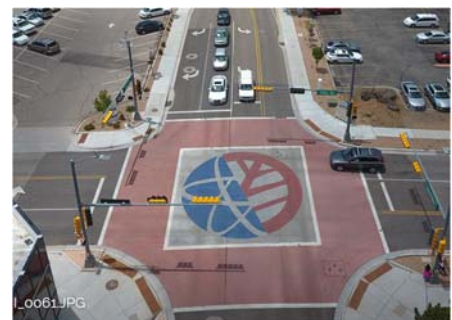
2020 Best Small Towns in America - #17 Los Alamos
POPSUGAR

2020 Top 50 Companies for Latinas to Work in the US:
#33 Los Alamos National Laboratory
LATINA STYLE INC.

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Communications and Public Relations Office
Photos by Leslie Bucklin, Vint Miller and Los Alamos County Staff unless otherwise noted.

Top 5 Los Alamos County Employers

Los Alamos National Laboratory	12,378
Los Alamos Public Schools.....	676
Los Alamos County.....	675
N3B	647
Other Employers	3,258



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#love los alamos



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Contact us at lacbudget@lacnm.us or 505-662-8244

**Incorporated County of Los Alamos, New Mexico
Administrative Services Department - Finance Division
1000 Central Avenue, Suite 300
Los Alamos, New Mexico 87544**

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