

2021

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR)

LOS ALAMOS

Incorporated County of Los Alamos, New Mexico



LOS ALAMOS

Annual Comprehensive Financial Report

Fiscal Year Ended

June 30, 2021

Prepared by the Finance Division of the Administrative Services Department

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December 1, 2021

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

We are pleased to submit to you the Annual Comprehensive Financial Report of the Incorporated County of Los Alamos (the County) for fiscal year 2021. The Finance Division of the Administrative Services Department has prepared this report to present the financial position of the County at June 30, 2021, and the results of its operations for the year then ended. The financial statements and supporting schedules have been prepared in conformity with generally accepted accounting principles for governments, and with the requirements of the State of New Mexico, Office of the State Auditor.

COUNTY COUNCIL

Randall T. Ryti
Council Chair

James N. Robinson
Council Vice-Chair

COUNCILORS

Denise Derkacs
David Izraelevitz
David Reagor
Sara Scott

Sean Jameson Williams

COUNTY MANAGER

Steven Lynne

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

INTERNAL CONTROL AND MANAGEMENT'S RESPONSIBILITY

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

The County had two findings from the independent auditors' which have been described in their Schedule of Findings and Questioned Costs, which is included in the Other Financial Information Section of this report.

THE REPORTING ENTITY AND ITS SERVICES

In 1949, the County was formed from parts of three other existing counties as a separate political subdivision by the New Mexico legislature. It was incorporated on December 10, 1968 when County voters adopted the Charter. The County has the rights and responsibilities of both a county and a municipality under the County's Charter and New Mexico State law.

The County is located on the Pajarito Plateau in northern New Mexico, about 35 miles northwest of Santa Fe, the capital of New Mexico. The County covers about 109 square miles. The National Forest Service owns 41.2% of the County's area, the United States Department of Energy (DOE) owns 35.3%, the County and its citizens own 14%, and Bandelier National Monument owns 9.5%.

Before the establishment of the Los Alamos National Laboratory (LANL) in 1943, a few isolated ranches and a preparatory school for boys occupied the area that is now the County. This isolated area became the home for scientists and military personnel working as a key part of the Manhattan Project, which resulted in ending World War II. Initially, the Laboratory and the surrounding area were owned and controlled by the federal government. Under the Atomic Energy Communities Act of 1955, the government sold most commercial real estate, residential lots, and housing units to private owners. Churches and institutional properties, including hospitals, schools, municipal offices, the electric, gas, and water distribution systems and the wastewater collection system were transferred to private institutions, the school system, or County ownership.

The County operates under a council-manager form of government. The County Council consists of seven members who are elected at large. Under the Charter, the County Council appoints a County Manager, the chief executive officer of the County, who is responsible for all County affairs placed in his or her charge by New Mexico State statutes, the County Charter, County ordinances, and the County Council.

The Basic Financial Statements of the County include all government activities, organizations and functions for which the County is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria, no other governmental organizations are included in this report.

The County provides a wide variety of services to its citizens, including the following: police services including dispatch of all emergency services; fire protection and prevention services; emergency medical services; maintenance of parks, streets and roads in the County; public transit services; residential and commercial refuse collection and disposal and transfer station operation; electric, water, gas, and wastewater utilities; public library operation; airport facilities; recreation facilities and programs; community planning and development; and certain health, social, and cultural services.

ECONOMIC CONDITION AND OUTLOOK

The proposed 2021 budget was developed during the COVID-19 (coronavirus) outbreak.

Like other communities around the nation, Los Alamos County had to quickly adapt to a rapidly changing situation when the coronavirus began moving into New Mexico in March 2020. From the onset of the virus, the County's Emergency Management team went to work and began immediately coordinating and brainstorming with Department Directors and front-line employees to find ways to address the situation locally before it reached a critical point. County staff met weekly in the early days of the pandemic to identify stop-gap measures for short-term functionality, exploring creative ways and identifying options that would keep employees and community members safe, while maintaining adequate work force numbers with reserves that might be needed as the pandemic worsened. Working together with community counterparts, by the time the virus was rapidly sweeping across the country, the County's team had already developed a longer-term resiliency plan to keep essential services up and running safely and effectively, successfully procured emergency medical supplies, and drew up plans to quickly begin modifying building ingress/egress and customer contact-less solutions. Through it all, employees remained upbeat and highly responsive, continuing to adapt as needed or suggest ideas that might keep services operational with little or no disruption. This success is a testimony to the County's commitment to provide excellent customer service – a benefit that citizens have come to know and expect in Los Alamos.

A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) accounts for 74% and Property Taxes accounts for 10% of the total General Fund budgeted revenues. The remaining General Fund revenues are comprised of user fees, interdepartmental charges, investment income, and grants. GRT is primarily from the community's largest employer, Los Alamos National Laboratory (LANL).

Regarding the future outlook, the County began preparing the FY 2022 budget in December. Our guidance for budget development was for a 3% increase in salaries for non-collective bargaining employees, a 5% increase in medical premiums and a 3% increase to other expenditure categories for contractually obligated increases. Based on the current projected revenues and Council's guidance to maintain a 20% reserve, there was an opportunity for Council to consider budget option expenditures in addition to the proposed budget, as well as potential expansion of county services and programs to focus on achieving the Council's strategic goals and continue to provide excellent day-to-day services to the citizens of Los Alamos. The budget as adopted by Council included \$8.9 million in approved budget options.

The overall County adopted FY2022 expenditure budget is \$245.1 million as compared to FY2021 adopted expenditures of \$239.5 million. Overall County budgeted revenues are \$237.2 million as compared to FY2021 adopted revenues of \$230.3 million.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

Without a doubt, part of 2020 and 2021 were challenging periods for our community. Like so many other local governments, in mid-March of 2020, the County shifted gears with the onset of the COVID-19 pandemic to change the way we deliver services, updating online work processing and contact-less ways of interacting, and modifying work schedules for some employees to work remotely when possible. By adapting and responding quickly, the County was able to keep projects on task and within budget.

- First, it's exciting to see new housing projects under construction. New housing opportunities are visible along DP Road, known as Canyon Walk Apartments. In White Rock, Mirador Subdivision is wrapping up the first phase of single-family homes and has moved forward with its mixed-use project in 2021 on the same property. Both projects will bring more options and housing availability to the community.
- The Hill apartments and a new senior-focused housing development will be under construction soon, while homes in North Community on the former Black Hole property are also under construction.
- The County and School Board also moved ahead in December 2020 with a Memorandum of Agreement to work together to consider a new housing project on School-owned property near the Middle School. The County has funding through a State grant to fund the infrastructure design, and the project's focus was the topic of several public workshops this past year.
- A local developer completed construction to convert 8 offices into apartments by adding an additional floor to an existing office building at the corner of Oppenheimer and Trinity.
- Downtown Master Planning efforts were launched for Los Alamos and White Rock, and related work on two sections of the County's code (Chapter 16 and 18) will support the work coming out of these efforts, a combination of planning, design and public feedback that will advance related projects in the works, such as the Urban Trail and expansion of the Canyon Rim Trail into the downtown area.
- The County recently sold two adjacent properties along Trinity Drive to a local business (Pet Pangea, LLC) for a mixed use residential and retail development.
- Capital projects moved to construction for four quality of life initiatives. The Leisure Lagoon addition to the Aquatic Center is funded and construction has begun; a Splash Pad for White Rock is substantially completed; Phase I of the Golf Course irrigation replacement was completed this past summer, and improvements to the locker rooms were constructed at the Ice Rink.
- A variety of infrastructure projects occurred – most noticeably with the State Department of Transportation's NM502 roundabout project, which has been completed. Funding for infrastructure for DP Road was approved and moved to design, wayfinding signage was approved and is going out to bid, conceptual design will begin for the Tween Center as well as planning to redevelop the WAC Building.

- The County successfully distributed \$1.7 million of CARES Act funds to the community under a stringent federal timeframe. In accordance with Council's direction and desire to help the community we did not revert any of the funds allotted to Los Alamos County. No monies were utilized to enhance County revenues, but instead every dollar was awarded to local entities, including small businesses, individual residents, and the Los Alamos Public Schools.

As a result of our current efforts to contain expenditures and a historically conservative approach to fund balance reserves, the County's Governmental Funds balances have remained positive. Projections for the long-range financial outlook are based upon the following assumptions:

- FY2022 and forward, the long-range financial outlook includes a \$400,000 per year transfer from the General Fund to the Economic Development Fund for the housing loan programs.
- FY2023 and forward includes planned operational costs within Community Services and Public Works Facilities for the Leisure Lagoon and Splash Pad.
- FY2023 includes a 3% increase to salaries, a 5% increase in medical premiums and a 3% increase in non-salary/benefit expenditures.
- FY2024 and later include a 3% inflation factor for revenue and expenditures.

FEDERAL AND STATE MANDATES

Cities and counties continue to experience an increase in state and federal mandates, many of which are not funded, but are simply imposed on local governments. These present not only additional financial liabilities, but also require the County to engage in the development of new reporting systems and programs that expand management's responsibilities and tax the County's resources.

Although the County is a relatively small government in terms of resident population served, the demands of our predominantly highly educated citizens for high quality services and the numerous direct and indirect relationships with the Department of Energy require levels of service and complexity normally found only in large metropolitan areas.

The County continually faces the challenge of balancing these high demands for services and the requirements of unfunded mandates with continued pressure to keep taxes and costs of services at reasonable levels. Historically the County has been able to meet this challenge, but conditions exist which may require some difficult choices in the next few years. Among these conditions are an aging infrastructure, and the uncertainties of a "one employer town".

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The County's Finance and Budget staff plans, organizes, directs, and coordinates the overall management of the County's finances. These responsibilities include: (1) carrying out the duties of the County Treasurer; (2) managing the County's investment and debt activities; (3) coordinating the annual audit of the County; (4) ensuring the accuracy and integrity of all financial data; (5) developing and monitoring the County's operating budget; and (6) forecasting financial results and monitoring trends. In addition, the Finance division maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council. Activities of all funds except the Pension Trust Fund and the Agency Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of established budgetary control is by department within an individual fund.

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control for interim reports. Unencumbered balances lapse at the end of the year. However, encumbrances are re-appropriated as part of the following year's budget. The County's budget policies and budget control procedures are fully described in the notes to the financial statements.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Incorporated County of Los Alamos for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a national award that recognizes conformance with the highest standards for presentation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to rigid program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty-nine consecutive years (fiscal years 1991 through 2020). We believe this current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it for review by GFOA. In addition, the County received the GFOA Award for Distinguished Budget Presentation for the Annual Budget for fiscal year 2021. This was the twenty-eighth consecutive year the County received the budget award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. Finally, the County received the GFOA Award for Popular Annual Financial Reporting for the fifth year it has been compiled for FY2021. The PAFR is intended to be a more understandable report to the general public of information extracted from the ACFR. The County is very excited to continue the production of the PAFR in future years. The County was given GFOA's Triple Crown Honor for awards in all three programs.

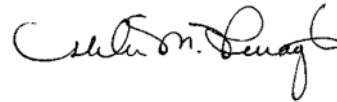
ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated service of the staff within Finance. We wish to express our sincere appreciation to all staff members whose dedication and professionalism made the preparation of the report possible. We would like to make a special recognition to one of our most dedicated and hard-working team members, Ms. Karen Kendall, who retired at the end of the year. Karen was our Budget and Performance Manager who contributed countless hours, effort, and excellence in financial reporting and accountability during her tenure with the County. We would also like to recognize County Manager Harry Burgess who also retired during the year and provided us with excellent leadership and stewardship of public finances. We thank the staff from other County departments who assisted and contributed to its preparation. Finally, without the leadership and support of the members of the County Council, preparation of this report would not have been possible.

Sincerely,



Steven Lynne
County Manager



Helen M. Perraglio, CPA
Acting Administrative Service Director / Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Incorporated County of Los Alamos
New Mexico**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

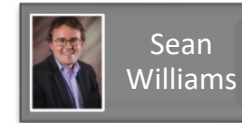
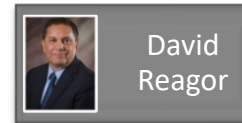
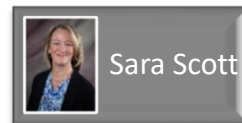
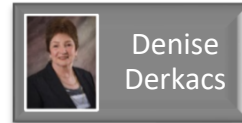
Christopher P. Morill

Executive Director/CEO

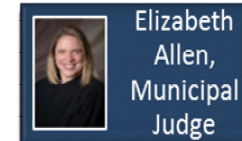
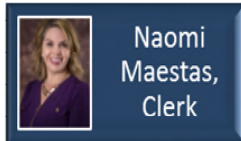
INCORPORATED COUNTY OF LOS ALAMOS ELECTED AND APPOINTED OFFICIALS

As of June 30, 2021

Elected:
Council



Elected:
Officials

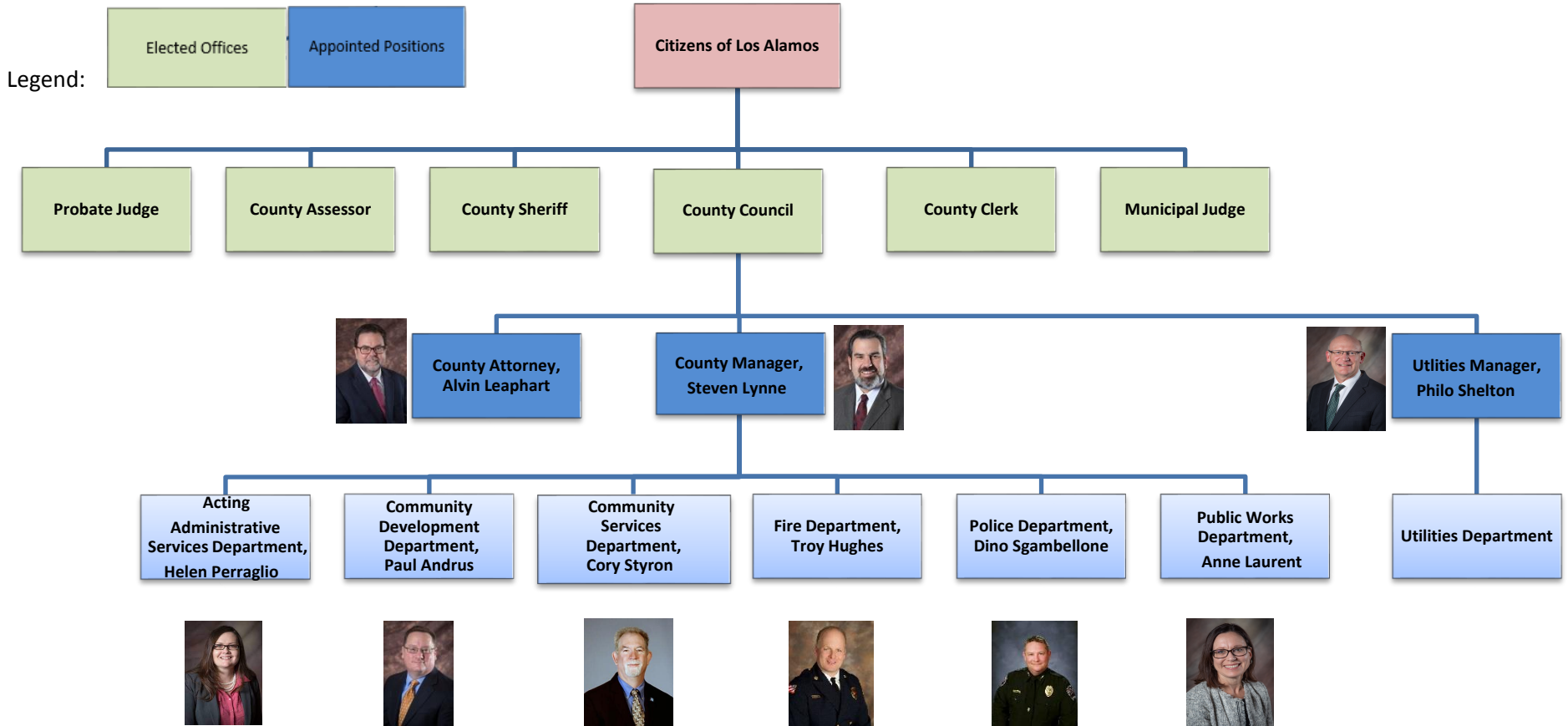


Appointed:

County Manager
Deputy County Manager
County Attorney
Utilities Manager
Community Development Director
Community Services Director
Fire Chief
Police Chief
Public Works
Deputy County Assessor
Deputy County Clerk

Steven Lynne
Vacant
Alvin Leaphart
Philo Shelton
Paul Andrus
Cory Styron
Troy Hughes
Dino Sgambellone
Anne Laurent
Marty Martinez
Adrianna Ortiz

INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART





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INDEPENDENT AUDITOR'S REPORT

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Incorporated County of Los Alamos, New Mexico (County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the (County), as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 – 25 and the schedule of the County's proportionate share of the net pension liability and other post-employment benefits liability, and the schedules of the County's contributions on pages 121 – 128 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County's basic financial statements. The introductory and statistical sections, and Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and other schedules noted at Exhibits 1 – 5, as listed in the table of contents, required by 2.2.2 NMAC, are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

Emphasis of Matter

During fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84, Fiduciary Activities, the County reported a restatement in the Custodial Funds, increasing beginning net position in the amount of \$405 thousand, for the change in accounting principle (see Note 1. C.). Our opinion was not modified with respect to the restatement.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MORTON ACCOUNTING SERVICES, LLCA handwritten signature in blue ink that reads "Morton Accounting Services, LLC". The signature is written in a cursive, flowing style.

Santa Fe, New Mexico
November 30, 2021



Management's Discussion and Analysis

INCORPORATED COUNTY OF LOS ALAMOS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Management of the Incorporated County of Los Alamos (County) offers this discussion and analysis about the County government's financial position and financial activities for the fiscal year that ended June 30, 2021. This analysis is intended to serve as an introduction to the County's basic financial statements and to provide an analytical overview of the County's operations. Please read it along with the County's *Basic Financial Statements* starting on page 28, the *Notes to the Financial Statements* starting on page 67, and the *Letter of Transmittal* on page i. Additional data about the County is provided in the Statistical Section, beginning on page 183.

FINANCIAL HIGHLIGHTS

New Accounting Standards

In fiscal year 2021, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) related to fiduciary activities, leases, equity interests and debt:

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

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

In previous years, the County had presented a Statement of Net Position for the Pension Trust fund only. In fiscal year 2021 the County has presented a Statement of Net Position and a Statement of Changes in Net Position for its Custodial funds and also recorded a prior period restatement to show the effect of this restatement on the net position. This restatement was reflected in the Fiduciary Funds and states a beginning net position in the Custodial funds of \$405 thousand.

GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB 87 potentially affects the County's operating leases. The County will implement GASB 87 when it is effective in fiscal year 2022.

GASB 90 defines majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of the investment. GASB 90 also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of

resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. GASB 90 does not impact Los Alamos County.

Government-wide Financial Highlights

- The County's total net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was approximately \$469.6 million at fiscal year-ended June 30, 2021. This represents an increase of \$38.5 million in net position, or approximately 8.93%, as compared to the prior fiscal year-end. The largest contributors to this increase relate to an increase in the County's interest and investment earnings of \$13.3 million, an increase of \$4.0 million in gross receipts tax revenue, a \$2.5 million increase in state shared revenue, an increase of \$9.6 million in program revenues and a decrease in loss on capital assets of \$5.6 million. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.
- Governmental activities increased the County's net position by \$31.6 million to \$309.6 million for the fiscal year-ended June 30, 2021. The largest contributing factor to this increase was from a \$12.0 million increase in unrestricted interest and investment earnings. Revenues exceeded expenses by \$30.9 million and the County's program expenses decreased by \$0.7 million from \$61.5 million in fiscal year 2020 to \$60.8 million in fiscal year 2021. Expenses decreased largely in the general government and culture and recreation functions when compared to the prior year due to the timing of significant major facilities maintenance (MFM) projects and decreased spending in contractual services across the County.
- Business-type activities increased the County's net position by \$7.8 million to \$160.0 million for the fiscal year-ended June 30, 2021. This compares to a \$.5 million increase during the previous fiscal year. The largest contributing factor to this increase was due to the \$7.3 million increase in charges for services. Expenses also exceeded revenues for total business-type activities by \$8.5 million exclusive of transfers. Total revenue from business-type activities was \$106.1 million for fiscal year 2021, approximately \$9.9 million more than the previous year. The increase was due to the increase gross receipt taxes and investment earnings. Expenses in fiscal year 2021 increased by \$2.8 million or 2.95 percent. This change was primarily due to a \$5.4 million increase in Electric contractual services and salaries and benefits, a \$1.6 million increase in Gas contractual services, materials and supplies, and salaries and benefits, a \$.2 million increase in Water materials and supplies, a \$.4 million increase in Environmental Services contractual services and materials and supplies, a \$.3 million decrease in Transit salaries and benefits, a \$4.4 million decrease in Fire contractual services and salaries and benefits, and a \$.1 million decrease in Airport contractual services and salaries and benefits.
- For the fiscal year-ended June 30, 2021, the County's Governmental Funds reported combined ending fund balance of approximately \$131.9 million. This is a \$29.8 million increase from the end of fiscal year 2020. In large part, the increase in fund balance is attributable to the \$12.0 million increase in investment income in the current fiscal year and the \$14.0 million increase in tax and intergovernmental revenue. The fund balance in the General Fund increased by \$5.1 million from prior year to \$47.7 million in fiscal year 2021. Cumulatively all other governmental fund balances increased by \$24.6 million from prior year.

USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report (ACFR) is presented in four sections:

- 1) Introductory section, that includes the Transmittal Letter and general information;
- 2) Financial section that includes:
 - a. Independent Auditors' Report,
 - b. Management's Discussion and Analysis (this part),
 - c. The Basic Financial Statements, that include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
 - d. Other financial statements and required supplementary information;
- 3) Statistical Section; and
- 4) Other Information

Non-financial factors that help shape the County's finances are presented in both the Statistical Section and in the section entitled Other Information. Examples of non-financial factors are characteristics of the County population and assessed property values. Please consider non-financial factors when analyzing the County's overall financial condition.

The Basic Financial Statements

The County's basic financial statements are comprised of three components 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the financial statements. This set of financial statements provides both long-term and short-term views of the County's financial activities and financial position. See Table 1 for a comparison of the major features of these statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to that used by private-sector businesses. These statements are reported using the economic resources measurement focus and the accrual basis of accounting and include:

The Statement of Net Position presents information about the financial position of the County as a whole, including all its capital assets and long-term liabilities on a full accrual basis of accounting with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. There are three categories of net position reported:

- a) *Net investment in capital assets*, represent land, buildings, machinery, equipment and infrastructure, such as pavement, bridges, parks and streetlights, less the amount of unpaid debt related to make or buy them.
- b) *Restricted* reflects amounts restricted either by contract or by law.
- c) *Unrestricted* are available to run the daily operations of the government and pay its current expenses.

The Statement of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*).

Governmental Activities - All of the County's basic services are considered to be governmental functions, including County Council, Municipal Court, County Manager, County Attorney, County Clerk, County Assessor, Administrative Services, Community Development, Community Services, Police, Public Works, and Cemetery. These services are supported by general County revenues such as taxes, and by specific program revenues such as fees.

Business-type Activities - All of the County's enterprise activities are reported here, including Joint Utility System (Electric, Gas, Water, and Wastewater), Environmental Services, Transit, Fire, and Airport. Unlike governmental services, these services are generally supported by charges paid by users based on the amount of service they use.

Government-wide Financial Statements are prepared on the accrual basis of accounting that means they include all economic resources of the County as a whole. The Government-wide financial statement can be found on pages 28-30 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. However, unlike the Government-wide statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities. The governmental funds financial statements can be found on pages 32-56 of this report.

Proprietary funds include two fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the Government-wide financial statements. The County uses enterprise funds to account for the Joint Utility System comprised of the Electric, Gas, Water, and Wastewater subfunds. Other enterprise funds are the Environmental Services, Transit, Fire, and Airport funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the maintenance and replacement of the County's central equipment pool and for the County's insurance for health, workers

compensation, unemployment, retiree health care, and property and general liability. The proprietary funds financial statements can be found on pages 58-63 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the County's own programs. This includes the Los Alamos County Employees Pension Fund and the Custodial Fund. The Custodial Fund is used to account for property taxes and other fees and assessments that are collected by the County for, and distributed to, other governmental entities as well as the contributions and benefits made to and from the Employee Assistance Fund, Recreation Programs and Utility Assistance Programs. The fiduciary funds financial statements can be found on pages 65-66 of this report.

	County-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private sector businesses	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to Financial Statements are provided on pages 67-119 and contain additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The County's net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was \$469.6 million at fiscal year-ended June 30, 2021. This is an increase of \$38.5 million in net position, or 8.93%, as compared to the prior fiscal year-end. Analyzing changes in the relative mix of capital assets, restricted and unrestricted net position provides additional indicators of financial position. Please see Table 2 below for a high level summary of net position for fiscal year 2021 compared to fiscal year 2020.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
Assets:						
Current and other assets	\$ 139.2	110.1	78.1	69.3	217.3	179.4
Capital assets	<u>271.3</u>	<u>271.6</u>	<u>218.9</u>	<u>220.2</u>	<u>490.2</u>	<u>491.8</u>
Total assets	<u>410.5</u>	<u>381.7</u>	<u>297.0</u>	<u>289.5</u>	<u>707.5</u>	<u>671.2</u>
Deferred outflows of resources	<u>23.2</u>	<u>13.7</u>	<u>25.3</u>	<u>16.7</u>	<u>48.5</u>	<u>30.4</u>
Liabilities:						
Current and other liabilities	7.4	5.2	9.7	4.5	17.1	9.7
Long-term liabilities	<u>106.3</u>	<u>98.3</u>	<u>136.4</u>	<u>129.2</u>	<u>242.7</u>	<u>227.5</u>
Total liabilities	<u>113.7</u>	<u>103.5</u>	<u>146.1</u>	<u>133.7</u>	<u>259.8</u>	<u>237.2</u>
Deferred inflows of resources	<u>10.4</u>	<u>13.9</u>	<u>16.2</u>	<u>19.4</u>	<u>26.6</u>	<u>33.3</u>
Net position:						
Net investment in capital assets	244.7	241.8	192.2	190.3	436.9	432.1
Restricted	51.6	41.2	13.9	18.7	65.5	59.9
Unrestricted	<u>13.3</u>	<u>(5.0)</u>	<u>(46.1)</u>	<u>(55.9)</u>	<u>(32.8)</u>	<u>(60.9)</u>
Total net position	<u>\$ 309.6</u>	<u>278.0</u>	<u>160.0</u>	<u>153.1</u>	<u>469.6</u>	<u>431.1</u>

The largest portion of the County's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment). As of June 30, 2021, this amount was \$436.9 million (93.0% of total net position). This compares to \$432.1 million (100.2% of total considering negative unrestricted net position) net investment in capital assets for the previous fiscal year-end, a net increase of \$4.8 million or 1.11%. This increase is primarily the net result of three factors: paying down capital related debt, using accumulated unrestricted net assets to fund capital projects, and an increase in depreciation due to the capitalization of large assets in prior years. Capital assets, including construction work in progress, are not available for future spending because the County uses them to provide its services.

The balance of restricted net position is \$65.5 million (13.9% of total net position) at fiscal year-end 2021, an increase of \$5.6 million or 9.35% compared to the prior year. Restricted net position balances in the business-type activities decreased \$4.8 million as the County's debt requirement has decreased based on the amount of debt owed in the Joint Utility Fund. Restricted net position balances in the government-type activities increased \$10.4 million. The most significant changes were in the Capital Project Permanent Fund where the restricted balance for income stabilization increased \$8.5 million due to the increase in investment income, and in the General Fund where the restricted balance for cash requirements increased \$1.5 million due to the increase in the current year revised budget. Cumulatively other net position balances increased by \$.4 million.

The remaining negative \$32.8 million of the County's net position is categorized as unrestricted. Unrestricted net position increased in fiscal year 2021 by \$28.1 million, which differs significantly from the prior year's negative \$60.9 million. The most significant reason is due to the increase in investment income the County received during fiscal year 2021.

Changes in Net Position

Table 3 shows changes in net position as a result of revenues and expenses generated by governmental and business-type activities (next page).

Table 3
Los Alamos County's Changes in Net Position
For Fiscal Year Ended June 30, 2021
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3.1	2.6	76.1	68.8	79.2	71.4
Operating grants and contributions	4.3	1.5	24.0	22.6	28.3	24.1
Capital grants and contributions	<u>2.1</u>	<u>4.0</u>	<u>0.4</u>	<u>0.9</u>	<u>2.5</u>	<u>4.9</u>
Total program revenues	<u>9.5</u>	<u>8.1</u>	<u>100.5</u>	<u>92.3</u>	<u>110.0</u>	<u>100.4</u>
General revenues:						
Gross receipts taxes	34.9	31.2	3.4	3.1	38.3	34.3
Property taxes	8.0	7.8	0.0	0.0	8.0	7.8
Franchise taxes	0.5	0.5	0.0	0.0	0.5	0.5
Grants and contributions not restricted to specific programs	0.9	0.9	0.0	0.0	0.9	0.9
State shared revenue	23.8	21.3	0.0	0.0	23.8	21.3
Unrestricted interest and investment earnings (loss)	14.6	2.6	2.0	0.7	16.6	3.3
Gain (Loss) on exchange of capital assets	(0.5)	(6.0)	0.2	0.1	(0.3)	(5.9)
Total general revenues	<u>82.2</u>	<u>58.3</u>	<u>5.6</u>	<u>3.9</u>	<u>87.8</u>	<u>62.2</u>
Total Revenues	<u>91.7</u>	<u>66.4</u>	<u>106.1</u>	<u>96.2</u>	<u>197.8</u>	<u>162.6</u>
Program expenses:						
General government	13.4	14.2	0.0	0.0	13.4	14.2
Public safety	18.3	16.7	0.0	0.0	18.3	16.7
Physical and economic environment	4.0	3.7	0.0	0.0	4.0	3.7
Transportation	9.2	9.9	0.0	0.0	9.2	9.9
Health and welfare	4.9	4.8	0.0	0.0	4.9	4.8
Culture and recreation	9.7	10.5	0.0	0.0	9.7	10.5
Interest on long-term debt	1.3	1.7	0.0	0.0	1.3	1.7
Electric	0.0	0.0	47.3	41.9	47.3	41.9
Gas	0.0	0.0	5.9	4.3	5.9	4.3
Water	0.0	0.0	7.4	7.2	7.4	7.2
Wastewater	0.0	0.0	4.5	4.5	4.5	4.5
Environmental services	0.0	0.0	4.2	3.8	4.2	3.8
Transit (Atomic City Transit)	0.0	0.0	3.9	4.2	3.9	4.2
Fire	0.0	0.0	23.6	28.0	23.6	28.0
Airport	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>	<u>0.9</u>	<u>0.8</u>	<u>0.9</u>
Total expenses	<u>60.8</u>	<u>61.5</u>	<u>97.6</u>	<u>94.8</u>	<u>158.4</u>	<u>156.3</u>
Change in net position before transfers	30.9	4.9	8.5	1.4	39.4	6.3
Transfers	<u>0.7</u>	<u>0.9</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>0.0</u>	<u>0.0</u>
Total Change in net position	31.6	5.8	7.8	0.5	39.4	6.3
Beginning net position	278.0	272.2	153.1	152.6	431.1	424.8
Prior period adjustment	0.0	0.0	(0.9)	0.0	(0.9)	0.0
Ending net position	\$ <u>309.6</u>	<u>278.0</u>	<u>160.0</u>	<u>153.1</u>	<u>469.6</u>	<u>431.1</u>

Governmental Activities

Governmental activities during the year increased the County's net position by \$31.6 million for fiscal year 2021 as compared to the prior year. This section compares results of governmental activities for fiscal year 2021 to fiscal year 2020 as summarized in Table 3.

Total revenues were \$91.7 million in fiscal year 2021, approximately \$25.3 million more than the previous year. Key variances include:

- An increase of \$3.7 million in gross receipts taxes and \$2.5 million in state shared revenue from fiscal year 2020 primarily due to increases in spending at LANL, the largest single employer in the county.
- Interest and investment earnings increased by \$12.0 million compared to the prior fiscal year which was reflected primarily in balances invested in market based funds with the New Mexico State Investment Council;
- Charges for services increased by \$.5 million
- A \$.5 million loss on capital assets which is a decrease of \$5.5 million from prior year. The loss is due to construction work in progress projects being captured as maintenance expenditures primarily on road projects, versus being capitalized;
- Property taxes increased by \$.2 million; and
- Grants and contributions increased by \$.9 million from fiscal year 2020.

Total expenses for governmental activities were \$60.8 million in fiscal year 2021, or approximately \$.7 million less than the previous year. Key variances include:

- A decrease of \$.8 million in General Government which includes a reduction of roughly \$.8 million in contractual services; and
- An increase of \$.1 million in Health and Welfare costs mainly related to contractual and professional services

Figure 1 (next page) compares program revenues to expenses for governmental activities at the fiscal year-end 2021. This analysis demonstrates how dependent the County is on its ability to collect gross receipts, property and franchise taxes to fund basic services. At fiscal year-end, governmental activities' program expenses were far greater than related program revenues, resulting in the use of \$51.3 million in general revenues and accumulated net position from governmental activities. Approximately 15.6% of governmental program expenses were covered by program revenues during fiscal year 2021, which is an increase compared to last year, at 13.2%.

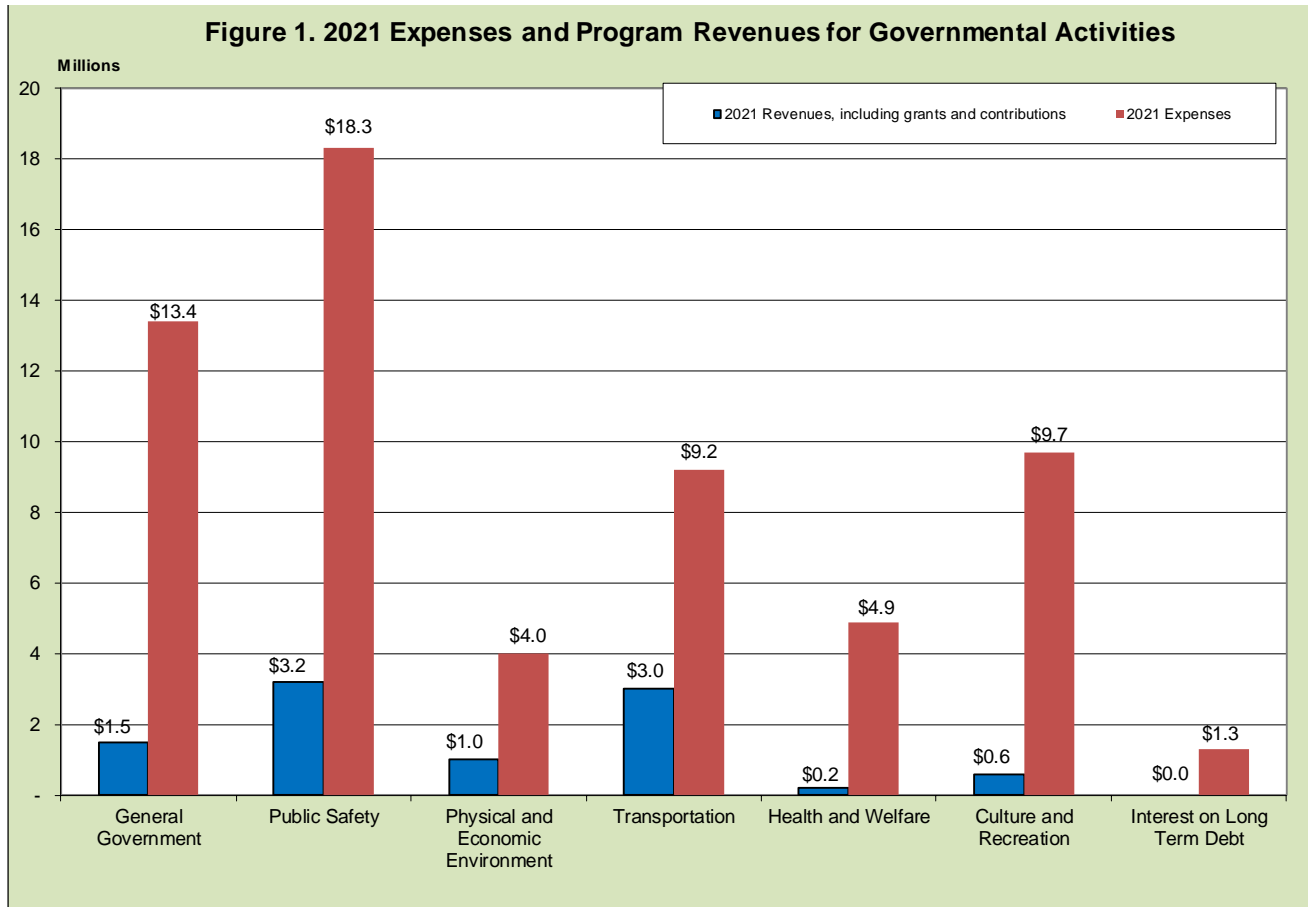
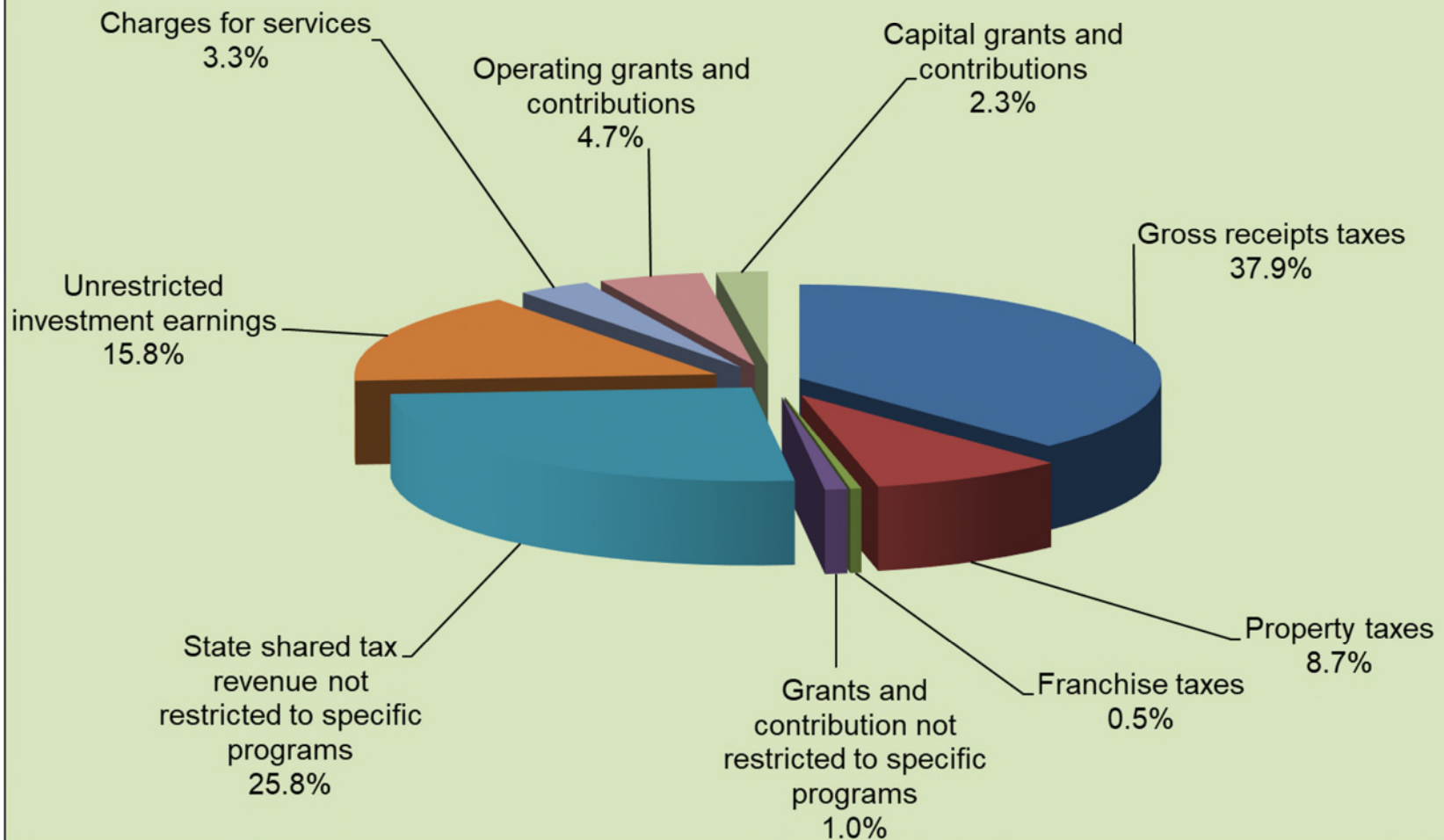


Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2021. It should be noted that the State shared tax revenue not restricted to specific programs is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 63.7% of Governmental Activities revenues, which is a 8.8% decrease from the prior year. This change is primarily due to the \$12.0 million increase in unrestricted interest and investment earnings from fiscal year 2020.

Figure 2. FY 2021 Revenues by Source, Governmental Activities



Business-type Activities

Business-type activities increased the County's net position by \$7.8 million for the fiscal year-ended June 30, 2021. This compares to a \$.5 million decrease during the previous fiscal year. This section compares results of business-type activities for fiscal year 2021 to fiscal year 2020 as summarized in Table 3.

Total revenues and contributions were \$106.1 million in fiscal year 2021; approximately \$9.9 million more than the previous year. This includes an increase of \$7.3 million in charges for services due to higher utility electric consumption. There was also a \$1.4 million increase in operating and capital grants and contributions received and a decrease of \$.5 million in capital grants and contributions. There was an increase in gross receipts taxes of \$.3 million, an increase in the gain on sale of capital of \$.1 million and an increase in interest and investment income of \$1.3 million from the previous year.

Total expenses were \$97.6 million in fiscal year 2021, a \$2.8 million increase over the previous year. The total Joint Utility System experienced an increase of \$7.2 million in expenses from prior year. The Electric fund experienced a \$5.4 million increase in cost of purchased power, wheeling charges and contractual services combined. The Gas fund had a \$1.6 million increase in cost of gas while the Water fund had an increase of \$.2 million in materials and supplies. The Environmental Services fund had a \$.4 million increase in contractual services. The Transit fund had a \$.3 million decrease in salaries and benefits. The Fire fund had a \$4.4 million decrease in salaries and benefits. The Airport fund had a \$.1 million decrease in salaries and benefits.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2021. This chart demonstrates to what degree revenues covered expenses for each program by type of activity. Overall, total business-type program revenues exceeded total program expenses by approximately \$2.9 million in fiscal year 2021 as compared to fiscal year 2020 where program expenses exceeded program revenues by \$2.5 million. The electric function has program losses due to the significant increase in cost of purchased power.

Figure 3. 2021 Expenses and Program Revenues for Business Type Activities

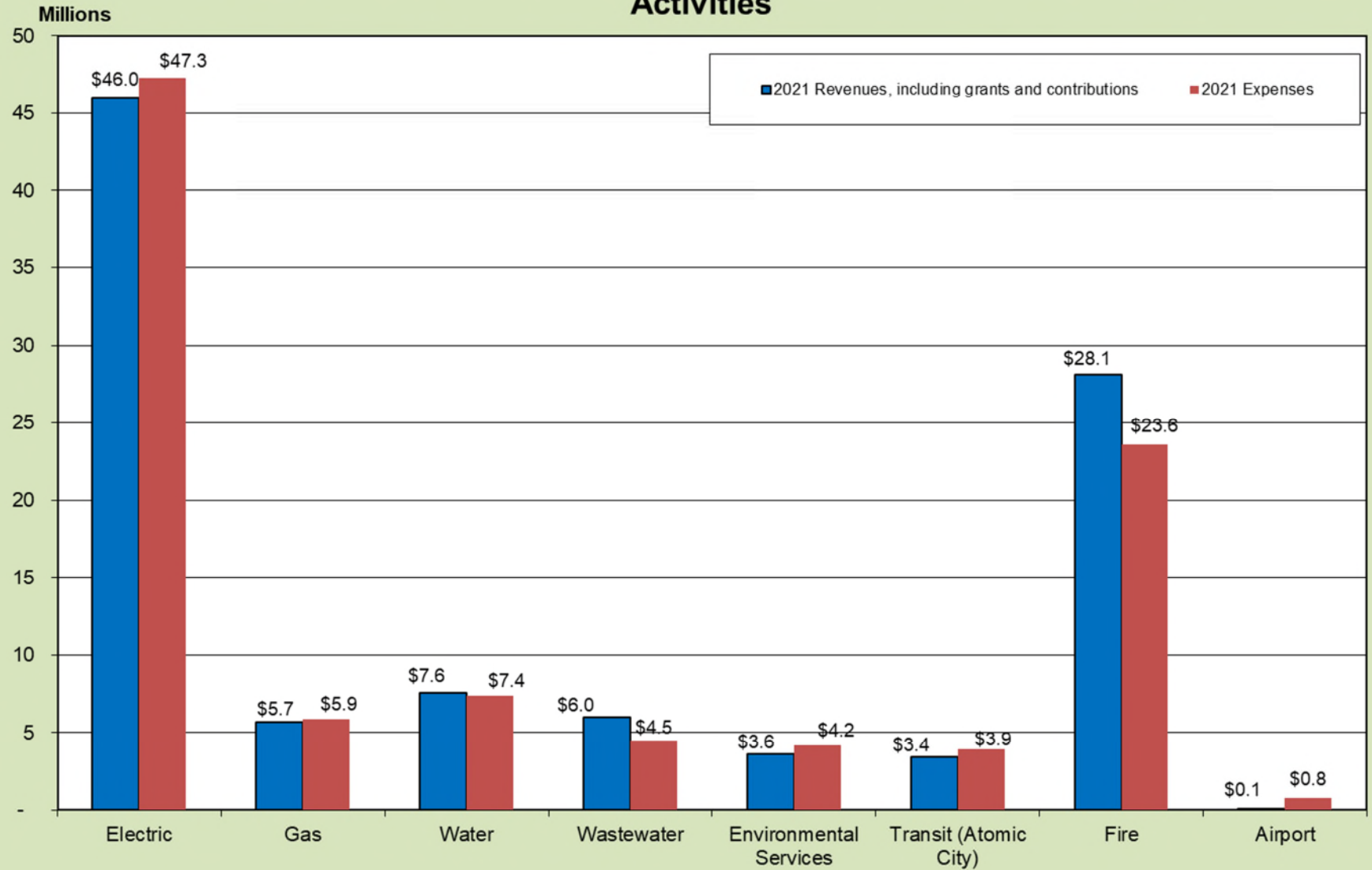
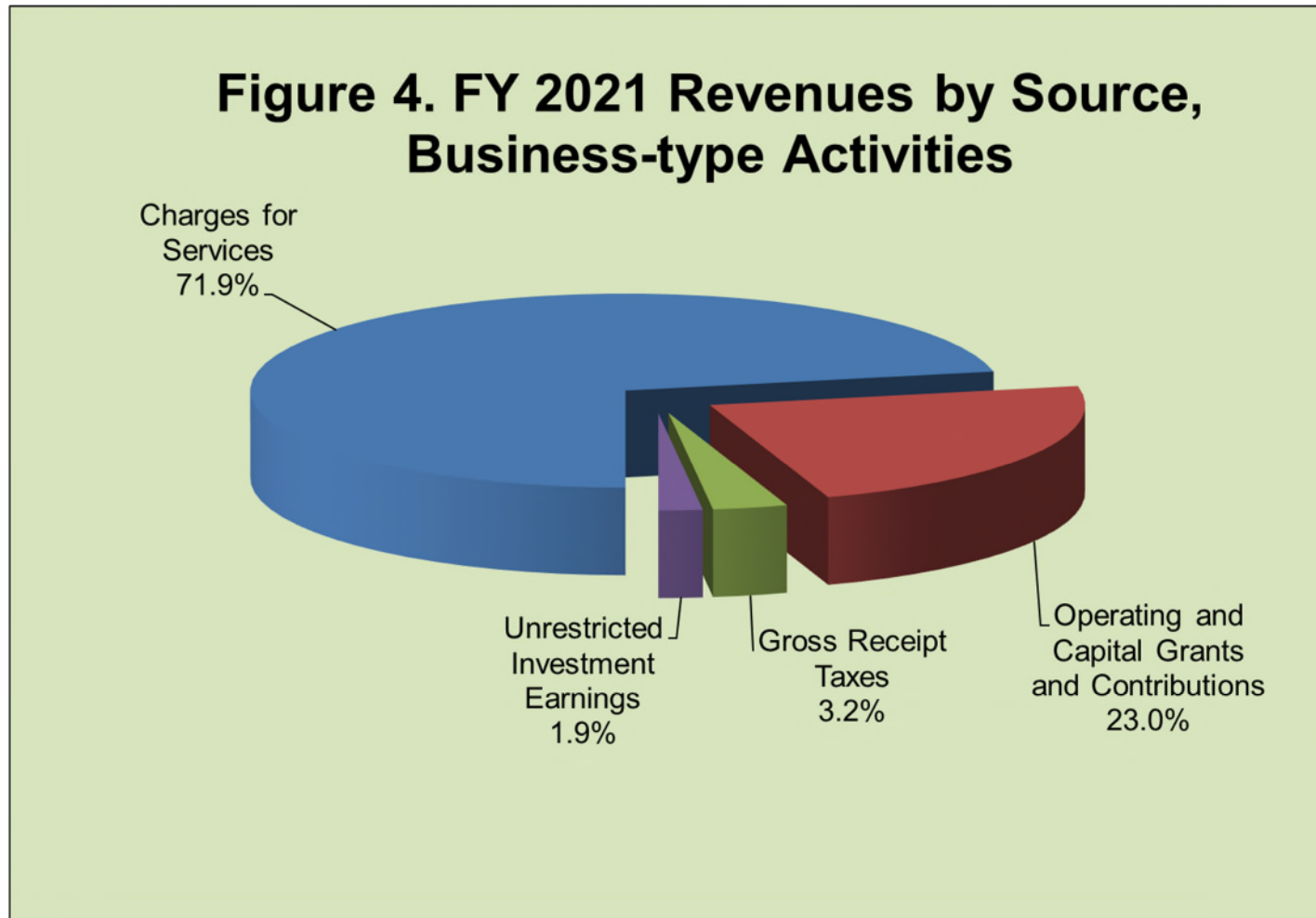


Figure 4 demonstrates that approximately 71.9% of business-type activities revenues were generated from user charges for services in fiscal year 2021, which remained respectively unchanged when compared to fiscal year 2020. In fiscal year 2021, operating and capital grants made up 23.0% of revenues, down approximately 1.5% from fiscal year 2020. Investment earnings made up 1.9% of revenues, which is an increase of 1.1% when compared to fiscal year 2020.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S MAJOR FUNDS

Analysis of Total Governmental Funds - County governmental funds account for current year revenue, expenditures, and balances of resources available for spending. For the fiscal year-ended June 30, 2021, the County's governmental funds reported combined ending fund balance of approximately \$131.9 million. Overall, this was a \$29.8 million increase from the prior year. Activities that impacted fund balance compared to the prior year include a \$12.0 million increase in investment income, a \$4.0 million increase in gross receipts tax and property taxes in the governmental funds. State shared revenue increased by \$2.5 million from prior year while federal and state grant revenue increased \$7.6 million from prior year. Charges for services revenue increased by \$.4 million from prior year. Licenses and permits revenue increased by \$.2 million from prior year and proceeds from sale of assets increased by \$1.8 million from prior year. Transportation expenditures decreased by \$.3 million related to materials and supplies, along with decreased spending of roughly \$.3 million in capital outlay. Administrative services capital outlay expenditures decreased by \$.7 million from the prior year. Fund balances are comprised of four categories:

- \$1.8 million was nonspendable at fiscal year-end 2021, which has not changed since the prior year. The nonspendable balances are reported separately to indicate that certain assets do not represent available, spendable resources even though they are a component of net position. These assets are not expected to be converted to cash in time to pay current obligations. Nonspendable balances typically includes long-term receivables and advances to other funds, inventories, and prepaid items.
- \$50.7 million of fund balance in governmental funds was restricted at fiscal year-end 2021, a \$10.4 million increase from the prior year. The largest single restricted balance is \$39.1 million in the Capital Projects Permanent Fund, which represents the restricted principal balance (\$27.6M) and income stabilization (\$11.5M) which is restricted per the County code. The income stabilization restricted balance increased \$8.5 million per the annual inflationary calculation required to maintain the real value of the principal. Restricted balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which require the resources to be used only for a specific purpose. This includes certain balances where the imposition of the revenue by Federal or State law restricts the expenditure to a specific purpose. Cumulatively, other restricted fund balances increased approximately \$1.9 million mainly due to an increase in restricted cash requirements.

\$.6 million of governmental funds' fund balance was committed at fiscal year-end 2021. This includes certain balances where the imposition of the revenue is by County code. The balance in this category is made up of fund balance committed to art in public places and is an increase of \$.1 million over the prior year.

- \$51.3 million of governmental funds' fund balance was assigned at fiscal year-end 2021 which was a \$22.3 million increase from the prior year. These fund balances have constraints imposed by County Council policies and direction prior to fiscal year-end, but are not reflected in County ordinances. The fund balance assigned to capital projects in FY2021 increased \$12.7 million as capital expenditures to fund new and existing projects increased from prior year. The balance assigned for continuing appropriations increased \$6.3 million as \$8.7 million was approved to be carried over to fiscal year 2022 compared to \$2.4 million which was approved to be carried over to fiscal year 2021 from fiscal year 2020. The balance assigned for fire services increased by \$.2 million as a result of assigning 1% to total program incurred costs. The balance assigned for economic development increased \$.4 million from prior year.
- The remaining \$27.5 million of fund balance was unassigned. \$27.4 in the General Fund and \$.1 million in the Emergency Declarations Fund. This is a \$3.0 million decrease in the General Fund from the prior year. Unassigned fund balance represents residual amounts that

have not been restricted, committed, or assigned. This balance includes the residual fund balance of the General Fund and all other governmental funds. A significant portion of this change resulted from an increase in expenditures in the current fiscal year.

General Fund - The General Fund is the main governmental operating fund of the County. Its total fund balance for the fiscal year-ended June 30, 2021 was approximately \$47.7 million as compared to \$42.6 million at the prior year-end, amounting to a net \$5.1 million increase. Revenues exceeded expenditures by \$5.1 million, and some notable differences over prior year include an increase in gross receipts tax revenue in fiscal year 2021 by \$3.5 million; an increase in investment income of \$2.5 million over prior year; an increase in General government expenditures related to contractual services and materials and supplies of \$2.0 million; an increase in physical and economic environment of \$.2 million and a decrease of capital expenditures by \$1.3 million. See page 22-23 for a more detailed explanation of General Fund Budgetary Highlights. Two measures of the General Fund's liquidity are: (1) the percent of total fund balance as a percent of expenditures and (2) the spendable/unrestricted fund balance as a percent of expenditures. The total fund balance was 86.8% of expenditures and the spendable/unrestricted component was 68.8% of expenditures. Both liquidity measures increased as compared to the prior year as a result of the larger fund balance increase in fiscal year 2020. Significant account balances and transactions in the General Fund included:

- \$22.5 million transferred out to other funds which includes \$4.5 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service). Other notable transfers out were \$15.0 million to the Capital Improvement Projects Fund (for capital projects), \$1.2 million to the Transit Fund (to support operations), \$.7 million to the Health Care Assistance Fund (to support local health programs) \$.4 million to the Economic Development Fund (to support housing rehab and down payment assistance programs), \$0.4 million to the Emergency Declarations Fund (to support emergency health programs), and \$0.3 million to the Airport Fund (to support operations).
- \$7.5 million due from other governments, due primarily from the State of New Mexico for their portion of gross receipts taxes that is shared locally with the County and the GRT that the State collects on behalf of the County for locally imposed GRT increments. This balance is \$4.5 million lower than the prior year as a result of decreased grant revenue accruals recorded in fiscal year 2021.
- \$7.9 million is restricted for cash requirements. The State requires that one-twelfth of General Fund revised-budgeted expenditures be maintained as a cash reserve.
- Unassigned fund balance of the General Fund decreased by \$3.0 million, as a result of the County significantly increasing its continuing appropriations in its fiscal year 2022 budget.

Economic Development Fund - The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act. The assignment of \$8.5 million of fund balance recognizes that this is a one-time resource for the County to use to help develop the local economy so that it is less dependent upon the Los Alamos National Laboratory (LANL). The \$6.4 million total fund balance at the end of fiscal year 2021 was \$.4 million higher than in the prior fiscal year. Expenditures exceeded revenues by \$1.0 million with the balance resulting from transfers in of \$1.4 million.

Housing Sub-fund: During fiscal year 2021, the County issued mortgage loans totaling \$292 thousand under its Housing Rehabilitation Program and \$136 thousand under its Down Payment Assistance Program. The loans vary in terms and conditions for repayment based on affordability periods and qualifying events that may trigger future repayment.

Emergency Declarations Fund – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with the response to and recovery from declared emergencies including the Las Conchas Fire which began July 26, 2011, flooding events within the community in September 2013, and the public health emergency resulting from the COVID-19 pandemic which began in March 2020. The fund reflects a fund balance of \$2.7 million, an increase of \$2.5 million from the prior year. A significant portion of the increase is attributable to the County’s first allotment of the American Recovery Plan Act (ARPA) funds distributed from the US Department of the Treasury in an amount of \$1.8 million, to the Count that had not yet been programmed for expenditure. The County also received and disbursed \$1.7 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) funds during FY2021.

Capital Improvement Projects Fund - The Capital Improvement Projects Fund accounts for the financing and construction of structures and improvements approved by the County Council. The total fund balance at fiscal year-end was \$32.4 million, which represents the unspent portion of previously approved and funded capital projects. The fund balance increased by \$12.6 million from the prior fiscal year as transfers in exceeded expenditures to fund new and existing projects. Significant capital expenditures in fiscal year 2021 include the following: \$2.4 million on the Leisure Lagoon, \$1.2 million on the Canyon Rim Trail Underpass, and \$1.5 million on the Golf Course improvement project.

Capital Projects Permanent Fund – The Capital Projects Permanent Fund accounts for amounts received as a settlement of prior years’ gross receipts taxes, and that was set aside by the County Council and the County Charter for capital projects. These amounts are invested, and the real value of the fund principal is required by County Charter to be maintained at an annual level that keeps pace with the implicit price deflator for the gross domestic product. The minimum principal requirement of approximately \$27.6 million, as of June 30, 2021 is identified as restricted in fund balance to recognize the County Charter restrictions. When there is investment income in excess of the principal maintenance requirement, it is made available for expenditure in the Capital Improvement Projects Fund. During fiscal year 2021, \$1.3 million was transferred out to the CIP fund as regularly scheduled. The balance in this fund is primarily invested in long-term pooled funds with the New Mexico State Investment Council. Total ending fund balance at June 30, 2021 was \$39.1 million, an increase of \$9.0 million from the prior year.

Analysis of Total Proprietary Funds - The County proprietary funds provide detail about the same type of information found in the government-wide financial statements. This analysis of proprietary funds focuses on the significant balances and operations of individual funds, reasons why these balances changed, and significant limitations on future uses.

Joint Utility System Fund - The most notable balances and transactions in the Joint Utility System Fund were:

- \$176.3 million in capital assets (net of accumulated depreciation of \$175.0 million), including electric production and distribution assets, water production and distribution assets, gas distribution assets and wastewater collection and processing assets. This balance decreased by approximately \$1.9 million in fiscal year 2021;
- \$23.5 million in debt related to the Utility plant in service, which is \$2.9 million lower than the prior year with the fiscal year regularly scheduled debt service payments;
- \$11.6 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This increased \$.4 million from the prior year as more restricted funds were set aside for the County’s share.

- \$13.6 million in pension liability increased by \$1.9 million, deferred pension outflows increased by \$1.4 million from a \$1.2 million decrease in prior year, and \$.4 million in deferred pension inflows decreased by \$.5 million from the prior year, all related to the increase in the County's share of the pension liability.
- Operating revenues were \$65.3 million in fiscal year 2021, an increase of \$6.7 million compared to the prior year. The increase is the result of a \$4.6 million increase in revenues in electric (due mostly to an increase in wholesale sales to LANL based on its demand), a \$1.0 million increase in gas revenues (due to higher demand), a \$.9 million increase in revenues in water (due to higher demand) and a \$.2 million increase in revenues in wastewater (due to higher demand);
- Operating expenses were \$7.3 million higher at \$64.1 million in fiscal year 2021, compared to \$56.8 million in fiscal year 2020. The increase is the net result of: an increase of \$5.4 million in the Electric subfund, related to increased contractual services, a \$1.6 million increase in the Gas subfund, related to increased contractual services, a \$.2 million increase in the Water subfund, related to increased materials and supplies costs, and a \$.1 million increase in the Wastewater subfund materials and supplies costs.
- Overall the Joint Utility System Fund ended the fiscal year with \$1.9 million higher in net position compared to FY2020.

Environmental Services Fund – The Environmental Services Fund has a long-term liability balance of \$6.7 million. Of this, \$1.2 million is for landfill closure and monitoring and \$3.3 million is intergovernmental debt payable for a loan from the New Mexico Finance Authority that was used to fund the construction of the Solid Waste Transfer Station (EcoStation). The remainder relates to net pension liability, net other post employment benefits liability and compensated absences of \$2.2 million. Total operating and non-operating revenues of \$4.8 million exceeded expenses of \$4.2 million by \$.6 million in fiscal year 2021, compared to a \$0.8 million income in the prior year.

Transit Fund – The Transit Fund accounts for public transportation services provided to the community, with no additional user fees or charges, under the name Atomic City Transit (ACT). The fund is funded primarily through state and federal grants (\$2.8 million), payments from the North Central Regional Transit District (\$.4 million), and transfers in from the general fund (\$1.2 million). Other notable balances include the net other post employment benefits liability of \$1.0 million, an increase of \$.2 million from the prior year and the net pension liability of \$3.1 million, an increase of \$.4 million from the prior year.

Fire Fund – On October 1, 2013 the County entered into a ten year cooperative agreement with the National Nuclear Security Administration (NNSA) to provide enhanced fire protection services to LANL (replacing a similar 5 year cooperative agreement). Under the agreement, the County pays a share of costs for operating the fire department. The County share for fiscal year 2021 was \$6.6 million. The intergovernmental revenue of \$20.3 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. The Fire Fund has an ending negative net position of \$46.7 million, an increase of \$4.2 million from fiscal year 2020, primarily related to the cumulative result of recording pension and post employment benefit liabilities in prior years. Total operating and non-operating revenues of \$30.3 million exceeded expenses of \$23.9 million by \$6.4 million in fiscal year 2021.

Airport Fund – Net position decreased \$0.4 million as expenses of \$.8 million exceeded revenues of \$.2 million and transfers-in of \$.2 million. Depreciation on capital assets represents 70.8% of the operating expenses of the airport, which no longer has commercial air service.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues available for spending on budgeted needs were \$4.9 million more than the final revised budget of \$75.4 million. The variance between actual revenue and the revised budget was largely due to the variance in Interest income revenue of \$2.4 million. Gross receipts tax revenue was \$1.5 million more than projected. State shared revenue was \$.7 million more than projected. Licenses and permits revenue was \$.3 million more than projected.

Actual General Fund expenditures were approximately \$15.3 million less than the final revised fiscal year 2021 budget. This variance was achieved through careful cost management measures across all departments. Most variances were less than 5% of budget, as the County has been managing to tighter budgets and cutting back for several years. The County Manager's Office was \$3.4 million or 45.9% under budget, Fire was \$1.0 million or 13.2% below budget, Community Services was \$2.0 million or 15.9% below budget, Police was \$1.3 million or 11.9% below budget, Public Works was \$3.3 million or 20.7% below budget and the Community Development Department was 58.3% or \$3.7 million under in its expenditure budget.

The revised budget for revenues of \$75.4 million was \$.7 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of \$72.6 million was \$6.9 million higher than the adopted budget. The increase is comprised of the following: approximately \$3.3 million for encumbrance carry overs, \$.8 million for Pavement Preservation, \$1.7 million for Major Facilities Maintenance, \$.2 million for Organization Excellence, \$.5 million for Public Health Office, and \$.4 million for Fire Mitigation.

A detailed statement of budget variances for the General Fund can be found on pages 42-52.

ADMINISTRATION OF CAPITAL ASSETS AND DEBT

Capital Assets - The County's total investment in capital assets for its governmental and business type activities as of June 30, 2021 was \$490.2 million, net of \$397.2 million in accumulated depreciation. This investment in capital assets includes land, utility plant, facilities and buildings, machinery and equipment, parks and recreation facilities and improvements and infrastructure such as highways, roads, sidewalks, storm drains, storm inlets, bridges, traffic lights, flasher beacons and streetlights. Total capital assets for the County decreased by approximately \$1.6 million from 2020 to 2021 or -.33%. Capital assets associated with governmental activities decreased by \$.3 million mostly due to the \$2.3 million disposal of land, \$.1 million disposal of buildings, \$1.8 million cumulative addition of machinery and equipment and infrastructure, depreciation of \$8.1 million, infrastructure and construction in progress of \$8.4 million. Capital assets associated with business-type activities decreased by \$1.3 million due to the cumulative effect of \$9.6 million increase in accumulated depreciation, \$1.9 million addition in utility plant in service, \$3.3 million increase in machinery and equipment, and an increase of \$3.1 million in construction work in progress. Additional information about the County's capital assets can be found on pages 89-91.

A year over year comparison of changes in capital assets is shown in Table 4 (next page).

Table 4
Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2021 and 2020
(in millions of \$)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
Land	\$ 40.3	\$ 42.6	8.4	8.4	48.7	51.0
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	331.0	329.1	331.0	329.1
Buildings	143.8	143.9	25.0	25.0	168.8	168.9
Improvements other than buildings	27.0	21.1	18.2	18.2	45.2	39.3
Machinery and Equipment, Art and Historic Treasures	23.6	23.0	38.4	35.1	62.0	58.1
Infrastructure	194.8	193.6	0.0	0.0	194.8	193.6
Less Accumulated Depreciation	(181.8)	(173.7)	(215.4)	(205.8)	(397.2)	(379.5)
Construction in Progress	5.6	3.1	13.3	10.2	18.9	13.3
Total	\$ 271.3	271.6	218.9	220.2	490.2	491.8

Administration of Debt - From fiscal year 2020 to 2021, the County's total debt payable for governmental and business-type activities combined decreased by \$7.2 million as regularly scheduled debt service payments of \$7.9 million were made. Additions to debt include the issuance of a \$0.7 million portion of the New Mexico Environment loan that has been authorized to finance the construction of a new wastewater treatment facility. The total cost for the wastewater treatment facility is estimated to be \$30 million. The facility will be completed in fiscal years 2022 and 2023 at which time the County will be issued a debt service schedule and will start making payments on the loan in fiscal year 2023. In fiscal year 2020, the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the Los Alamos County Landfill for the remaining 22 years of the post closure care period. Based on the updated estimate, as of June 30, 2021, the total landfill closure liability to the estimated \$1.2 million. The County has applied a method to reserve 5 years or \$0.3 million of the total cost for the remainder of the long-term liability. This reserve is in excess of the financial assurance requirements, and has been put in place for any additional costs that may arise due to the nature of continuous monitoring of the landfill. The reserve of \$0.3 million is reflected in restricted assets in the Environmental Services Fund as of June 30, 2021. Closure costs for the Joint Utility System Fund increased by \$0.4 million. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 104.

ECONOMIC FACTORS AND THE FISCAL YEAR 2022 ADOPTED BUDGET

The proposed budget was developed prior to the COVID-19 (coronavirus) outbreak. Like other communities around the nation, Los Alamos County had to quickly adapt to a rapidly changing situation when the coronavirus began moving into New Mexico in March 2020. From the onset of the virus, the County's Emergency Management team went to work and began immediately coordinating and brainstorming with Department Directors and front-line employees to find ways to address the situation locally before it reached a critical point. County staff met weekly in the early days of the pandemic to identify stop-gap measures for short-term functionality, exploring creative ways and identifying options that would keep employees and community members safe, while maintaining adequate work force numbers with reserves that might be needed as the pandemic worsened. Working together with community counterparts, by the time the virus was rapidly sweeping across the country, the County's team had already developed a longer-term resiliency plan to keep essential services up and running safely and effectively, successfully procured emergency medical supplies, and drew up plans to quickly begin modifying building ingress/egress and customer contact-less solutions. Through it all, employees remained upbeat and highly responsive, continuing to adapt as needed or suggest ideas that might keep services operational with little or no disruption. This success is a testimony to the County's commitment to provide excellent customer service – a benefit that citizens have come to know and expect in Los Alamos.

A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) accounts for 74% and Property Taxes accounts for 10% of the total General Fund budgeted revenues. The remaining General Fund revenues are comprised of user fees, interdepartmental charges, investment income, and grants. GRT is primarily from the community's largest employer, Los Alamos National Laboratory (LANL).

In regard to the future outlook, the County began preparing the FY 2022 budget in December. Our guidance for budget development was for a 3% increase in salaries for non-collective bargaining employees, a 5% increase in medical premiums and a 3% increase to other expenditure categories for contractually obligated increases. Based on the current projected revenues and Council's guidance to maintain a 20% reserve, there was an opportunity for Council to consider budget option expenditures in addition to the proposed budget, as well as potential expansion of county services and programs to focus on achieving the Council's strategic goals and continue to provide excellent day-to-day services to the citizens of Los Alamos. The budget as adopted by Council included \$8.9 million in approved budget options.

The overall County adopted FY2022 expenditure budget is \$245.1 million as compared to FY2021 adopted expenditures of \$239.5 million. Overall County budgeted revenues are \$237.2 million as compared to FY2021 adopted revenues of \$230.3 million.

REQUESTS FOR INFORMATION

The Comprehensive Annual Financial Report is designed to provide a general overview of the County's financial position. Questions about the information provided in this report and requests for more information should be addressed to the County of Los Alamos, Helen Perraglio, Chief Financial Officer, Finance, 1000 Central Avenue, Suite 300, Los Alamos, New Mexico 87544.



LOS ALAMOS



Government-wide Financial Statements

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where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
Government-wide
Statement of Net Position
June 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in pooled cash and investments	\$ 86,991,213	34,254,811	121,246,024
Investments	39,822,445	0	39,822,445
Receivables, net of allowance for uncollectibles			
Accounts	206,640	8,091,812	8,298,452
Interest	256,935	0	256,935
Pension forfeitures	74,278	0	74,278
Property taxes	120,212	0	120,212
Unbilled	0	1,485,264	1,485,264
Loans receivable, net of discounts/reserve for loan losses	1,290,401	0	1,290,401
Due from other governments	9,605,990	5,960,411	15,566,401
Internal balances	(235,859)	235,859	0
Inventories and prepayments			
Inventories	757,037	960,137	1,717,174
Power plant inventories	0	370,323	370,323
Prepayments	23,838	743,100	766,938
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	36,719	3,753,109	3,789,828
Operations and maintenance	0	22,235,825	22,235,825
Investments			
Premiums and discounts	264,137	0	264,137
Capital assets			
Land	40,318,380	8,427,544	48,745,924
Right of way	17,993,250	0	17,993,250
Utility plant in service	0	330,999,666	330,999,666
Buildings	143,854,418	24,993,055	168,847,473
Improvements other than buildings	26,953,701	18,210,971	45,164,672
Machinery, equipment, art and historic treasures	23,616,716	38,351,037	61,967,753
Infrastructure	194,779,125	0	194,779,125
Less accumulated depreciation	(181,807,810)	(215,366,837)	(397,174,647)
Construction in progress	5,556,187	13,307,667	18,863,854
TOTAL ASSETS	410,477,953	297,013,754	707,491,707
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts (debits) from refunding of debt	4,137,351	230,807	4,368,158
Deferred other post employment benefits	4,824,897	4,616,742	9,441,639
Deferred pension	14,209,392	16,765,704	30,975,096
Deferred decommissioning cost	0	3,712,335	3,712,335
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,171,640	25,325,588	48,497,228

LIABILITIES

Accounts payable	5,368,065	7,434,635	12,802,700
Claims and judgments payable	0	1,470,199	1,470,199
Accrued salaries and benefits payable	1,274,144	279,297	1,553,441
Customer deposits payable	405,152	401,675	806,827
Due to other governments	0	168,025	168,025
Due to fiduciary funds	233,973	0	233,973
Unearned revenue	76,384	0	76,384
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	2,977,070	2,914,172	5,891,242
Revenue bonds payable	3,380,000	1,245,000	4,625,000
Contracts and intergovernmental debt payable	0	714,021	714,021
Special closure costs	0	58,077	58,077
Deferred revenues	1,392,088	0	1,392,088
Interest payable on non-current liabilities	98,034	109,778	207,812
Due in more than one year			
Accrued compensated absences	1,181,122	1,623,592	2,804,714
Claims and judgments payable	0	948,889	948,889
Revenue bonds payable	27,319,707	14,031,646	41,351,353
Contracts and intergovernmental debt payable	0	11,054,929	11,054,929
Special closure costs	0	12,737,848	12,737,848
Other post employment liability	19,464,024	18,653,663	38,117,687
Pension liability	50,447,087	72,286,020	122,733,107
TOTAL LIABILITIES	<u>113,616,850</u>	<u>146,131,466</u>	<u>259,748,316</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	9,334,771	8,930,571	18,265,342
Deferred pension	1,073,334	7,282,336	8,355,670
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,408,105</u>	<u>16,212,907</u>	<u>26,621,012</u>

NET POSITION

Net investment in capital assets	244,701,611	192,108,314	436,809,925
Restricted for (Restricted by):			
Capital projects (Bond agreements)	27,639,536	0	27,639,536
Debt service (Bond and loan agreements)	313,540	13,944,183	14,257,723
Perpetual care (County code)	889,278	0	889,278
Lodgers' tax (State law)	387,358	0	387,358
Clerk records and files (State law)	136,017	0	136,017
Health care assistance (State law)	731,959	0	731,959
Property tax valuation (State law)	676,399	0	676,399
Grants (Granting entities)	1,013,957	0	1,013,957
Cash requirements (State law)	7,941,250	0	7,941,250
Recreation (County code and contributors)	37,548	0	37,548
Library operations (Contributors)	137,667	0	137,667
Major street maintenance (State law)	222,295	0	222,295
Income stabilization (County code)	11,509,554	0	11,509,554
Unrestricted	13,286,669	(46,057,528)	(32,770,859)
TOTAL NET POSITION	<u>\$ 309,624,638</u>	<u>159,994,969</u>	<u>469,619,607</u>

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Activities

Year ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS / PROGRAMS							
Governmental activities							
General government	\$ 13,393,900	1,393,398	125,655	0	(11,874,847)	0	(11,874,847)
Public safety	18,345,645	209,150	1,138,647	1,900,071	(15,097,777)	0	(15,097,777)
Physical and economic environment	3,976,600	933,120	0	0	(3,043,480)	0	(3,043,480)
Transportation	9,211,396	0	2,818,499	220,006	(6,172,891)	0	(6,172,891)
Health and welfare	4,868,243	0	189,248	0	(4,678,995)	0	(4,678,995)
Culture and recreation	9,743,003	528,851	61,940	0	(9,152,212)	0	(9,152,212)
Interest on long-term debt	1,322,450	0	0	0	(1,322,450)	0	(1,322,450)
Total governmental activities	60,861,237	3,064,519	4,333,989	2,120,077	(51,342,652)	0	(51,342,652)
Business-type activities							
Joint Utilities							
Electric	47,336,014	45,915,681	0	96,241	0	(1,324,092)	(1,324,092)
Gas	5,868,459	5,701,589	0	0	0	(166,870)	(166,870)
Water	7,362,681	7,593,028	0	26,038	0	256,385	256,385
Wastewater	4,498,210	6,046,495	0	0	0	1,548,285	1,548,285
Environmental Services	4,179,524	3,559,229	12,300	0	0	(607,995)	(607,995)
Transit (Atomic City Transit)	3,927,810	0	3,185,251	234,735	0	(507,824)	(507,824)
Fire	23,570,955	7,200,160	20,821,016	0	0	4,450,221	4,450,221
Airport	827,233	71,711	0	71,947	0	(683,575)	(683,575)
Total business-type activities	97,570,886	76,087,893	24,018,567	428,961	0	2,964,535	2,964,535
Total government	\$ 158,432,123	79,152,412	28,352,556	2,549,038	(51,342,652)	2,964,535	(48,378,117)
General revenues:							
					34,881,631	3,439,281	38,320,912
					8,025,363	0	8,025,363
					533,848	0	533,848
					870,136	0	870,136
					23,792,023	0	23,792,023
					14,620,287	1,991,428	16,611,715
					(476,875)	158,173	(318,702)
Transfers					704,206	(704,206)	0
Total general revenues, and transfers					82,950,619	4,884,676	87,835,295
Change in net position					31,607,967	7,849,211	39,457,178
Net position - beginning					278,016,671	153,074,995	431,091,666
Prior period restatement					0	(929,237)	(929,237)
Net position - ending					\$ 309,624,638	159,994,969	469,619,607

Major Governmental Funds

General Fund 010 - accounts for all financial resources traditionally associated with governments which are not required to be accounted for in another fund. It is the general operating fund of the County.

Economic Development Fund 170 - accounts for the receipt, management, investment, and expenditure of the buyout payment received from the U.S. Department of Energy under the Atomic Energy Community Act. This special revenue fund was established by County Council. In FY2017 the County added a Housing subfund 173 to account for the housing rehabilitation and affordable housing programs funded by the economic development subfund 171.

Emergency Declarations Fund 190 - this special revenue fund accounts for the revenues and expenditures associated with declared emergencies including the response and recovery to the Las Conchas Fire, which began June 26, 2011 and flooding events in the community in September 2013. During 2020, the County added a sub-fund related to the COVID-19 emergency to account for the related activity. This special revenue fund was established by County Council.

Capital Improvement Projects Fund 310 - this capital projects fund accounts for the financing and construction of structures and improvements approved by the County Council.

Capital Projects Permanent Fund 391 - this permanent fund accounts for amounts received under a settlement of prior years' gross receipts taxes, set aside by the County Council and the County Charter for capital projects. These amounts are invested, and the real value of the fund principal is maintained using the implicit price deflator for the gross domestic product. When there is investment income in excess of the principal maintenance, it is made available for expenditure in the Capital Improvement Projects Fund.

Other governmental funds - nonmajor governmental funds are shown in aggregate. Combining fund financial statements are provided following the notes to the financial statements.



LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Balance Sheet

June 30, 2021

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
ASSETS							
Equity in pooled cash and investments	\$ 39,620,470	6,394,380	2,480,468	34,299,059	713,103	3,483,733	86,991,213
Investments	1,386,458	0	0	0	38,435,987	0	39,822,445
Receivables, net of allowance for uncollectibles							
Accounts	177,600	0	0	0	0	29,040	206,640
Interest	155,231	101,687	0	0	0	17	256,935
Property taxes	120,212	0	0	0	0	0	120,212
Loans receivable, net of discounts/reserve for loan losses	0	1,290,401	0	0	0	0	1,290,401
Due from other governments	7,548,069	0	646,279	1,047,308	0	364,334	9,605,990
Due from other funds	1,472,438	0	0	0	0	0	1,472,438
Inventories and prepayments							
Inventories	757,037	0	0	0	0	0	757,037
Prepayments	8,388	0	0	0	0	15,450	23,838
Advances to other funds	146,799	0	0	0	0	0	146,799
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	36,719	36,719
Cash and cash equivalents	0	264,137	0	0	0	0	264,137
TOTAL ASSETS	\$ 51,392,702	8,050,605	3,126,747	35,346,367	39,149,090	3,929,293	140,994,804
LIABILITIES							
Accounts payable	\$ 2,032,301	0	0	2,947,009	0	388,755	5,368,065
Accrued salaries and benefits payable	1,272,185	0	0	0	0	1,959	1,274,144
Customer deposits payable	141,152	264,000	0	0	0	0	405,152
Due to other funds	233,973	0	0	0	0	0	233,973
Unearned revenue	15,713	0	60,671	0	0	0	76,384
Deferred revenues	0	1,392,088	0	0	0	0	1,392,088
Net other post employment benefits liability							
TOTAL LIABILITIES	3,695,324	1,656,088	60,671	2,947,009	0	390,714	8,749,806
DEFERRED INFLOWS OF RESOURCES:							
Federal and state grants (unavailable)	0	0	344,967	0	0	0	344,967
TOTAL DEFERRED INFLOWS OF RESOURCES	0	0	344,967	0	0	0	344,967
FUND BALANCE							
Nonspendable							
Principal - Perpetual care	889,278	0	0	0	0	0	889,278
Advances	146,799	0	0	0	0	0	146,799
Inventories	757,037	0	0	0	0	0	757,037
Prepaid items	8,388	0	0	0	0	15,450	23,838
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	136,017	136,017
Debt service (Bond and loan agreements)	0	0	0	0	0	313,540	313,540
Grants (Granting entities)	0	0	0	0	0	1,013,957	1,013,957
Library operations (County code and contributors)	133,611	0	0	0	4,056	137,667	271,274
Lodgers' tax (State law)	0	0	0	0	0	387,358	387,358
Health care claims (State law)	0	0	0	0	0	731,959	731,959
Principal (Capital projects)	0	0	0	0	27,639,536	0	27,639,536
Property tax valuation (State law)	0	0	0	0	0	676,399	676,399
Recreation (County code and contributors)	0	0	0	0	0	37,548	37,548
Income stabilization (County code)	0	0	0	0	11,509,554	0	11,509,554
Major street maintenance (State law)	0	0	0	0	0	222,295	222,295
Cash requirements (State law)	7,941,250	0	0	0	0	0	7,941,250
Committed to							
Art in Public Places (County code)	0	0	0	568,920	0	0	568,920

Assigned for								
Capital projects	0	0	0	31,830,438	0	0	0	31,830,438
Fire services	1,692,337	0	0	0	0	0	0	1,692,337
Continuing appropriations	8,736,482	0	0	0	0	0	0	8,736,482
Economic development	0	6,394,517	0	0	0	0	0	6,394,517
Emergency response and recovery	0	0	2,651,116	0	0	0	0	2,651,116
Unassigned	27,392,196	0	69,993	0	0	0	0	27,462,189
TOTAL FUND BALANCE (deficit)	<u>47,697,378</u>	<u>6,394,517</u>	<u>2,721,109</u>	<u>32,399,358</u>	<u>39,149,090</u>	<u>3,538,579</u>	<u>131,900,031</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 51,392,702</u>	<u>8,050,605</u>	<u>3,126,747</u>	<u>35,346,367</u>	<u>39,149,090</u>	<u>3,929,293</u>	<u>140,994,804</u>	

See accompanying notes to financial statements

L  S A L A M O  S

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Reconciliation of Balance Sheet to the Statement of Net Position June 30, 2021

Amounts reported for governmental activities in the statement of net position are different from those reflected in the governmental funds balance sheet because:

Total fund balance as reported in governmental funds balance sheet:	\$ 131,900,031
Capital assets (\$453,071,777), net of accumulated depreciation (\$181,807,810), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	271,263,967
Long-term liabilities, including bonds payable (\$27,310,000), bond premium/discount (\$3,389,707), net pension liability (\$50,447,087), net other post employments liability (\$19,464,024) and compensated absences (\$4,158,192) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(104,769,010)
Deferred outflow of resources related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of net position.	4,137,351
Deferred outflow of resources related to the County's share of New Mexico Public Employee Retirement Association and the County's share of New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but is included in the government-wide statement of net position.	19,034,289
Accrued interest payable on long-term liabilities are not recorded in the governmental funds, but are included in the government-wide statement of net position.	(98,034)
Deferred inflow of resources related to the County's share of New Mexico Public Employee Retirement Association and New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but are included in the government-wide statement of net position.	(10,408,105)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	344,967
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. An internal balance is shown on the government-wide statement of Net Position to reflect the allocation of the internal service fund loss to the governmental funds from the business-type funds, where the internal service funds balances are combined.	(1,780,818)
Net position of governmental activities	\$ <u><u>309,624,638</u></u>

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2021

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
REVENUES							
Taxes							
Property taxes-current	\$ 8,025,363	0	0	0	0	0	8,025,363
Local units in-lieu taxes	382,647	0	0	0	0	0	382,647
Gross receipts taxes	32,405,230	0	0	0	0	2,292,853	34,698,083
Lodgers' tax	0	0	0	0	0	183,548	183,548
Franchise tax-privately owned	147,857	0	0	0	0	0	147,857
Franchise tax-County owned	385,991	0	0	0	0	0	385,991
Penalties and interest-taxes	34,303	0	0	0	0	0	34,303
	41,381,391	0	0	0	0	2,476,401	43,857,792
Licenses and permits							
Business	39,420	0	0	0	0	0	39,420
Nonbusiness	520,649	0	0	0	0	0	520,649
	560,069	0	0	0	0	0	560,069
Intergovernmental							
Federal direct	3,290	0	1,881,101	0	0	0	1,884,391
Federal indirect	353,919	0	1,745,959	1,050,448	0	0	3,150,326
Federal shared revenues	3,700	0	0	0	0	0	3,700
Federal in-lieu taxes	381,857	0	0	0	0	0	381,857
State grants-fire	0	0	0	0	0	826,060	826,060
State grants-library	36,740	0	0	0	0	0	36,740
State grants-major street maintenance	0	0	0	174,363	0	0	174,363
State grants-police	173,194	0	0	0	0	39,800	212,994
State grants-other	169,618	0	3,332,875	334,007	0	78,862	3,915,362
State shared revenues	23,359,998	0	0	0	0	439,133	23,799,131
	24,482,316	0	6,959,935	1,558,818	0	1,383,855	34,384,924
Fines and forfeitures							
Fines	36,467	0	0	0	0	0	36,467
Correction fees	25,948	0	0	0	0	0	25,948
Special fees	9,811	0	0	0	0	0	9,811
Court ordered reimbursements	38,637	0	0	0	0	1,400	40,037
Noncourt fines and forfeitures	455	0	0	0	0	0	455
	111,318	0	0	0	0	1,400	112,718
Charges for services							
Court fees	952	0	0	0	0	0	952
Clerk fees	89,940	0	0	0	0	34,942	124,882
Planning fees	252,780	0	0	0	0	0	252,780
Finance/treasurer fees	0	0	0	0	0	209,271	209,271
Administrative charges for services	53,622	0	0	0	0	0	53,622
Sales of food or merchandise	14,621	0	0	0	0	0	14,621
Other charges for services	11,513	0	0	0	0	0	11,513
Sheriff fees	2,375	0	0	0	0	0	2,375
Police charges for services	205,910	0	0	0	0	0	205,910
Miscellaneous services	691	0	0	0	0	0	691
Cemetery services	56,818	0	0	0	0	0	56,818
Perpetual care services	56,525	0	0	0	0	0	56,525
Animal shelter fees	3,240	0	0	0	0	0	3,240
Daily fees/passes	212,743	0	0	0	0	0	212,743

Annual passes	44,959	0	0	0	0	0	44,959
Three-month passes	21,852	0	0	0	0	0	21,852
Punch passes	50,669	0	0	0	0	0	50,669
Recreation fees	28,547	0	0	0	0	0	28,547
Other fees	33,237	0	0	0	0	0	33,237
	<u>1,140,994</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>244,213</u>	<u>1,385,207</u>
Interfund/interdepartmental charges							
Interdepartmental services	8,004,968	0	0	0	0	0	8,004,968
Miscellaneous revenue							
Investment income (loss)	3,759,778	319,927	0	0	10,386,863	153,719	14,620,287
Interest charges-delinquent accounts	537	0	0	0	0	0	537
Building rental	335,962	0	0	0	0	36,148	372,110
Land rental	412,998	0	0	0	0	33,888	446,886
Miscellaneous rentals	17,749	0	0	0	0	0	17,749
Pension forfeitures	66,410	0	0	0	0	0	66,410
Economic development loan principal	0	120,271	0	0	0	0	120,271
Economic development loan interest	0	1,219	0	0	0	0	1,219
Proceeds from sale of assets	0	0	0	2,163,146	0	0	2,163,146
Donations	25,480	0	0	0	0	200	25,680
Other	48,322	0	0	0	0	650	48,972
	<u>4,667,236</u>	<u>441,417</u>	<u>0</u>	<u>2,163,146</u>	<u>10,386,863</u>	<u>224,605</u>	<u>17,883,267</u>
TOTAL REVENUES	80,348,292	441,417	6,959,935	3,721,964	10,386,863	4,330,474	106,188,945

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2021

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT SPECIAL REVENUE</u>	<u>EMERGENCY DECLARATIONS SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT PROJECTS</u>	<u>CAPITAL PROJECTS PERMANENT</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
EXPENDITURES							
Current expenditures:							
General government							
County Council	419,664	0	0	0	0	0	419,664
Municipal Court	533,238	0	0	0	0	28,400	561,638
County Manager	1,787,609	0	0	0	0	0	1,787,609
County Manager-Comm. and Public Relations	426,021	0	0	0	0	0	426,021
County Manager-Human Resources	1,352,183	0	0	0	0	0	1,352,183
County Assessor	436,040	0	0	0	0	168,624	604,664
County Attorney	910,092	0	0	0	0	0	910,092
County Clerk	672,865	0	0	0	0	12,137	685,002
County Probate Clerk	5,004	0	0	0	0	0	5,004
County Sheriff	8,361	0	0	0	0	0	8,361
Administrative Services-Information Technologies	4,984,038	0	0	0	0	0	4,984,038
Administrative Services-Finance Office	1,735,865	0	0	0	0	0	1,735,865
Administrative Services-Procurement	1,202,443	0	0	0	0	0	1,202,443
Public Works	7,406,389	0	0	0	0	0	7,406,389
	<u>21,879,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>209,161</u>	<u>22,088,973</u>
Public safety							
Fire Department-County share	6,584,108	0	0	0	0	0	6,584,108
Emergency response and recovery	0	0	1,786,820	0	0	0	1,786,820
Fire Marshal	0	0	0	0	0	268,821	268,821
Fire Mitigation	19,804	0	0	0	0	0	19,804
Fire-E.M.S. grant	478,712	0	0	0	0	3,347	482,059
Police	8,843,280	0	0	0	0	4,664	8,847,944
	<u>15,925,904</u>	<u>0</u>	<u>1,786,820</u>	<u>0</u>	<u>0</u>	<u>276,832</u>	<u>17,989,556</u>
Physical and economic environment							
County Manager	368,374	0	0	0	0	0	368,374
Community Development	1,940,765	1,424,945	0	0	0	345,738	3,711,448
	<u>2,309,139</u>	<u>1,424,945</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>345,738</u>	<u>4,079,822</u>
Transportation							
Public Works	3,957,613	0	0	0	0	0	3,957,613
Health and welfare							
Community Services-Social Services	2,038,052	0	0	0	0	2,845,536	4,883,588
Culture and recreation							
Community Services-Administration	1,285,538	0	0	0	0	0	1,285,538
Community Services-Library	2,314,574	0	0	0	0	0	2,314,574
Community Services-Parks	2,229,939	0	0	0	0	0	2,229,939
Community Services-Recreation	2,661,165	0	0	0	0	272	2,661,437
	<u>8,491,216</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>272</u>	<u>8,491,488</u>

Capital outlay:								
General government								
Administrative Services	22,461	0	0	380,360	0	0	402,821	
Public Works	54,944	0	0	0	0	0	54,944	
Public safety								
Fire	0	0	0	0	0	408,434	408,434	
Police	190,649	0	0	0	0	29,517	220,166	
Emergency response and recovery	51,616	0	0	0	0	0	51,616	
Transportation								
Public Works	32,479	0	0	3,464,237	0	875,278	4,371,994	
Culture and recreation								
Community Services	0	0	0	5,643,973	0	0	5,643,973	
	<u>352,149</u>	<u>0</u>	<u>0</u>	<u>9,488,570</u>	<u>0</u>	<u>1,313,229</u>	<u>11,153,948</u>	
Debt service:								
Principal	0	0	0	0	0	3,215,000	3,215,000	
Interest	0	0	0	0	0	1,337,159	1,337,159	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,552,159</u>	<u>4,552,159</u>	
TOTAL EXPENDITURES	<u>54,953,885</u>	<u>1,424,945</u>	<u>1,786,820</u>	<u>9,488,570</u>	<u>0</u>	<u>9,542,927</u>	<u>77,197,147</u>	
EXCESS REVENUES OVER (UNDER) EXPENDITURES	25,394,407	(983,528)	5,173,115	(5,766,606)	10,386,863	(5,212,453)	28,991,798	
OTHER FINANCING SOURCES (USES)								
Transfers in	2,190,000	1,400,000	400,000	19,349,370	0	5,239,109	28,578,479	
Transfers out	(22,454,140)	0	(3,015,101)	(1,000,000)	(1,334,569)	0	(27,803,810)	
	<u>(20,264,140)</u>	<u>1,400,000</u>	<u>(2,615,101)</u>	<u>18,349,370</u>	<u>(1,334,569)</u>	<u>5,239,109</u>	<u>774,669</u>	
NET CHANGE IN FUND BALANCE	5,130,267	416,472	2,558,014	12,582,764	9,052,294	26,656	29,766,467	
FUND BALANCE								
Beginning of fiscal year	42,567,111	5,978,045	163,095	19,816,594	30,096,796	3,511,923	102,133,564	
FUND BALANCE - END OF FISCAL YEAR	\$ <u>47,697,378</u>	<u>6,394,517</u>	<u>2,721,109</u>	<u>32,399,358</u>	<u>39,149,090</u>	<u>3,538,579</u>	<u>131,900,031</u>	



LOS ALAMOS

where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities Year ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different from those reflected in the governmental funds statement of revenues, expenditures, and changes in fund balance because:

Total net change in fund balance as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance:	\$	29,766,467
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$11,153,948) exceeded depreciation (\$8,779,986) in the current period.		2,373,962
Loss on disposal of capital assets is not recorded in governmental funds. This includes expenditures in the Capital Improvement Projects capital projects funds which did not result in the creation of a capital asset.		(2,640,021)
Donations of capital assets from outside sources and corresponding contribution revenue are not recorded in governmental funds. This includes the donation of land from the Department of Energy.		-
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.		(70,463)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.		3,215,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.		690,871
The change in interest payable on long-term liabilities is not recorded in the governmental funds, but is included in the government-wide statement of net position.		13,396
Amortization of deferred amounts related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of activities.		(689,558)
Expenses, such as compensated absences, reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.		(478,900)
The pension expense related to the County's share of New Mexico Public Employee Retirement Association benefits and the other post employment expense related to the County's share of New Mexico Retiree Health Care Association benefits are not recorded in the governmental funds, but is included in the government-wide statement of net position.		2,568,883
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(3,778,958)
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. The net gain or loss of certain activities in internal service funds is reported with governmental activities.		637,288
Change in net position of governmental activities	\$	<u><u>31,607,967</u></u>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Property taxes-current	\$ 7,813,867	7,813,867	8,025,363	211,496
Local units in-lieu taxes	414,626	414,626	382,647	(31,979)
General gross receipts taxes	30,945,000	30,945,000	32,405,230	1,460,230
Franchise tax-privately owned	145,000	145,000	147,857	2,857
Franchise tax-County owned	373,581	373,581	385,991	12,410
Penalties and interest-taxes	50,000	50,000	34,303	(15,697)
	39,742,074	39,742,074	41,381,391	1,639,317
Licenses and permits				
Business	47,000	47,000	39,420	(7,580)
Nonbusiness	231,700	231,700	520,649	288,949
	278,700	278,700	560,069	281,369
Intergovernmental				
Federal direct	0	7,647	3,290	(4,357)
Federal indirect	0	299,191	353,919	54,728
Federal shared revenues	0	0	3,700	3,700
Federal in-lieu taxes	340,000	340,000	381,857	41,857
State grants-library	0	51,748	36,740	(15,008)
State grants-police	0	220,944	173,194	(47,750)
State grants-other	155,000	347,227	169,618	(177,609)
State shared revenues	22,646,000	22,646,000	23,359,998	713,998
	23,141,000	23,912,757	24,482,316	569,559
Fines and forfeitures				
Fines	67,000	67,000	36,467	(30,533)
Correction fees	49,000	49,000	25,948	(23,052)
Special fees	12,300	12,300	9,811	(2,489)
Court ordered reimbursements	43,600	43,600	34,353	(9,247)
Noncourt fines and forfeitures	3,500	3,500	455	(3,045)
Magistrate Court Ordered Reimbursements	14,750	14,750	4,284	(10,466)
	190,150	190,150	111,318	(78,832)

Charges for services

Court fees	900	900	952	52
Clerk fees	56,220	56,220	89,940	33,720
Planning fees	40,000	40,000	252,780	212,780
Administrative charges for services	45,300	45,300	53,622	8,322
Sales of food or merchandise	105,000	105,000	14,621	(90,379)
Other charges for services	23,000	23,000	11,513	(11,487)
Sheriff fees	4,200	4,200	2,375	(1,825)
Police charges for services	21,600	21,600	205,910	184,310
Miscellaneous services	850	850	691	(159)
Cemetery services	28,150	28,150	56,818	28,668
Perpetual care services	55,000	55,000	56,525	1,525
Animal shelter fees	5,500	5,500	3,240	(2,260)
Daily fees/passes	232,200	232,200	212,743	(19,457)
Annual passes	162,900	162,900	44,959	(117,941)
Three-month passes	38,800	38,800	21,852	(16,948)
Monthly passes	20,000	20,000	0	(20,000)
Punch passes	83,000	83,000	50,669	(32,331)
Recreation fees	159,300	159,300	28,547	(130,753)
Other fees	20,350	20,350	33,237	12,887
	1,102,270	1,102,270	1,140,994	38,724

Interfund/interdepartmental charges

Interdepartmental services	3,759,680	3,759,680	3,791,513	31,833
Indirect overhead-fire services	4,111,633	4,111,633	4,213,455	101,822
	7,871,313	7,871,313	8,004,968	133,655

Miscellaneous revenue

Interest income	1,348,000	1,348,000	3,759,778	2,411,778
Interest charges-delinquent accounts	0	0	537	537
Buildings rental	136,500	136,500	335,962	199,462
Land rental	446,150	446,150	412,998	(33,152)
Other rental	149,500	149,500	17,749	(131,751)
Pension forfeitures	80,000	80,000	66,410	(13,590)
Donations	50,000	50,000	25,480	(24,520)
Other	141,199	141,199	70,014	(71,185)
	2,351,349	2,351,349	4,688,928	2,337,579

TOTAL REVENUES

	74,676,856	75,448,613	80,369,984	4,921,371
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**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES AND ENCUMBRANCES				
County Council				
Employee salaries and benefits	94,798	94,798	94,305	493
Outside services	310,822	310,822	308,607	2,215
Materials and supplies	18,000	18,000	14,952	3,048
Intrafund/interfund services	2,326	2,326	2,326	0
	425,946	425,946	420,190	5,756
County Courts (Municipal judge)				
Employee salaries and benefits	453,155	453,155	456,377	(3,222)
Outside services	93,904	97,748	75,970	21,778
Materials and supplies	18,727	18,727	17,827	900
Intrafund/interfund services	9,830	9,830	9,831	(1)
Debt and fiscal charges	1,000	1,000	1,668	(668)
	576,616	580,460	561,673	18,787
County Manager				
Operations				
Employee salaries and benefits	1,066,533	1,066,533	1,072,534	(6,001)
Outside services	2,759,000	3,858,870	1,065,608	2,793,262
Materials and supplies	7,047	7,047	23,093	(16,046)
Intrafund/interfund services	13,406	13,406	13,407	(1)
	3,845,986	4,945,856	2,174,642	2,771,214
Communications and Public Relations				
Employee salaries and benefits	333,607	328,607	330,379	(1,772)
Outside services	92,126	109,636	86,767	22,869
Materials and supplies	13,200	18,200	8,875	9,325
	438,933	456,443	426,021	30,422
Human Resources				
Employee salaries and benefits	1,354,276	1,354,276	1,205,407	148,869
Outside services	272,419	504,877	111,097	393,780
Materials and supplies	37,595	37,595	24,892	12,703
Intrafund/interfund services	10,788	10,788	10,788	0
	1,675,078	1,907,536	1,352,184	555,352
Economic Development Admin				
	5,959,997	7,309,835	3,952,847	3,356,988

County Assessor

Employee salaries and benefits	422,259	422,259	418,344	3,915
Outside services	11,500	11,500	10,172	1,328
Materials and supplies	1,000	1,000	994	6
Intrafund/interfund services	6,530	6,530	6,530	0
	441,289	441,289	436,040	5,249

County Attorney

Employee salaries and benefits	707,038	707,038	709,339	(2,301)
Outside services	168,368	183,558	184,038	(480)
Materials and supplies	16,236	16,236	13,387	2,849
Intrafund/interfund services	6,589	6,589	6,589	0
	898,231	913,421	913,353	68

County Clerk

Employee salaries and benefits	614,725	614,725	592,145	22,580
Outside services	48,000	48,000	41,703	6,297
Materials and supplies	30,240	30,240	28,803	1,437
Intrafund/interfund services	9,285	9,285	9,285	0
Debt and fiscal charges	800	800	929	(129)
	703,050	703,050	672,865	30,185

County Probate Judge

Employee salaries and benefits	4,844	4,844	4,824	20
Outside services	900	900	133	767
Materials and supplies	134	134	0	134
Intrafund/interfund services	47	47	47	0
	5,925	5,925	5,004	921

County Sheriff

Employee salaries and benefits	7,459	7,459	7,631	(172)
Outside services	4,820	4,820	0	4,820
Materials and supplies	3,160	3,160	627	2,533
Intrafund/interfund services	104	104	103	1
	15,543	15,543	8,361	7,182

**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Administrative Services				
Information Management				
Employee salaries and benefits	2,749,894	2,749,894	2,551,871	198,023
Outside services	2,377,547	2,385,532	2,144,628	240,904
Materials and supplies	178,487	185,487	256,086	(70,599)
Intrafund/interfund services	58,171	58,171	58,236	(65)
Capital outlay	0	0	5,997	(5,997)
	<u>5,364,099</u>	<u>5,379,084</u>	<u>5,016,818</u>	<u>362,266</u>
Finance				
Employee salaries and benefits	1,607,019	1,607,019	1,593,132	13,887
Outside services	133,350	142,178	114,496	27,682
Materials and supplies	18,500	20,192	13,253	6,939
Intrafund/interfund services	13,860	13,860	13,860	0
Capital outlay	6,000	6,000	9,624	(3,624)
Debt and fiscal charges	0	0	1,124	(1,124)
	<u>1,778,729</u>	<u>1,789,249</u>	<u>1,745,489</u>	<u>43,760</u>
Procurement				
Employee salaries and benefits	1,162,403	1,162,403	1,066,739	95,664
Outside services	18,041	30,251	33,712	(3,461)
Materials and supplies	51,650	51,650	38,820	12,830
Intrafund/interfund services	55,165	55,165	55,484	(319)
Capital outlay	0	0	6,841	(6,841)
	<u>1,287,259</u>	<u>1,299,469</u>	<u>1,201,596</u>	<u>97,873</u>
Total Administrative Services	8,430,087	8,467,802	7,963,903	503,899
Fire				
Fire Mitigation				
Outside services	0	437,767	19,804	417,963
Materials and supplies	0	5,000	0	5,000
Capital outlay	0	22,116	0	22,116
Debt and fiscal charges	0	0	0	0
	<u>0</u>	<u>464,883</u>	<u>19,804</u>	<u>445,079</u>
Fire - County Shared Costs				
Intrafund/interfund services	<u>7,144,357</u>	<u>7,144,357</u>	<u>6,584,109</u>	<u>560,248</u>
Total Fire	7,144,357	7,609,240	6,603,913	1,005,327

Community Services-Administration

Employee salaries and benefits	890,152	890,152	644,116	246,036
Outside services	630,702	645,626	618,223	27,403
Materials and supplies	9,980	9,980	12,911	(2,931)
Intrafund/interfund services	11,416	11,416	11,417	(1)
Capital outlay	1,745	1,745	0	1,745
	<u>1,543,995</u>	<u>1,558,919</u>	<u>1,286,667</u>	<u>272,252</u>

Grants

Employee salaries and benefits	0	1,491	5,707	(4,216)
Outside services	147,567	146,076	114,141	31,935
	<u>147,567</u>	<u>147,567</u>	<u>119,848</u>	<u>27,719</u>

Total Community Services-Admin. 1,691,562 1,706,486 1,406,515 299,971

Community Services-Library

Library operations

Employee salaries and benefits	2,154,913	2,154,913	1,797,125	357,788
Outside services	149,941	149,941	132,592	17,349
Materials and supplies	35,072	235,580	46,344	189,236
Intrafund/interfund services	36,204	36,204	36,202	2
Capital outlay	0	0	7,489	(7,489)
	<u>2,376,130</u>	<u>2,576,638</u>	<u>2,019,752</u>	<u>556,886</u>

Collection development

Outside services	0	0	675	(675)
Materials and supplies	251,134	265,623	245,578	20,045
	<u>251,134</u>	<u>265,623</u>	<u>246,253</u>	<u>19,370</u>

Outside funding sources

Outside services	0	0	385	(385)
Materials and supplies	0	0	64,912	(64,912)
	<u>0</u>	<u>0</u>	<u>65,297</u>	<u>(65,297)</u>

Total Community Services-Library 2,627,264 2,842,261 2,331,302 510,959

Community Services-Parks

Parks Maintenance

Employee salaries and benefits	1,807,386	1,807,386	1,380,244	427,142
Outside services	137,000	145,177	137,167	8,010
Materials and supplies	167,400	176,700	161,912	14,788
Intrafund/interfund services	663,154	660,397	624,825	35,572
Debt and fiscal charges	1,407	1,407	1,809	(402)
	<u>2,776,347</u>	<u>2,791,067</u>	<u>2,305,957</u>	<u>485,110</u>

Cemetery

Materials and supplies	13,729	13,729	12,153	1,576
Intrafund/interfund services	45,471	45,471	12,649	32,822
Debt and fiscal charges	0	0	2,347	(2,347)
	<u>59,200</u>	<u>59,200</u>	<u>27,149</u>	<u>32,051</u>

Total Community Svcs.-Parks 2,835,547 2,850,267 2,333,106 517,161

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Recreation				
Employee salaries and benefits	410,692	410,692	305,188	105,504
Outside services	55,558	60,801	16,031	44,770
Materials and supplies	35,218	35,218	54,316	(19,098)
Intrafund/interfund services	16,468	14,440	14,437	3
	<u>517,936</u>	<u>521,151</u>	<u>389,972</u>	<u>131,179</u>
Recreation -Aquatic Center				
Employee salaries and benefits	883,351	883,351	769,190	114,161
Outside services	94,995	84,753	48,494	36,259
Materials and supplies	78,643	68,643	48,814	19,829
Intrafund/interfund services	254,698	224,698	220,231	4,467
Debt and fiscal charges	7,100	7,100	3,640	3,460
	<u>1,318,787</u>	<u>1,268,545</u>	<u>1,090,369</u>	<u>178,176</u>
Recreation - Ice Rink				
Employee salaries and benefits	111,583	111,583	97,448	14,135
Outside services	1,955	1,955	1,536	419
Materials and supplies	17,500	17,500	4,721	12,779
Intrafund/interfund services	15,031	15,031	15,030	1
Debt and fiscal charges	1,500	1,500	864	636
	<u>147,569</u>	<u>147,569</u>	<u>119,599</u>	<u>27,970</u>
Recreation -Golf Course				
Employee salaries and benefits	595,835	595,835	585,984	9,851
Outside services	98,804	102,733	112,563	(9,830)
Materials and supplies	143,500	203,400	121,801	81,599
Intrafund/interfund services	270,073	284,458	308,034	(23,576)
Capital outlay	15,000	15,000	23,279	(8,279)
Debt and fiscal charges	9,000	9,000	11,020	(2,020)
	<u>1,132,212</u>	<u>1,210,426</u>	<u>1,162,681</u>	<u>47,745</u>
Total Community Svcs.-Recreation	3,116,504	3,147,691	2,762,621	385,070
Community Services-Social Services				
Employee salaries and benefits	146,970	182,450	143,232	39,218
Outside services	1,940,328	2,023,190	1,740,182	283,008
Materials and supplies	1,450	2,050	1,136	914
Intrafund/interfund services	58,424	58,424	59,271	(847)
	<u>2,147,172</u>	<u>2,266,114</u>	<u>1,943,821</u>	<u>322,293</u>
Total Community Svcs. Department	12,418,049	12,812,819	10,777,365	2,035,454

Police

Operations

Employee salaries and benefits	8,288,354	8,194,678	7,705,898	488,780
Outside services	456,258	518,360	287,584	230,776
Materials and supplies	388,494	570,994	361,558	209,436
Intrafund/interfund services	509,156	509,156	519,565	(10,409)
Capital outlay	357,570	375,301	200,412	174,889
Debt and fiscal charges	0	0	894	(894)
	<u>9,999,832</u>	<u>10,168,489</u>	<u>9,075,911</u>	<u>1,092,578</u>

Emergency Management

Employee salaries and benefits	235,448	235,448	154,327	81,121
Outside services	55,870	52,323	27,340	24,983
Materials and supplies	14,100	14,100	33,804	(19,704)
Intrafund/interfund services	1,868	1,868	1,867	1
Capital outlay	51,000	51,449	41,449	10,000
	<u>358,286</u>	<u>355,188</u>	<u>258,787</u>	<u>96,401</u>

Police Grants

Employee salaries and benefits	0	53,665	43,736	9,929
Outside services	0	339,801	214,419	125,382
Materials and supplies	0	14,482	6,835	7,647
Capital outlay	0	8,896	39,726	(30,830)
	<u>0</u>	<u>416,844</u>	<u>304,716</u>	<u>112,128</u>

Total Police	10,358,118	10,940,521	9,639,414	1,301,107
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**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Public Works				
Administration				
Employee salaries and benefits	439,290	439,290	437,404	1,886
Outside services	10,863	10,863	7,252	3,611
Materials and supplies	4,230	4,230	2,834	1,396
Intrafund/interfund services	7,484	7,484	12,060	(4,576)
	<u>461,867</u>	<u>461,867</u>	<u>459,550</u>	<u>2,317</u>
Engineering & Project Management				
Employee salaries and benefits	1,682,642	1,682,642	1,574,160	108,482
Outside services	16,902	16,902	13,628	3,274
Materials and supplies	17,956	27,956	18,885	9,071
Intrafund/interfund services	46,203	46,203	46,204	(1)
Capital outlay	44,000	44,000	46,031	(2,031)
	<u>1,807,703</u>	<u>1,817,703</u>	<u>1,698,908</u>	<u>118,795</u>
Traffic and Streets				
Employee salaries and benefits	2,260,382	2,260,382	2,142,230	118,152
Outside services	374,482	374,482	99,601	274,881
Materials and supplies	433,420	438,607	526,282	(87,675)
Intrafund/interfund services	970,283	970,283	999,539	(29,256)
Capital outlay	0	0	46,779	(46,779)
Debt and fiscal charges	0	0	1	(1)
	<u>4,038,567</u>	<u>4,043,754</u>	<u>3,814,432</u>	<u>229,322</u>
Pavement management				
Outside services	956,000	1,244,806	425,652	819,154
Materials and supplies	0	0	6,402	(6,402)
	<u>956,000</u>	<u>1,244,806</u>	<u>432,054</u>	<u>812,752</u>

Custodial				
Employee salaries and benefits	1,152,911	1,152,911	1,038,250	114,661
Outside services	86,000	157,260	70,426	86,834
Materials and supplies	150,800	159,800	92,845	66,955
Intrafund/interfund services	35,811	35,811	35,812	(1)
	<u>1,425,522</u>	<u>1,505,782</u>	<u>1,237,333</u>	<u>268,449</u>
Facilities maintenance				
Employee salaries and benefits	1,375,932	1,375,932	1,234,691	141,241
Outside services	440,021	562,237	788,319	(226,082)
Materials and supplies	285,392	346,732	269,661	77,071
Intrafund/interfund services	1,065,909	1,065,909	885,178	180,731
Capital outlay	0	0	8,913	(8,913)
Debt and fiscal charges	500	500	0	500
	<u>3,167,754</u>	<u>3,351,310</u>	<u>3,186,762</u>	<u>164,548</u>
Facilities maintenance projects				
Employee salaries and benefits	516,372	516,372	0	516,372
Outside services	1,583,628	3,113,977	1,904,995	1,208,982
	<u>2,100,000</u>	<u>3,630,349</u>	<u>1,904,995</u>	<u>1,725,354</u>
Total Public Works	13,957,413	16,055,571	12,734,034	3,321,537
Community Development (CDD)				
CDD - Administration				
Employee salaries and benefits	572,390	572,390	650,998	(78,608)
Outside services	36,200	36,200	20,164	16,036
Materials and supplies	9,460	9,460	7,247	2,213
Intrafund/interfund services	17,885	17,885	17,886	(1)
Debt and fiscal charges	6,000	6,000	15,247	(9,247)
	<u>641,935</u>	<u>641,935</u>	<u>711,542</u>	<u>(69,607)</u>
CDD - Community Development				
Employee salaries and benefits	1,403,702	1,403,702	1,005,947	397,755
Outside services	2,275,967	4,263,757	895,989	3,367,768
Materials and supplies	22,325	22,325	17,256	5,069
Intrafund/interfund services	17,001	17,001	17,000	1
	<u>3,718,995</u>	<u>5,706,785</u>	<u>1,936,192</u>	<u>3,770,593</u>
Total Community Development	4,360,930	6,348,720	2,647,734	3,700,986
TOTAL EXPENDITURES AND ENCUMBRANCES	65,695,551	72,630,142	57,336,696	15,293,446
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	8,981,305	2,818,471	23,033,288	20,214,817

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Joint Utility System Fund-Electric	617,238	35,014	0	(35,014)
Joint Utility System Fund-Gas	201,959	0	0	0
Fire Fund	<u>2,190,000</u>	<u>2,190,000</u>	<u>2,190,000</u>	<u>0</u>
	3,009,197	2,225,014	2,190,000	(35,014)
Transfers out to:				
State/Other Grants Fund	(9,950)	(9,950)	(9,950)	0
Health Care Assistance Fund	(650,000)	(650,000)	(650,000)	0
Other Special Revenues Fund	(27,000)	(27,000)	(27,000)	0
Emergency Declarations Fund	(500,000)	(400,000)	(400,000)	0
Gross Receipts Tax Revenue Bonds Fund	(4,552,159)	(4,552,159)	(4,552,159)	0
Capital Improvement Projects Fund	(11,356,000)	(14,999,700)	(14,999,700)	0
Environmental Services Fund	(50,000)	(50,000)	(50,000)	0
Transit Fund	(1,200,000)	(1,200,000)	(1,200,000)	0
Airport Fund	(376,053)	(376,053)	(165,331)	210,722
Economic Development Fund	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>0</u>
	(19,121,162)	(22,664,862)	(22,454,140)	210,722
TOTAL OTHER FINANCING SOURCES (USES)	<u>(16,111,965)</u>	<u>(20,439,848)</u>	<u>(20,264,140)</u>	<u>175,708</u>
NET CHANGE IN FUND BALANCE	\$ <u>(7,130,660)</u>	<u>(17,621,377)</u>	2,769,148	<u>20,390,525</u>
ADJUSTMENTS TO GAAP				
Encumbrances			2,390,499	
Bad debt expense			(7,688)	
Adjustments to inventory			<u>(21,692)</u>	
			<u>2,361,119</u>	
GAAP BASIS			5,130,267	
FUND BALANCE				
Beginning of fiscal year			<u>42,567,111</u>	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>47,697,378</u>	

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**INCORPORATED COUNTY OF LOS ALAMOS
ECONOMIC DEVELOPMENT FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	147,000	147,000	319,927	172,927
Economic development loan repayment (principal)	0	0	120,271	120,271
Economic development loan repayment (interest)	0	0	1,219	1,219
	<u>147,000</u>	<u>147,000</u>	<u>441,417</u>	<u>294,417</u>
TOTAL REVENUES	147,000	147,000	441,417	294,417
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	2,157,750	4,370,003	1,003,953	3,366,050
Materials and supplies	0	0	5,160	(5,160)
Economic development and housing loans	400,000	604,414	415,832	188,582
Debt and fiscal charges	100,000	100,000	0	100,000
	<u>2,657,750</u>	<u>5,074,417</u>	<u>1,424,945</u>	<u>3,649,472</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	2,657,750	5,074,417	1,424,945	3,649,472
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(2,510,750)	(4,927,417)	(983,528)	3,943,889
OTHER FINANCING SOURCES (USES)				
Transfer in from:				
Capital Improvement Project Fund	400,000	1,400,000	1,400,000	0
Transfers out to:				
Capital Improvement Project Fund	(2,000,000)	(2,000,000)	0	(2,000,000)
NET CHANGE IN FUND BALANCE	\$ (4,110,750)	(5,527,417)	416,472	1,943,889

ADJUSTMENTS TO GAAP

0

GAAP BASIS

416,472

FUND BALANCE

Beginning of fiscal year

5,978,045

FUND BALANCE - END OF FISCAL YEAR

\$ 6,394,517

**INCORPORATED COUNTY OF LOS ALAMOS
EMERGENCY DECLARATIONS FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal direct	\$ 0	0	1,881,101	1,881,101
Federal indirect	\$ 0	1,721,250	1,745,959	24,709
State grants-other	0	3,015,101	3,332,875	317,774
	<u>0</u>	<u>4,736,351</u>	<u>6,959,935</u>	<u>2,223,584</u>
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Employee salaries and benefits	0	0	10,023	(10,023)
Outside services	500,000	2,121,250	1,754,297	366,953
Materials and supplies	0	0	22,500	(22,500)
	<u>500,000</u>	<u>2,121,250</u>	<u>1,786,820</u>	<u>334,430</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(500,000)	2,615,101	5,173,115	2,558,014
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	500,000	400,000	400,000	0
	<u>500,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Transfers out to:				
Capital Improvement Projects Fund	0	(3,015,101)	(3,015,101)	0
	<u>0</u>	<u>(3,015,101)</u>	<u>(3,015,101)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ 0	0	2,558,014	2,558,014
ADJUSTMENTS TO GAAP				
Encumbrances			0	
GAAP BASIS			<u>2,558,014</u>	
FUND BALANCE				
Beginning of fiscal year			163,095	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 2,721,109</u>	

See accompanying notes to financial statements



Major Proprietary Funds

Joint Utility System Fund 500 - accounts for the provision of electric, gas, water, and wastewater utility services to the county. Combining subfund financial statements are provided for each utility service following the notes to financial statements.

Environmental Services Fund 611 - accounts for the provision of refuse collection, recycling and reuse, and landfill services to the county.

Transit Fund 651 - accounts for the operation of the Atomic City Transit (ACT) public transportation system.

Fire Fund 660 - accounts for fire protection services provided to Los Alamos National Laboratory and the community through a cooperative agreement with the National Nuclear Security Administration.

Airport Fund 681 - accounts for the operation and maintenance of the Los Alamos Airport.

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INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Statement of Net Position

June 30, 2021

	ENTERPRISE FUNDS						BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
ASSETS							
Current Assets:							
Equity in pooled cash and investments	\$ 12,027,679	1,441,300	2,729,493	0	666,630	16,865,102	17,389,709
Receivables, net of allowance for uncollectibles							
Accounts	7,153,340	351,909	0	582,534	2,091	8,089,874	1,938
Unbilled	1,354,285	130,979	0	0	0	1,485,264	0
Due from other governments	0	128,628	452,190	5,307,646	71,947	5,960,411	0
Inventories and prepayments							
Inventories	960,137	0	0	0	0	960,137	0
Power plant inventories	370,323	0	0	0	0	370,323	0
Prepayments	743,100	0	0	0	0	743,100	0
Total Current Assets	22,608,864	2,052,816	3,181,683	5,890,180	740,668	34,474,211	17,391,647
Non-current assets:							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	3,220,699	532,410	0	0	0	3,753,109	0
Operations and maintenance	21,877,155	358,670	0	0	0	22,235,825	0
Capital assets							
Land	2,959,328	0	0	1,081,176	4,387,040	8,427,544	0
Utility plant in service	330,999,666	0	0	0	0	330,999,666	0
Buildings	0	6,112,038	63,147	17,336,040	1,481,830	24,993,055	0
Improvements other than buildings	0	1,683,448	929,533	143,285	15,454,705	18,210,971	0
Machinery and equipment	4,073,190	119,224	1,106,141	2,455,676	100,405	7,854,636	30,496,401
Less accumulated depreciation	(175,019,545)	(2,445,924)	(1,435,412)	(7,215,605)	(9,076,725)	(195,193,211)	(20,173,626)
Construction in progress	13,307,667	0	0	0	0	13,307,667	0
Total Non-current Assets	201,418,160	6,359,866	663,409	13,800,572	12,347,255	234,589,262	10,322,775
TOTAL ASSETS	224,027,024	8,412,682	3,845,092	19,690,752	13,087,923	269,063,473	27,714,422
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts (debits) from refunding of debt	230,807	0	0	0	0	230,807	0
Deferred other post employment benefits	1,212,491	159,504	279,993	2,807,201	14,618	4,473,807	142,935
Deferred pensions	3,566,644	420,411	822,460	11,480,217	55,866	16,345,598	420,106
Deferred decommissioning cost	3,712,335	0	0	0	0	3,712,335	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,722,277	579,915	1,102,453	14,287,418	70,484	24,762,547	563,041

LIABILITIES

Current Liabilities:

Accounts payable	6,218,484	104,049	51,330	467,810	6,224	6,847,897	586,737
Claims and judgments payable	0	0	0	0	0	0	1,470,199
Accrued salaries and benefits payable	89,701	10,695	17,506	149,513	931	268,346	10,951
Customer deposits payable	389,075	12,600	0	0	0	401,675	0
Due to other governments	156,994	11,031	0	0	0	168,025	0
Current portion of long-term liabilities							
Accrued compensated absences	913,794	106,756	166,169	1,592,784	1,330	2,780,833	133,339
Revenue bonds payable	1,245,000	0	0	0	0	1,245,000	0
Contracts and intergovernmental debt payable	472,306	241,715	0	0	0	714,021	0
Due to other funds (current portion of advances)	0	0	0	1,387,160	0	1,387,160	11,000
Special closure costs	0	58,077	0	0	0	58,077	0
Interest payable on revenue bonds and other debt	95,761	14,017	0	0	0	109,778	0
Total Current Liabilities	9,581,115	558,940	235,005	3,597,267	8,485	13,980,812	2,212,226

Noncurrent Liabilities:

Due in more than one year							
Accrued compensated absences	398,345	51,260	92,276	1,024,351	88	1,566,320	57,272
Claims and judgments payable	0	0	0	0	0	0	948,889
Revenue bonds payable	14,031,646	0	0	0	0	14,031,646	0
Contracts and intergovernmental debt payable	7,760,633	3,294,296	0	0	0	11,054,929	0
Advances from other funds	0	0	0	0	146,799	146,799	0
Special closure costs	11,576,303	1,161,545	0	0	0	12,737,848	0
Net other post employment benefits liability	4,663,542	562,321	1,042,602	11,695,963	67,831	18,032,259	621,404
Net pension liability	13,580,497	1,583,242	3,120,619	52,150,514	238,590	70,673,462	1,612,558
Total Noncurrent Liabilities	52,010,966	6,652,664	4,255,497	64,870,828	453,308	128,243,263	3,240,123
TOTAL LIABILITIES	61,592,081	7,211,604	4,490,502	68,468,095	461,793	142,224,075	5,452,349

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	2,260,911	275,794	493,416	5,576,528	33,871	8,640,520	290,051
Deferred pensions	394,973	49,414	95,379	6,680,939	15,958	7,236,663	45,673
TOTAL DEFERRED INFLOWS OF RESOURCES	2,655,884	325,208	588,795	12,257,467	49,829	15,877,183	335,724

NET POSITION

Net investment in capital assets	153,041,528	1,932,775	663,409	13,800,572	12,347,255	181,785,539	10,322,775
Restricted, net of related liabilities, for:							
Debt service	13,425,790	518,393	0	0	0	13,944,183	0
Unrestricted	2,034,018	(995,383)	(795,161)	(60,547,964)	299,530	(60,004,960)	12,166,615
TOTAL NET POSITION	\$ 168,501,336	1,455,785	(131,752)	(46,747,392)	12,646,785	135,724,762	22,489,390

Net position of business-type internal service funds

22,489,390

Net activity of internal service funds

1,780,817

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

\$ 159,994,969

INCORPORATED COUNTY OF LOS ALAMOS
Proprietary Funds

 Statement of Revenues, Expenses, and Changes in Net Position
 Year ended June 30, 2021

	ENTERPRISE FUNDS						BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
OPERATING REVENUES							
Utility sales and other services	\$ 65,216,541	3,346,581	0	616,051	71,711	69,250,884	0
Sales of food or merchandise	0	1,967	0	0	0	1,967	0
Interfund charges for services	0	64,354	0	6,584,109	0	6,648,463	4,183,126
Insurance and pension contributions							
County	0	0	0	0	0	0	9,201,597
Employees and retirees	0	0	0	0	0	0	1,732,682
Intergovernmental - charges for services	0	0	0	20,288,950	0	20,288,950	0
Miscellaneous operating revenue	40,252	146,327	0	0	0	186,579	633,540
	<u>65,256,793</u>	<u>3,559,229</u>	<u>0</u>	<u>27,489,110</u>	<u>71,711</u>	<u>96,376,843</u>	<u>15,750,945</u>
OPERATING EXPENSES							
Employee salaries and benefits	10,031,226	1,308,318	2,271,066	16,254,077	16,434	29,881,121	1,264,046
Contractual services	44,356,004	2,451,681	1,494,773	6,037,024	220,402	54,559,884	10,617,888
Materials and supplies	1,294,632	153,007	40,832	915,598	4,489	2,408,558	1,050,118
Depreciation and amortization	7,069,957	186,743	184,127	553,919	586,259	8,581,005	2,110,536
Special closure costs	1,280,726	0	0	0	0	1,280,726	0
Other	73,067	28,850	0	149,759	810	252,486	0
	<u>64,105,612</u>	<u>4,128,599</u>	<u>3,990,798</u>	<u>23,910,377</u>	<u>828,394</u>	<u>96,963,780</u>	<u>15,042,588</u>
OPERATING INCOME (LOSS)	1,151,181	(569,370)	(3,990,798)	3,578,733	(756,683)	(586,937)	708,357
NONOPERATING REVENUES (EXPENSES)							
Gross receipts taxes for solid waste recycling	0	1,146,427	0	0	0	1,146,427	0
Fire excise tax	0	0	0	2,292,854	0	2,292,854	0
Gain (loss) on disposition of capital assets	(57,852)	0	0	0	0	(57,852)	216,025
Investment income	1,748,824	87,997	114,574	0	40,033	1,991,428	357,563
Miscellaneous nonoperating revenue	0	0	0	0	0	0	0
Interest on long-term debt	(947,680)	(87,488)	0	0	0	(1,035,168)	0
Inventory adjustment	(570)	0	0	0	0	(570)	0
Intergovernmental - non-capital grants	0	12,300	3,185,251	532,066	0	3,729,617	0
	<u>742,722</u>	<u>1,159,236</u>	<u>3,299,825</u>	<u>2,824,920</u>	<u>40,033</u>	<u>8,066,736</u>	<u>573,588</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,893,903	589,866	(690,973)	6,403,653	(716,650)	7,479,799	1,281,945
TRANSFERS AND CONTRIBUTIONS							
Transfers in	799,728	50,000	1,200,000	0	165,331	2,215,059	258,765
Transfers out	(883,493)	(175,000)	0	(2,190,000)	0	(3,248,493)	0
Intergovernmental - capital grants	122,279	0	61,977	0	71,947	256,203	172,758
Contributed capital assets - governmental activities	(6,058)	0	0	0	0	(6,058)	76,521
	<u>32,456</u>	<u>(125,000)</u>	<u>1,261,977</u>	<u>(2,190,000)</u>	<u>237,278</u>	<u>(783,289)</u>	<u>508,044</u>
CHANGE IN NET POSITION	1,926,359	464,866	571,004	4,213,653	(479,372)	6,696,510	1,789,989
NET POSITION							
Beginning of fiscal year	166,574,977	1,920,156	(702,756)	(50,961,045)	13,126,157	129,957,489	20,699,401
Prior period restatement	0	(929,237)	0	0	0	(929,237)	0
NET POSITION - END OF FISCAL YEAR	\$ 168,501,336	1,455,785	(131,752)	(46,747,392)	12,646,785	135,724,762	22,489,390

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Reconciliation of Statement of Revenues, Expenses and Changes in Net Position to the Statement of Activities Year ended June 30, 2021

Amounts reported for business-type activities in the statement of activities are different from those reflected in the proprietary funds statement of revenues, expenses, and changes in net position because:

Total change in net position for enterprise funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position:	\$	6,696,510
Total change in net position for business-type internal service funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position.		1,789,989
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. The net gain or loss of certain activities in internal service funds is reported with governmental activities.		(637,288)
Change in net position of business-type activities	\$	<u>7,849,211</u>

**INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS**

COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2021

	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS - OPERATING ACTIVITIES							
Cash received from customers and users	\$ 61,544,611	3,508,252	0	7,055,757	72,560	72,181,180	4,816,927
Cash received from contributions-employer and employees	0	0	0	0	0	0	10,934,279
Cash paid to suppliers for goods and services	(40,081,216)	(2,591,231)	(1,488,456)	(6,632,289)	(282,079)	(51,075,271)	(11,852,367)
Cash paid to employees	(9,590,925)	(1,375,476)	(2,364,476)	(19,175,289)	(19,724)	(32,525,890)	(1,280,640)
Taxes received from customers and users	1,855,046	135,448	0	0	0	1,990,494	0
Taxes remitted to State (from customers and users)	(1,821,824)	(135,107)	0	0	0	(1,956,931)	0
NET CASH FLOWS - OPERATING ACTIVITIES	11,905,692	(458,114)	(3,852,932)	(18,751,821)	(229,243)	(11,386,418)	2,618,199
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES							
Cash received from grants	0	12,300	3,406,758	20,197,593	0	23,616,651	0
Transfers to other funds	(799,728)	0	0	(2,190,000)	0	(2,989,728)	0
Transfers from other funds	599,728	50,000	1,200,000	0	165,331	2,015,059	11,000
Gross receipts taxes received	0	1,328,309	0	2,475,396	0	3,803,705	0
Cash received from short-term interfund loans	187,569	0	0	0	0	187,569	0
Cash paid on short-term interfund loans	(187,570)	0	0	(467,726)	0	(655,296)	0
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	(200,001)	1,390,609	4,606,758	20,015,263	165,331	25,977,960	11,000
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES							
Cash received from capital grants	122,279	0	653,503	0	0	775,782	172,758
Proceeds received from loans	720,596	0	0	0	0	720,596	0
Principal repaid	(3,533,253)	(239,061)	0	0	0	(3,772,314)	0
Special closure costs paid	0	(58,079)	0	0	0	(58,079)	0
Interest and other debt service paid	(1,007,992)	(87,924)	0	0	0	(1,095,916)	0
Cash paid for acquisition of capital assets	(5,441,897)	(175,000)	(61,977)	(1,263,442)	(49,797)	(6,992,113)	(2,561,459)
Proceeds from sale of capital assets	67,747	0	0	0	0	67,747	240,441
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(9,072,520)	(560,064)	591,526	(1,263,442)	(49,797)	(10,354,297)	(2,148,260)
CASH FLOWS - INVESTING ACTIVITIES							
Interest received on investments	0	87,997	114,574	0	40,033	242,604	357,563
Purchase of investment securities	1,748,824	0	0	0	0	1,748,824	0
NET CASH FLOWS - INVESTING ACTIVITIES	1,748,824	87,997	114,574	0	40,033	1,991,428	357,563
NET INCREASE (DECREASE) IN CASH	4,381,995	460,428	1,459,926	0	(73,676)	6,228,673	838,502
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	32,743,538	1,871,952	1,269,567	0	740,306	36,625,363	16,551,207
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 37,125,533	2,332,380	2,729,493	0	666,630	42,854,036	17,389,709

(Joint Utility System Fund and Environmental Services Fund cash balances are shown in both Equity in Pooled Cash and Investments and Restricted Cash on the Proprietary Funds Statement of Net Position)

**RECONCILIATION OF OPERATING INCOME TO
NET CASH FLOWS - OPERATING ACTIVITIES**

OPERATING INCOME(LOSS)	\$	1,151,181	(569,370)	(3,990,798)	3,578,733	(756,683)	(586,937)	708,357
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES								
Depreciation and amortization expense		7,069,957	186,743	184,127	553,919	586,259	8,581,005	2,110,536
Operating grants included in operating revenues		0	0	0	(20,288,950)	0	(20,288,950)	0
Amortization of special closure costs		1,899,448	0	0	0	0	1,899,448	0
Provision for uncollectible accounts receivable		77,827	25,673	0	149,759	0	253,259	0
Change in assets and liabilities:								
Accounts and other receivables		(3,732,839)	(49,100)	0	(144,403)	849	(3,925,493)	261
Inventories		(339,183)	0	0	0	0	(339,183)	0
Prepayments and other		17,818	0	0	0	0	17,818	0
Accounts and retentions payable		6,182,253	13,457	47,150	320,333	(56,378)	6,506,815	36,144
Salaries and benefits payable		445,687	(67,158)	(93,411)	(2,921,212)	(3,290)	(2,639,384)	(16,594)
Other current liabilities		(899,679)	1,300	0	0	0	(898,379)	0
Claims and judgements payable		0	0	0	0	0	0	(220,505)
Due to other governments		33,222	341	0	0	0	33,563	0
Total adjustments		<u>10,754,511</u>	<u>111,256</u>	<u>137,866</u>	<u>(22,330,554)</u>	<u>527,440</u>	<u>(10,799,481)</u>	<u>1,909,842</u>
NET CASH FLOWS - OPERATING ACTIVITIES	\$	<u>11,905,692</u>	<u>(458,114)</u>	<u>(3,852,932)</u>	<u>(18,751,821)</u>	<u>(229,243)</u>	<u>(11,386,418)</u>	<u>2,618,199</u>

**SCHEDULE OF NON CASH CAPITAL AND
RELATED FINANCING ACTIVITIES**

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(83,765)	(175,000)	0	0	0	(258,765)	258,765
Change in due from other governments (capital grant receivable)		0	0	591,526	0	0	591,526	0
Contributed capital assets - governmental activities		(6,058)	0	0	0	0	(6,058)	76,521
TOTAL NON CASH TRANSACTIONS	\$	<u>(89,823)</u>	<u>(175,000)</u>	<u>591,526</u>	<u>0</u>	<u>0</u>	<u>326,703</u>	<u>335,286</u>



LOS ALAMOS

where discoveries are made



Fiduciary Funds

Trust Funds are used to account for assets held by the government in a trustee capacity. Custodial Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Pension Trust Fund 811 - accounts for the accumulation of resources for pension benefit payments to qualified County employees.

Custodial Fund 871 - accounts for the collection and payment to the State and local School District of property taxes billed and collected by the County.

INCORPORATED COUNTY OF LOS ALAMOS
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2021

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
ASSETS		
Cash and cash equivalents	0	100,783
Receivables, net of allowance for uncollectibles:		
Employee loans	1,740,077	0
Property taxes	0	330,223
Others	0	313
Total receivables	<u>1,740,077</u>	<u>330,536</u>
Investments at fair value:		
Participant directed mutual funds	71,282,071	0
Total investments	<u>71,282,071</u>	<u>0</u>
Due from other funds	<u>233,973</u>	<u>0</u>
TOTAL ASSETS	<u>73,256,121</u>	<u>431,319</u>
LIABILITIES		
Accounts payable and other liabilities	120,647	0
Pension loan payable	25,621	0
Due to other funds	74,278	0
Property tax payable	0	0
TOTAL LIABILITIES	<u>220,546</u>	<u>0</u>
NET POSITION		
Restricted for:		
Pensions	73,035,575	0
Individuals, organizations, and other governments	0	332,773
Employee fund	0	22,592
Recreation programs	0	42,606
Utility assistance program	0	33,348
TOTAL NET POSITION	<u>73,035,575</u>	<u>431,319</u>

INCORPORATED COUNTY OF LOS ALAMOS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
Year Ended June 30, 2021

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS		
Contributions:		
Employer, net of forfeitures	3,815,486	0
Employees (plan member)	424,454	0
Customers	0	20,237
Property tax received	0	34,012,895
Donations for recreation programs	0	1,000
Employee fund	0	22,592
Total contributions	<u>4,239,940</u>	<u>34,056,724</u>
Investment earnings:		
Net increase in fair value of investments	17,023,528	0
Sales tax collections for other governments	0	2,565,933
Fee collections for other governments	0	11,412
TOTAL ADDITIONS	<u>21,263,468</u>	<u>36,634,069</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	4,467,818	14,200
Administrative expense	53,930	0
Payment to State	0	2,563,046
Property tax payment	0	34,008,911
Employee fund	0	21,582
TOTAL DEDUCTIONS	<u>4,521,748</u>	<u>36,607,739</u>
Net increase (decrease) in fiduciary net position	16,741,720	26,330
NET POSITION		
Beginning of fiscal year	56,293,855	0
Prior period restatement - GASB Statement 84	0	404,989
NET POSITION - END OF FISCAL YEAR	<u>73,035,575</u>	<u>431,319</u>

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INCORPORATED COUNTY OF LOS ALAMOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The County of Los Alamos (County) was incorporated on December 10, 1968. Under the County Charter and State statutes, the County has all the rights and responsibilities of both a county and a municipality. The County provides traditional city and county services, operating under a council-manager form of government, in which the County Manager is the chief administrative officer.

The accounting and reporting policies of the County relating to the government-wide financial statements and governmental funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

The more significant accounting policies of the County are described as follows.

B. Financial Reporting Entity

The County's basic financial statements include the accounts of all County operations. To include organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*, and most recently, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and Statement No. 34*, the following criteria would need to be met:

- the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the County, its component units, or its constituents; and
- the County is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and
- the economic resources received or held by an individual organization that the County or its component units is entitled to or has the ability to otherwise access are significant to the County; and
- for organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the County and that organization for it to be included in the reporting entity as a component unit.

Based on the aforementioned criteria, the County of Los Alamos has no component units.

The County's Joint Utility System was established by Chapter 5 of the County Charter as a specific department of the County. The Joint Utility System is not a legally separate organization from the County. Therefore, it is included in these financial statements as an enterprise fund of the County.

C. Implementation of New Accounting Standards

New Accounting Standards

In fiscal year 2021, the County analyzed and reviewed the need for adoption of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) related to fiduciary activities, leases, equity interests and debt:

- GASB Statement No. 84 (GASB 84), “Fiduciary Activities”
- GASB Statement No. 87 (GASB 87), “Leases”
- GASB Statement No. 90 (GASB 90), “Majority Equity Interests”

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

In previous years, the County had presented a Statement of Net Position for the Pension Trust fund only. In fiscal year 2021 the County has presented a Statement of Net Position and a Statement of Changes in Net Position for its Custodial funds and also recorded a prior period restatement to show the effect of this restatement on the net position. This restatement was reflected in the Fiduciary Funds and states a beginning net position in the Custodial funds of \$405 thousand.

GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB 87 potentially affects the County’s operating leases. The County will implement GASB 87 when it is effective in fiscal year 2022.

GASB 90 defines majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of the investment. GASB 90 also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. GASB 90 does not impact Los Alamos County.

D. Basic Financial Statements

Basic financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the County. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column.

In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. Exceptions to this general rule are charges between the Joint Utility System Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities displays the extent to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, while program revenues are those items that are applicable to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment are also included.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds, however, are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

It is important to note that the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds (55% of interfund revenues). As such, the net position of these funds is reflected in the government-wide financial statements in the business-type activities.

The Governmental Fund Types (General, Special Revenue, Debt Service, Capital Project, and Permanent Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter (2 months) to be used to pay liabilities of the current period. Revenues, which are recognized when they become both measurable and available, include intergovernmental revenues and interest earnings. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: principal and interest on general long-term

debt, which are recorded when fund liabilities are due; and accrued vacation and sick leave which are recorded when payable from current available financial resources.

Property taxes are recognized as revenue when levied. Derived tax revenues (gross receipts taxes, cigarette taxes, gasoline taxes, etc.) are recognized when the underlying exchange transaction takes place. Revenues from fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Revenues, if available, from federal and state grants are recognized as soon as all eligibility requirements imposed by the individual grant provider and agreement have been met.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned. Expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary Fund Types (Pension and Agency Funds) use the accrual basis of accounting. The Pension Trust Fund is accounted for on an economic measurement focus.

Presentation of Funds

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The transactions of each fund are summarized in a separate set of self-balancing accounts, which include its assets, liabilities, fund balance, revenues, and expenses/expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- *Ten percent criterion* – An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets and deferred outflows, b) total governmental fund liabilities and deferred inflows, c) total governmental fund revenues, or d) total governmental fund expenditures.
- *Five percent criterion* – An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The County has elected to report the following governmental funds as major, although only the General, Capital Improvements Project Fund, and Capital Projects Permanent Fund would qualify using the basic criteria established by GASB 34. The major governmental funds are as follows:

- **General Fund** – The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. For the County, the General Fund includes most basic services, such as police, parks, recreation facilities and programs, library, and general administration.

- **Economic Development Fund** – The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act.
- **Emergency Declarations Fund** – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with response to and recovery from the Las Conchas Fire which began June 26, 2011 and subsequent flooding events within the community in September 2013. In addition, recent snow storm and high wind events that occurred in early 2019 are also included in this fund. This special revenue fund was established by County Council.
- **Capital Improvement Projects Fund** – The Capital Improvement Projects Fund (capital projects fund) accounts for the financing and construction of structures and improvements approved by the County Council.
- **Capital Projects Permanent Fund** – The Capital Projects Permanent Fund accounts for amounts received under a settlement of prior year's gross receipts taxes, set aside by the County Council and the County Charter for capital projects. The original principal of this fund, adjusted for inflation, is restricted and non-expendable.

The County also reports the following non-major governmental funds: State Shared Revenue, Lodgers' Tax, State Grants/Other, Health Care Assistance, Other Special Revenues, and Gross Receipts Tax Revenue Bond Fund.

The County has elected to report all enterprise funds as major, although only the Joint Utility System and Fire Fund would qualify using the basic criteria established by GASB 34. The major enterprise funds are as follows:

- **Joint Utility System** – The Joint Utility System Fund accounts for the provision of electric, gas, water, and wastewater utility services to the community.
- **Environmental Services Fund** – The Environmental Services Fund accounts for the closure and monitoring of the County landfill, commercial and residential refuse collection, curbside and drop off recycling, and composting of yard waste.
- **Transit Fund** – The Transit Fund accounts for public transportation services provided to the community under the name Atomic City Transit (ACT).
- **Fire Fund** – The Fire Fund accounts for fire protective services primarily provided under a cooperative agreement between the County and the National Nuclear Security Administration, an agency of the U.S. Department of Energy (DOE).
- **Airport Fund** – The Airport Fund accounts for the operation and maintenance of the Los Alamos Airport.

The County has the following additional fund types:

- **Internal Service Funds** – The Internal Service Funds are used to account for vehicle maintenance and replacement, and risk management operations that provide services to other funds and departments of the County. As previously mentioned, the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds.
- **Fiduciary Funds** – The Fiduciary Funds of the County consist of a Pension Trust Fund and a Custodial Fund. The Pension Trust Fund is used to account for the Los Alamos County Employees Pension Plan, which is administered by the County. The Custodial Fund primarily is used to account for property taxes and other fees and assessments collected for and distributed to other government entities.

F. Budgetary Control

Annual appropriated budgets are adopted for all funds using the modified accrual basis, including encumbrances, except as follows: capital projects funds are budgeted over the life of the projects and not on an annual basis; budgets are not adopted for the Pension Trust Fund and for the Agency Fund. All

annual appropriations lapse at the end of the fiscal year, except as approved by Council as “Assigned for Continuing Appropriations” prior to the end of the fiscal year.

Actual expenditures and encumbrances may not exceed the budget at the department level within a fund, which is the legal level of budgetary control. Increases of appropriations within a fund or department and transfers between departments within a fund require approval of the County Council. Management may make transfers of appropriations within departments.

The budget process for the County is an on-going, year-round process. It formally begins in December when the Department Directors, the County Manager, and the County Council hold strategy meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new or enhanced services. The Office of the County Manager provides detailed budget guidelines to the departments in December or January. From these guidelines, the departments develop their preliminary budgets. Budget review meetings are conducted by Finance with departments and the Office of the County Manager. The County Council holds public hearings in April to consider the proposed budget and budget options. The County Council adopts the annual operating budget and capital improvement program at the budget hearings. Finally, the budget is submitted to the State of New Mexico Department of Finance and Administration (DFA) for its review and approval.

The Statements (or Schedules) of Revenues, Expenditures (or Expenses), Encumbrances, and Changes in Fund Balance (or Net Position) - Budget and Actual present comparisons of actual results of operations to budgetary data for those funds for which annual operating budgets are legally adopted. The effect of encumbrances is added to actual results for these comparisons.

Because the modified accrual basis is not the generally accepted accounting method for proprietary funds, differences result from budgeting for items such as encumbrances, capital outlay, and principal on debt repayments, and from not budgeting for items such as changes in compensated absences, bad debt expense, depreciation and amortization, inventory adjustments, special closure costs, and gains or losses on disposition of capital assets.

Reconciliations between the budget basis and GAAP basis are provided in the budgetary schedules.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in all funds. Encumbrances are re-appropriated through a revision of the subsequent year's budget.

H. Cash, Investments, and Equity in Pooled Cash and Investments

Most cash belonging to all funds (excluding certain segregated and restricted cash and investment balances) is pooled into one common account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated to substantially all of the County's funds based upon relative equity at month-end. An individual fund's equity in pooled cash and investments is available upon demand and is considered to be “cash equivalents” when preparing these financial statements. In addition, any marketable securities that are owned by a specific fund and that are purchased with an average maturity of ninety days or less also are considered to be “cash equivalents.” Significant negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and

interfund payables of the deficit fund, except where the deficit fund has liquid investments to offset the deficit in pooled cash. In such cases, the investments are shown net of the pooled cash deficit.

The County invests in securities authorized by State statutes and in accordance with County ordinances. See Note (3) for a comprehensive listing of allowable investments. When held as an investment, repurchase agreements are secured in accordance with state law, which requires collateral with a market value greater than 105% of the value of the agreement.

All of the County's investments are stated at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In the proprietary funds, there were not investments that required a fair value adjustment at June 30, 2021. The County does not have investments that are reported at amortized cost.

I. Accounts and Loans Receivable – Allowance for Doubtful Accounts

Where collection of trade and loan receivables is uncertain, the County provides an allowance for doubtful accounts. See item L. below for interfund receivables.

J. Property Taxes Receivable

Unpaid property taxes attach as an enforceable lien on property as of January 1, annually. Taxes are levied on November 1 and are payable in two installments no later than December 10 and May 10. Property taxes receivable are recorded as of the date levied. No significant amounts, which have been recognized as revenue under GAAP, remain unpaid at fiscal year-end. Property tax receivable balances are included in the accounts receivable balance in the general fund.

K. Prepaid Items

Prepaid balances are for payments made by the County in a current year to provide services occurring in subsequent fiscal years. Since these assets are not available for other subsequent expenditures they are categorized as a nonspendable component of fund balance. In the County's governmental funds, prepaid items are recorded under the purchases method and treated as expenditures rather than assets.

L. Interfund Receivables and Payables

Current amounts owed between funds are classified as "Due from/to other funds" in the governmental fund financial statements. Any non-current balance of interfund loans would be reported in the fund financial statements, classified as "Advances to/from other funds" and offset by a nonspendable component of fund balance in governmental funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

M. Inventories

Inventories in the General Fund consist of expendable supplies held for consumption and are valued at average cost. The average cost of inventory is recorded as an expenditure at the time of consumption. Inventories reported in the General Fund financial statement are offset by a *nonspendable* segregation of fund balance, which indicates that it does not constitute “available expendable resources” even though it is a component of net current assets.

The inventories in the proprietary funds consist of supplies that are recorded at average cost, which approximates lower of cost or market value.

N. Restricted Assets

Certain proceeds of Joint Utility revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Certain loan proceeds and related cash equivalents balances are restricted assets in the Joint Utility Fund because their use is restricted for project expenses and debt reserve requirements. Certain cash balances are classified as restricted assets in the Joint Utility Fund because they are set aside for estimated closure and reclamation costs related to the San Juan Electric Generating Station and coalmine. There are also additional restricted assets related to the Laramie River reclamation. Additionally, certain cash balances are classified as restricted assets in the Environmental Services Fund because they are set aside for estimated landfill closure and post-closure costs. Certain cash balances are classified as restricted assets in the GRT Revenue Bond Debt Service Fund because their use is limited by applicable bond covenants. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, and then use unrestricted resources as they are needed.

O. Capital Assets

Capital assets, which include property, plant, equipment (includes externally developed software), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. County policy requires capitalization of assets with an initial, individual cost of \$5,000 or more. All capital assets are recorded at cost or, if contributed property, at their estimated acquisition cost at the time of contribution. Repairs and maintenance that do not add to the value of the asset or materially extend the life are recorded as expenses; improvements are capitalized. The County does not capitalize or depreciate the cost of library books. Additionally, the County is not internally developing computer software, which would require capitalization or depreciation.

Construction work-in-progress consists of labor costs, including related taxes, and material costs.

Most automotive and similar multi-use capital assets, other than those owned by and recorded in the proprietary funds, are the property of the County as a whole and are owned by the Equipment Fund, an internal service fund. Other funds rent these assets as needed. The interdepartmental charges (IDC) charged to the individual budget activities consists of two amounts, an equipment replacement IDC and a maintenance IDC. Both of these charges are recorded in the Equipment Fund as revenue. The equipment replacement IDC is calculated using replacement cost and estimated useful lives of the equipment. The maintenance IDC is recovering the total cost of Fleet Maintenance including fuel on a proration basis for all vehicles in the fleet.

Property, plant, and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets, except for Electric Utility

Fund assets financed by certain long-term debt. An adjustment is made to the annual depreciation, based on annual debt service requirements to smooth annual expenditures for ratemaking purposes. This resulted in a decrease in depreciation expense of \$1.3 million in the year ended June 30, 2021.

The County has elected to depreciate its infrastructure assets consistent with its other assets, using the straight-line method. The purpose of depreciation is to spread the cost of capital assets equitably over the life of the assets. The amount charged as depreciation each year represents that year's pro rata share of the original cost of the capital assets. Depreciation on proprietary fund capital assets is charged as an expense against operations each year, and accumulated depreciation is reported on the statement of net position as a reduction in the book value of capital assets. Depreciation and accumulated depreciation of capital assets used in the operation of governmental funds are recorded and included in the government-wide financial statements.

Estimated useful lives used to compute depreciation are summarized in the following table:

Asset Category	Estimated Useful Life in Years
Buildings	30 - 50
Improvements other than buildings	10 - 20
Infrastructure	15 - 50
Equipment	5 - 10
Automotive equipment	7 - 20
Utility plant in service:	
Electric	10 - 50
Gas	10 - 50
Water	10 - 50
Wastewater	10 - 50

P. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future period. Deferred inflows of resources are defined as an acquisition of net assets that is applicable to a future period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities. The components of deferred outflows and inflows are reported on the face of the financial statements.

Q. Compensated Absences

The County permits employees to accumulate a limited amount of earned but unused vacation, compensatory time, and sick leave. These compensated absences are accrued when they are earned in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. In proprietary funds and in the government-wide financial statements, the County has recorded liabilities for accumulated vacation leave, compensatory time, termination payments for sick leave, and associated benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported in the governmental funds only if they have matured.

The County allows employees to accrue compensatory time up to 60 hours for exempt employees, 120 hours for nonexempt employees, and 240 hours for public safety employees. Sick leave accrues at 8 hours per month for all active regular and limited-term employees. Sick leave expense is recognized as employees utilize it, but the County does provide a termination payment of up to 520 hours (65 days) of sick leave when an employee retires under PERA retirement rules [see Note (8)].

The basis for recording these compensated absences is at the current hourly rate of each employee plus associated employer paid benefits except for termination sick leave which has been accrued based on five years of retiree payment experience and utilizing a composite hourly wage rate. The termination sick leave calculation provided an estimated benefit cost of approximately \$522 per year of service for active Fire Department employees at June 30, 2021, and approximately \$366 for other active County employees.

R. Pension – Participation in PERA

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms.

T. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at issuance. In accordance with GASB Statement No. 23, an unamortized charge, the difference between the reacquisition price and the net carrying amount of old debt, on refunding of debt is deferred and amortized to interest expense using the straight-line method in business-type activities. The unamortized charge is reported as a deferred outflow (debit) or inflow (credit) of resources on the corresponding statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other expenditures.

U. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment capital assets, restricted and unrestricted. *Net investment in capital assets* describes the portion of net position which is represented by the current net book value of the County's assets, less the outstanding debt issued to finance those assets. *Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the County cannot unilaterally alter. *Unrestricted* describes the portion of net position which is not restricted as to use.

V. Fund Balance

In the fund financial statements, governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and investments plus deferred inflows of resources, less its liabilities and deferred outflows of resources.

The County's fund balances are classified in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the County to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the County prioritizes and expends funds in the following order, Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balances represent balances set aside to indicate that certain assets do not represent available, spendable resources even though they are a component of assets. These assets are not expected to be converted to cash or are legally or contractually required to be maintained intact. Nonspendable balances typically include principal on permanent funds, long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislations which require the resources to be used only for a specific purpose. This includes balances where the imposition of revenues is restricted by the County Charter.

Committed fund balances have constraints imposed by formal action of the County Council which may be altered only by subsequent formal action of the County Council. Committed fund balances are established by ordinance.

Assigned fund balances are amounts constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Via financial policies and formal action at Council meetings held prior to year-end, the County Council identifies certain fund balances to be assigned for future purposes. These amounts are reflected as assigned on the face of the financial statements.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund balance deficits, if any, of other governmental funds.

W. Stabilization Arrangement

The Capital Projects Permanent Fund has a portion of fund balance *Restricted for Income Stabilization* in accordance with County Code Sec. 20-361. This arrangement is in place to establish a cushion in the fund to allow market fluctuations to affect the stabilization balance, without impacting the real value of principal. The income of the Permanent Fund is used in the following priority: 1) first, to make additions to principal in an amount that maintains the real

value of the principal, and then if any income remains, 2) second, to make distributions for capital projects in accordance subsection (g) of the Code, and then if any income remains, 3) third, to make additions to the balance Restricted for Income Stabilization.

X. Interfund Transactions

Interfund transactions are classified as follows:

- **Services provided** – Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services are similarly treated when they involve other funds. These transactions are not eliminated in the consolidation to the government-wide financial statements.
- **Transfers** – Transactions to support the operations of other funds are recorded as “Transfers out/transfers in” and classified with “Other Financing Sources and Uses” in the fund financial statements. Transfers within governmental or proprietary fund groups are netted as part of the reconciliation to the government-wide financial statements.
- **Contributions** – Contributions to the capital of enterprise or internal service funds, transfers of capital assets between proprietary and governmental funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as non-operating revenue.

Y. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The adopted budget for FY2021 is the first year of the FY2021/2022 Biennial Budget cycle. New Mexico State Statute and County Charter requires an annual budget. The budget process for the County is an on-going, year-round process. It formally begins in December when the Department Directors, the County Manager, and the County Council hold strategy meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new or enhanced services. The Office of the County Manager provides detailed budget guidelines to the departments in December or January. From these guidelines, the departments develop their preliminary budgets. Budget review meetings are conducted by Finance with departments and the Office of the County Manager. The County Council holds public hearings in April to consider the proposed budget and budget options. The County Council adopts the annual operating budget and capital improvement program at the budget hearings. Finally, the budget is submitted to the State of New Mexico Department of Finance and Administration (DFA) for its review and approval.

Budgets

Annual appropriated budgets are adopted for all County funds except agency and pension trust funds. All annual operating appropriations lapse at fiscal year-end unless specifically approved by the County Council to carry over to the next fiscal year. In contrast, project-length financial plans are adopted for all capital projects funds.

Budget Revisions

Changes from one expense code to another within a division or between divisions within the same department or fund, excluding charges to salaries, benefits or interdepartmental charges are approved by the Department Director or Utilities Manager.

Changes within a division or between divisions within the same department or fund which involves salaries, benefits or interdepartmental charges must be approved by the County Manager. Transfers from one department to another department within the same fund are approved by County Manager and the County Council for all funds and departments except Utilities. Transfers to or from the Joint Utility System Fund are approved by the Utilities Manager, Utilities board, and Council.

Budget Increases to departments or funds and transfers between funds, transfers of cash, both permanent and temporary between funds and any combination of the above are approved by the County Manager, (Utilities Manager/Utilities Board when involving Utilities Department), Council and the State of New Mexico Department of Finance and Administration.

During fiscal year 2021, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$43.8 million of budget revisions (transfers and supplemental appropriations) for the General Fund, Capital Improvement Projects (CIP) Fund, Economic Development Fund, Joint Utility System Fund, Equipment and other funds. The budget revisions included the following re-appropriations and carryovers: \$2.6 million for Utilities AMI Project, \$10.7 million for Utilities projects and increases in Other Purchased Power, \$1.5 million for major facilities maintenance, \$12.3 million in encumbrance carryovers, \$8.1 million in available budget carryovers and \$8.6 million in other budget increases. For the fiscal year ended June 30, 2021 expenditures did not exceed appropriations at the legal level of budgetary control for any County department, project, or fund.

Individual Deficit Fund Balance and Net Position

At fiscal year end June 30, 2021, the Fire Fund, a major proprietary fund, reported a deficit net position of \$46,747,392. The deficit arose from recording the pension liability, deferred pension inflows, and deferred pension outflows in accordance with GASB Statement No. 68 as well as recording the OPEB liability, deferred OPEB inflows and deferred OPEB outflows in accordance with GASB Statement No. 75. The Transit Fund, a major proprietary fund, reported a deficit net position of \$131,752. The deficit arose from recording the OPEB liability, deferred OPEB inflows and deferred OPEB outflows in accordance with GASB Statement No. 75.

(3) POOLED CASH AND INVESTMENTS

The County follows the practice of pooling cash and investments of all funds in the General Fund, except for restricted or dedicated accounts. Each fund's portion of pooled cash and investments is summarized in the governmental funds balance sheet and the proprietary funds statement of net position.

A. Cash

Policies

County of Los Alamos municipal code Sec. 20-401 and rules of the State of New Mexico govern deposits and investing. Pooled cash and investments held by the County may include cash on deposit with financial institutions, money market accounts, certificates of deposit, treasury notes, U.S. agency securities, U.S. Government obligations, municipal bonds, deposits with the New Mexico State Treasurer Local Government Investment Pool (LGIP), investments with the New Mexico State Investment Council (NMSIC), and repurchase agreements.

Cash and investments are presented in the financial statements as shown below:

Petty cash and change funds	\$	4,700
Carrying amount of deposits		18,460,933
Cash equivalents		7,963,567
Book value of investments		<u>232,311,913</u>
Total reported in notes to financial statements	\$	<u>258,741,113</u>
Government-wide Statement of Net Position:		
Equity in pooled cash and investments	\$	121,246,024
Investments		39,822,445
Restricted assets-Cash & Cash Equivalents		26,025,653
Restricted assets-Investments		264,137
Custodial Funds:		
Equity in pooled cash and investments		100,783
Investments (mutual funds), at fair value		<u>71,282,071</u>
Total reported in financial statements	\$	<u>258,741,113</u>

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be recovered. The County of Los Alamos Investment Policy requires deposits be in a qualified financial institution. The policy defines a qualified depository as one that meets all of the following requirements:

- (1) Equity-to-asset ratio is equal to or greater than the level recommended by the federal deposit insurance corporation,
- (2) A current audited annual financial statement has been submitted to the County,
- (3) No successive losses for two preceding years,
- (4) If not a local financial institution, its assets must be in excess of \$1 billion, and
- (5) Not operating under cease and desist order issued by any regulatory agency.

Under New Mexico law, financial institutions holding public deposits must pledge collateral in an amount not less than 50% of the uninsured balance. At June 30, 2021 the County had deposits with bank balances of \$18,460,933 that were fully insured or collateralized with securities held by the pledging financial institution in the County's name and therefore not exposed to custodial credit risk under New Mexico law.

B. Investments

Credit Risk

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The County's policy to minimize investment credit risk involves limiting investments to securities authorized in the County Code, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The County government's rated debt investments as of June 30, 2021 are presented below using the Standard and Poor's rating scale:

Investment Type	Fair Value	Net Asset Value	Quality Ratings		
			AAAm	AA+	A
U.S. Government Agencies	\$ 10,049,320		10,049,320	0	0
U.S. Treasuries	61,430,517		61,430,517	0	0
<u>Unrated investments:</u>					
New Mexico State Investment Council	65,050,005				
NM Local Government Investment Pool	24,500,000				
Exempt from credit risk disclosure:					
LAC Pension	71,282,071				
Total Investments	\$ 232,311,913	0			

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates of debt investments will adversely affect the fair value of investment.

The County's policy is to minimize investment interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and also satisfy requirements for cash reserves, thereby avoiding the need to sell securities on the open market prior to maturity.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<u>Debt Securities</u>					
U.S. Agencies	\$ 10,049,320	2,003,020	8,046,300	0	0
U.S. Treasuries	61,430,517	31,158,237	30,272,280	0	0
	71,479,837	33,161,257	38,318,580	0	0
<u>Other Investments</u>					
New Mexico State Investment Council	65,050,005				
NM Local Government Investment Pool	24,500,000				
LAC Pension Plan	71,282,071				
Total Investments	\$ 232,311,913				

The County maintains a joint powers agreement with the New Mexico State Investment Council (NMSIC) to provide investment services in accordance with guidelines listed in the County's Investment Policy. NMSIC issues a separate, publicly available financial report that includes financial statements and required supplementary information. These investments are stated at fair value, which is based on the County's share of NMSIC's pooled investments, which are stated at fair value based on the quoted market prices plus accrued interest and dividends.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter-party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County does not have any investments on June 30, 2021 that are exposed to custodial credit risk.

Concentration of Credit Risk - Investments

Investments in securities of any individual issuers, other than mutual funds and NMSIC, of the total government-wide investments on June 30, 2021 (not inclusive of the pension fund which is disclosed separately) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	<u>% of Total Government-wide Investments</u>
FNMA	Federal agency securities	\$ 8,050,840	5.0%
FFCB	Federal agency securities	1,998,480	1.2%
U.S TREAS	U.S Treasuries securities	61,430,517	36.9%

The County's policy is not to have more than 20% of the total deposits and investment portfolio invested in securities of a single issuer with the following exceptions:

1. US Government obligations, deposits with the New Mexico State Treasurer's Local Government Investment Pool, and investments with the New Mexico State Investment Council's Long-term Investment Funds;
2. Repurchase agreements associated with required debt service reserves
3. Deposits in a local qualified financial institution that are 100% collateralized in accordance with section 20-403 of the County Code. This exception recognizes the impact of the County's investment program on the local economy.

Fair Value Measurement - Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
 Level 2: Observable inputs other than quoted market prices; and,
 Level 3: Unobservable inputs

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using a matrix pricing technique. This is based on the securities' relationship to benchmark quoted prices.

Investments by fair value level on June 30, 2021 are as follows:

	Fair Value Measurements Using			
	6/30/2021	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Agencies Securities	\$ 10,049,320	10,049,320	0	0
U.S. Treasuries Securities	61,430,517	61,430,517	0	0
New Mexico State Investment Council	65,050,005	35,731,677	29,318,328	0
NM Local Government Investment Pool	24,500,000	24,500,000	0	0
Alliance Benefit Group - LAC Pension Plan	71,282,071	67,717,967	3,564,104	0
Total investments by fair value level	<u>\$ 232,311,913</u>	<u>199,429,481</u>	<u>32,882,432</u>	

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2021, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:			
General	\$ 210,336	(32,736)	177,600
Economic Development	0	0	0
Capital Improvement			
Projects	147,329	(147,329)	0
Other Governmental	29,040	0	29,040
Total governmental activities	<u>386,705</u>	<u>(180,065)</u>	<u>206,640</u>
Business-type activities:			
Joint Utility System	7,205,173	(51,833)	7,153,340
Airport	2,187	(96)	2,091
Environmental Services	366,272	(14,363)	351,909
Fire	1,559,978	(977,444)	582,534
Internal Service	4,288	(2,350)	1,938
Total business-type activities	<u>9,137,898</u>	<u>(1,046,086)</u>	<u>8,091,812</u>
Totals	<u>\$ 9,524,603</u>	<u>(1,226,151)</u>	<u>8,298,452</u>

On the Government-wide Statement of Net Position an additional \$74,278 due from the Pension Trust Fund is classified as pension forfeitures receivable.

The County leases land under non-cancelable operating leases with terms ranging from 5 to 99 years to Sombrillo Nursing and Rehabilitation Center, Aspen Ridge Lodge Retirement and Assisted Living Center, Los Alamos School of Gymnastics, Los Alamos Dog Obedience Club, Nectar Properties, Administrative Office of The Courts, and Los Alamos Trinity LP(Smith's). The following is a schedule of future minimum rentals under these leases at June 30, 2021:

Fiscal Year Ending June 30, 2021	Amount
2021	\$ 316,861
2022	308,653
2023	300,487
2024	294,134
2025	296,700
Thereafter	<u>13,381,032</u>
	<u>\$ 14,897,867</u>

(5) LOANS RECEIVABLE

Economic Development Loans Receivable

On occasion, the County will provide public support, in the form of loans, for economic development projects pursuant to the County's Economic Development Plan. As of June 30, 2021 the County had three outstanding loans receivable recorded in the Economic Development Special Revenue Fund.

On June 20, 2003 the County entered into a loan agreement with Advanced Realtime Technologies, LLC (name since changed to Elemetric Instruments, Inc.) in the amount of \$75,000. As of June 30, 2010 the County had distributed \$73,027 of the loan amount to Elemetric. The loan bears interest at 5% per annum beginning June 1, 2008. The loan is secured by any and all assets that Elemetric purchases in whole, or in part, constructed or installed prior to December 31, 2005. The loan requires Elemetric to make sixty monthly payments of \$1,415 beginning July 1, 2008 through June 2013. During FY 2010, Elemetric made \$14,303 of payments including interest. No payments have been made since FY 2011. A reserve for loan losses has been recorded for the outstanding balance on the loan.

On July 30, 2003 the County entered into a loan agreement with Avanza Technologies, Inc. in the amount of \$235,000. As of June 30, 2010 the County had distributed the entire \$235,000 loan amount to Avanza. The loan bears interest at 5% per annum beginning July 30, 2006. The loan is secured by any and all assets that Avanza purchases in whole or in part with the loan proceeds constructed or installed prior to December 31, 2004. The loan requires Avanza to make eighty-four monthly payments of \$3,321 beginning July 30, 2006 through January 30, 2012. Over the life of this loan, Avanza has only made three payments totaling \$7,056. On October 17, 2006, Avanza sent a letter notifying the County that it was no longer a viable entity and that it would not be making any further loan payments. A reserve for loan losses has been recorded for the outstanding balance on the loan.

On August 29, 2017, the County entered into a loan agreement with UbiQD in the amount of \$325,000 for the purchase of real property located at 134 Eastgate Drive, Los Alamos, NM to serve as the headquarter property and executed a mortgage/promissory note with the company. The promissory note bears interest at 0% and will be amortized over a 10 year term with the first three years payments being deferred. As of June 30, 2021 the County had distributed the full amount of the loan amount to UbiQD. The loan requires UbiQD to make eighty-four monthly payments of \$3,869.05 due beginning September 1, 2020, and the first of each month thereafter until paid in full.

As of June 30, 2021 the total reserve for loan losses balance was \$279,114. The reserve was established since these loans are in default and may not prove to be fully, or even partially, collectible. In addition, the total payments from UbiQD was \$38,690.50.

The detail of the loan receivable balances at June 30, 2021, is as follows:

Principal, economic development loans:	
UbiQD	\$ 325,000
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	51,170
Avanza Technologies, Inc.	<u>227,944</u>
Subtotal economic development loans	604,114
Less: Reserve for loan losses	(279,114)
UbiQD prinipal payment in FY21	<u>(38,691)</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u>\$ 286,310</u>

During fiscal year 2017, the County created a Housing sub-fund of the Economic Development Fund to fund housing program loans. The Home Renewal Program is managed by the Los Alamos Housing Partnership Inc. by agreement with Los Alamos County. It allows selected income-qualified Los Alamos County homeowners to make needed repairs or improvements to their homes to increase comfort, safety, and livability -- without adding to monthly expenses as these loans are deferred based on an affordability period. During fiscal year 2018, the County also issued home buyer assistance loans. The Home Buyer Assistance Program is managed by the Los Alamos Housing Partnership Inc. by agreement with Los Alamos County. It allows selected income-qualified Los Alamos County homeowners to receive down payment assistance -- without adding to monthly expenses as these loans are deferred based on an affordability period. The detail of these loan receivable balances at June 30, 2021 is as follows:

Principal, home renewal program loans:	
Loan No. FY2016 - 1	\$ 5,450
Loan No. FY2016 - 2	16,105
Loan No. FY2016 - 4	12,107
Loan No. FY2016 - 5	-
Loan No. FY2016 - 6	-
Loan No. FY2016 - 8	16,029
Loan No. FY2016 - 9	-
Loan No. FY2016 - 10	15,436
Loan No. FY2017 - 1	-
Loan No. FY2017 - 2	-
Loan No. FY2017 - 3	22,000
Loan No. FY2017 - 4	42,000
Loan No. FY2017 - 5	6,890
Loan No. FY2017 - 6	37,399
Loan No. FY2017 - 7	-
Loan No. FY2018 - 1	26,837
Loan No. FY2018 - 2	35,783
Loan No. FY2018 - 3	24,630
Loan No. FY2018 - 4	34,445
Loan No. FY2019 - 1	25,203
Loan No. FY2019 - 2	14,800
Loan No. FY2019 - 3	10,829
Loan No. FY2019 - 4	17,500
Loan No. FY2019 - 5	9,100
Loan No. FY2019 - 6	14,999
Loan No. FY2020 - 1	13,700
Loan No. FY2020 - 2	16,600
Loan No. FY2020 - 3	34,900
Loan No. FY2020 - 4	26,900
Loan No. FY2020 - 5	45,000
Loan No. FY2020 - 6	21,600
Loan No. FY2020 - 7	20,100
Loan No. FY2020 - 8	22,300
Loan No. FY2020 - 9	45,000
Subtotal economic development loans	633,642
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	-
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	633,642

Principal, home buyer assistance program loans:	
Loan No. FY2018 - 1	\$ 11,700
Loan No. FY2018 - 2	21,650
Loan No. FY2018 - 3	-
Loan No. FY2018 - 4	-
Loan No. FY2018 - 5	17,500
Loan No. FY2018 - 6	14,999
Loan No. FY2018 - 7	-
Loan No. FY2018 - 8	19,500
Loan No. FY2018 - 9	11,000
Loan No. FY2018 - 10	5,100
Loan No. FY2018 - 11	13,500
Loan No. FY2018 - 12	11,000
Loan No. FY2019 - 1	15,000
Loan No. FY2019 - 2	25,000
Loan No. FY2019 - 3	22,150
Loan No. FY2019 - 4	25,000
Loan No. FY2020 - 1	20,750
Loan No. FY2020 - 2	18,000
Loan No. FY2020 - 3	25,000
Loan No. FY2020 - 4	25,000
Loan No. FY2021 - 1	25,000
Loan No. FY2021 - 2	18,600
Loan No. FY2021 - 3	25,000
Subtotal economic development loans	370,449
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	-
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	370,449

(6) INTERFUND TRANSFERS, ASSETS, AND LIABILITIES

Interfund transfers:

The County records transfers to fund the operations and projects of other funds, to provide for debt service, to record profit transfers from utility funds, record the movement of capital assets between funds, and as otherwise needed and required by GAAP.

The interfund transfers during the year ended June 30, 2021 are:

Transfers in (from other funds)	Transfers out (to other funds)							Total
	General	Emergency Declarations	Capital Improvement Projects	Capital Projects Permanent	Joint Utility System	Environmental Services	Fire	
General	\$ 0	0	0	0	0	0	2,190,000	2,190,000
Economic Development	400,000	0	1,000,000	0	0	0	0	1,400,000
Emergency Declarations	400,000	0	0	0	0	0	0	400,000
Capital Improvement Projects	14,999,700	3,015,101	0	1,334,569	0	0	0	19,349,370
Capital Projects Permanent	0	0	0	0	0	0	0	0
Joint Utility System	0	0	0	0	799,728	0	0	799,728
Environmental Services	50,000	0	0	0	0	0	0	50,000
Transit	1,200,000	0	0	0	0	0	0	1,200,000
Fire	0	0	0	0	0	0	0	0
Airport	165,331	0	0	0	0	0	0	165,331
Internal Service	0	0	0	0	83,765	175,000	0	258,765
Other Governmental	5,239,109	0	0	0	0	0	0	5,239,109
	<u>\$ 22,454,140</u>	<u>3,015,101</u>	<u>1,000,000</u>	<u>1,334,569</u>	<u>883,493</u>	<u>175,000</u>	<u>2,190,000</u>	<u>31,052,303</u>
Capital assets were transferred into (out of) the following funds from (to) governmental activities:								
Joint Utility System	\$ (6,058)							
Internal Service	76,521							
Total	<u>\$ 70,463</u>							

Interfund assets and liabilities:

An advance from the General Fund to the Airport Fund for construction projects was recorded in FY 2010 in the amount of \$146,799. Since additional advances are expected for other Airport projects, no repayment schedule has been set and the entire balance is considered long-term.

Advance from/to balances at June 30, 2021 are presented below:

Advances from other funds	Advances to other funds
	General
Airport	\$ 146,799
	<u>\$ 146,799</u>

All other interfund balances were expected to be repaid within a year and are classified as due to/due from balances. These balances represent pension contributions payable, pension forfeitures receivable, flexible spending contributions payable and the reclassification of negative pooled cash in the Fire Fund.

Due to/due from balances at June 30, 2021 are presented below:

Due to other funds	Due from other funds		
	General	Pension	Total
General	\$ 0	233,973	233,973
Fire	1,387,160	0	1,387,160
Risk	11,000	0	11,000
Pension Trust	74,278	0	74,278
	<u>\$ 1,472,438</u>	<u>233,973</u>	<u>1,706,411</u>

(7) CAPITAL ASSETS

The County capitalized approximately \$30.4 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, \$18.7 million were additions to governmental activities and \$11.7 million were additions to business-type activities. In addition, during FY 2021, the County added approximately \$15.7 million in new construction in progress, \$10.4 million in governmental activities capital assets and \$5.3 million in business-type activities capital assets. Machinery and equipment in the amount of \$76,521 was transferred from governmental activities to business-type activities. This represents vehicles and other machinery and equipment purchased by the General Fund and transferred to the Equipment internal service fund. Capital asset in the amount of \$6,058 was donated by the Electric Production fund to the governmental activities' capital assets for the Ice Rink improvement project.

Capital asset activity for the year ended June 30, 2021 was as follows:

	June 30, 2020			Donations, Transfers	June 30, 2021
	Balance	Additions	Disposals	and Adjustments	Balance
Governmental activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 42,600,004	0	(2,281,624)	0	40,318,380
Right of way land	17,993,250	0	0	0	17,993,250
Art and historic treasures	1,634,764	34,250	0	0	1,669,014
Construction in progress	3,094,531	10,363,796	(7,902,140)	0	5,556,187
Total capital assets, not being depreciated	65,322,549	10,398,046	(10,183,764)	0	65,536,831
Capital assets, being depreciated					
Buildings	143,860,798	0	(6,380)	0	143,854,418
Improvements other than buildings	21,068,687	5,878,956	0	6,058	26,953,701
Machinery and equipment	21,413,731	1,271,566	(661,074)	(76,521)	21,947,702
Infrastructure	193,625,795	1,153,330	0	0	194,779,125
Capital assets, being depreciated	379,969,011	8,303,852	(667,454)	(70,463)	387,534,946
Less accumulated depreciation for:					
Buildings	(35,099,913)	(2,911,283)	2,173	0	(38,009,023)
Improvements other than buildings	(10,539,689)	(768,152)	0	0	(11,307,841)
Machinery and equipment	(10,719,232)	(1,730,183)	661,074	0	(11,788,341)
Infrastructure	(117,332,237)	(3,370,368)	0	0	(120,702,605)
Total accumulated depreciation	(173,691,071)	(8,779,986)	663,247	0	(181,807,810)
Total capital assets, being depreciated, net	206,277,939	(476,134)	(4,207)	(70,463)	205,727,136
Total governmental activities capital assets	\$ 271,600,488	9,921,912	(10,187,971)	(70,463)	271,263,967
Business-type activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 8,427,544	0	0	0	8,427,544
Construction in progress	10,158,883	5,325,133	(2,170,291)	(6,058)	13,307,667
Total capital assets, not being depreciated	18,586,427	5,325,133	(2,170,291)	(6,058)	21,735,211
Capital assets, being depreciated					
Buildings	24,993,055	0	0	0	24,993,055
Improvements other than buildings	18,161,174	49,797	0	0	18,210,971
Utility plant in service	329,068,084	2,080,098	(148,516)	0	330,999,666
Machinery and equipment	35,126,776	4,291,589	(1,143,849)	76,521	38,351,037
Capital assets, being depreciated	407,349,089	6,421,484	(1,292,365)	76,521	412,554,729
Less accumulated depreciation for:					
Buildings	(7,943,030)	(652,081)	0	0	(8,595,111)
Improvements other than buildings	(9,051,802)	(608,991)	0	0	(9,660,793)
Utility plant in service	(168,019,973)	(7,069,955)	70,384	0	(175,019,544)
Machinery and equipment	(20,751,880)	(2,360,513)	1,021,005	0	(22,091,389)
Total accumulated depreciation	(205,766,685)	(10,691,541)	1,091,389	0	(215,366,837)
Total capital assets, being depreciated, net	201,582,404	(4,270,057)	(200,976)	76,521	197,187,892
Total business-type activities capital assets	\$ 220,168,831	1,055,076	(2,371,267)	70,463	218,923,103

Depreciation expense for the year ended June 30, 2021 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 938,915
Public safety	851,280
Transportation	5,389,903
Culture and recreation	1,599,888
Total depreciation expense - governmental activities	<u>\$ 8,779,986</u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 3,773,140
Gas	397,106
Water	2,045,314
Wastewater	854,397
Environmental Services	186,743
Transit	184,127
Fire	553,919
Airport	586,259
Equipment - Internal Service	2,110,536
Total depreciation expense - business-type activities	<u>\$ 10,691,541</u>

(8) RETIREMENT AND DEFERRED COMPENSATION PLANS

A. State of New Mexico - Public Employees' Retirement Association (PERA)

Plan description: The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and an annual comprehensive financial report that can be obtained at <http://www.nmpera.org/>.

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2020 available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>

Contributions: The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY20 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report> The PERA coverage options that apply to the County are: the Municipal Plan 3, Municipal Police Plan 5, Municipal Detention Officer Plan 1, and the Municipal Fire Plan 5.

The active plan rates for plans the County participates in are summarized below:

Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage
	Annual salary \$20,000 or less	Annual salary greater than \$20,000	
Municipal Plan 3	13.15%	14.65%	9.80%
Municipal Police Plan 5	16.30%	17.80%	19.15%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%
Municipal Fire Plan 5	16.20%	17.70%	21.90%

Statutorily required contributions to the pension plan from the County were \$5,467,202 and employer paid member benefits that were “picked up” by the County were \$30,243 for the year ended June 30, 2021. The County’s total contributions to PERA for the years ended June 30, 2021, 2020, and 2019 were \$5,644,520, \$5,444,213, and \$5,223,651, respectively, which were equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2020.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members (includes detention), municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The County’s proportion of the net pension liability for each membership group that the County participates in is based on the County’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019 to June 30, 2020 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2020 are included in the total contribution

amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For the year ended June 30, 2021, the County recognized PERA All Plans combined net pension expense of \$5,644,520. At June 30, 2021, the County reported PERA All Plans combined deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,402,809	\$ 0
Changes of assumptions	1,993,472	0
Net difference between projected and actual earnings on pension plan investments	17,843,100	0
Changes in proportion and differences between County contributions and proportionate share of contributions	2,091,195	(8,355,670)
County contributions subsequent to measurement date	5,644,520	0
Totals	\$ 30,975,096	\$ (8,355,670)

Year ended June 30	
2020	4,869,729
2021	2,859,597
2022	4,866,471
2023	4,379,109
Thereafter	\$ 0

For the PERA Municipal General Division, at June 30, 2021, the County reported a liability of \$63,791,160 for its proportionate share of the net pension liability. At June 30, 2021, the County's proportion was 3.1545 percent, which was an increase from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized PERA Municipal General Division net pension expense of \$2,905,204. At June 30, 2021, the County reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal General Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,767,805	\$ 0
Changes of assumptions	1,180,266	0
Net difference between projected and actual earnings on pension plan investments	11,665,491	0
Changes in proportion and differences between County contributions and proportionate share of contributions	1,567,919	(3,452,412)
County contributions subsequent to measurement date	2,905,204	0
Totals	\$ 19,086,685	\$ (3,452,412)

\$2,905,204 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2020 were recognized as a reduction of the net pension liability in the year ended June 30, 2021. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2020	\$	3,772,669
2021		2,560,813
2022		3,533,248
2023		2,862,339
Thereafter	\$	0

For PERA Municipal Police Division, at June 30, 2021, the County reported a liability of \$9,133,220 for its proportionate share of the net pension liability. At June 30, 2021, the County's proportion was 1.0634 percent, which was a decrease from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized PERA Municipal Police Division net pension expense of \$693,739. At June 30, 2021, the County reported PERA Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal Police Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 530,739	\$ 0
Changes of assumptions	216,281	0
Net difference between projected and actual earnings on pension plan investments	1,567,647	0
Changes in proportion and differences between County contributions and proportionate share of contributions	35,169	(276,953)
County contributions subsequent to measurement date	693,739	0
Totals	\$ 3,043,575	\$ (276,953)

The amount of \$693,739 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2020, will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2020	\$	674,263
2021		502,539
2022		511,208
2023		384,873
Thereafter	\$	0

For PERA Municipal Fire Division, at June 30, 2021, the County reported a liability of \$49,808,727 for its proportionate share of the net pension liability. At June 30, 2021, the County's proportion was 6.5852 percent, which was a decrease from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized PERA Municipal Fire Division net pension expense of \$2,045,577. At June 30, 2021, the County reported PERA Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal Fire Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,104,265	\$ 0
Changes of assumptions	596,925	0
Net difference between projected and actual earnings on pension plan investments	4,609,962	0
Changes in proportion and differences between County contributions and proportionate share of contributions	488,107	(4,626,305)
County contributions subsequent to measurement date	2,045,577	0
Totals	\$ 8,844,836	\$ (4,626,305)

The amount of \$2,045,577 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2020, were recognized as a reduction of the net pension liability in the year ended June 30, 2021. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2020	\$	422,797
2021		(203,755)
2022		822,015
2023		1,131,897
Thereafter	\$	0

Actuarial assumptions: As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2019 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2020. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2020 actuarial valuation.

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Payroll growth	3.00% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>All funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	35.5%	5.90%
Risk Reduction and Mitigation	19.5%	1.00%
Credit Oriented Fixed Income	15.0%	4.20%
Real Assets	20.0%	6.00%
Multi-Risk Allocation	10.0%	6.40%
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the table below presents the County’s net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Municipal General Division: County's proportionate share of the net pension liability	\$ 91,332,346	\$ 63,791,160	\$ 40,953,971
PERA Municipal Police Division: County's proportionate share of the net pension liability	13,105,051	9,133,220	5,880,852
PERA Municipal Fire Division: County's proportionate share of the net pension liability	64,458,989	49,808,727	37,767,338

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the FY20 PERA financial report. The report is available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

B. Los Alamos County Employees Pension Plan

All County employees (except those classified as casual, temporary, or elected officials) also participate in a single-employer defined contribution plan (the Plan) administered under authority of the County Council. The Plan's financial position and results of operation are reported in the accompanying financial statements in the Pension Trust Fund. The County does not prepare a separate report for the Plan. The Plan Agreement requires the County to contribute bi-weekly an amount equal to 9.0 percent of the compensation paid to all participating employees. Participants are required to contribute bi-weekly an amount equal to 1.0 percent of their individual compensation. The amount contributed by the participant, and four ninths of the amount contributed by the County, are vested immediately. Five ninths of the amount contributed by the County is subject to a seven-year step-vesting schedule. Participants are not allowed to make voluntary contributions to the Plan. Changes to plan provisions require approval by the County Council.

Total contributions for the year ended June 30, 2021 were \$4,239,940 (\$424,454 participant; and \$3,815,486 County, net of forfeitures of \$4,959). All required contributions were actually made to the Plan. In accordance with the Plan Agreement, forfeitures of unvested participant balances are used to reduce the County's contributions.

The Plan authorizes participants to borrow from the Plan. These loans are secured with participant balances. Participants are allowed to have one outstanding loan at any given time. Loans cannot exceed \$50,000 or 50% of the borrower's vested benefit. Interest is fixed to one percent plus the prime rate listed in the Wall Street Journal at loan origination. Loans used to acquire a home are limited to a term of up to fifteen years. Other loans are limited to a term of up to five years. A one-time \$125 loan origination fee is charged to the participant at the inception of the loan.

Financial statements for the Plan are prepared using the accrual basis of accounting. Employer and participant contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the Plan. Administrative expenses of the plan for the year ended June 30, 2021 were \$53,930, which included allocated audit fees of \$4,782, trustee fees of \$46,693, and legal fees of \$2,455. Plan investments at June 30, 2021, stated at fair value, based on the funds' share price are shown in the table on the following page.

Mutual funds at fair value:		
American Funds	\$	4,073,690
Pacific Investment		3,166,775
T. Rowe Price Blue Chip Growth		16,195,875
AB Relative		8,805,262
Parnassus		83,610
Baird		2,224,181
Wilmington Trust		36,732,678
		<hr/>
Total investments	\$	<u>71,282,071</u>

C. Deferred Compensation Plans

The County offers to its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. Certain executive employees also may participate in a deferred compensation plan established in accordance with Internal Revenue Code Section 401. Any contributions made to the deferred compensation plans are not available to employees until termination of employment, retirement, death, or an unforeseen emergency. A private corporation under contract with the County administers assets of the plans. Plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. The County provides neither administrative services nor investment advice to the plans. Therefore, no fiduciary relationship exists between the County and the deferred compensation pension plans.

The County makes contributions to the deferred compensation plans for certain employees in accordance with their employment contracts. The cost to the County for these contributions was \$30,243 for the fiscal year ended June 30, 2021.

D. New Mexico Retiree Health Care Act – Post Employee Benefit

Plan Description: Employees of the County are provided with OPEB through the Retiree Health Care Fund (the Fund)-a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health

insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Employees covered by benefit terms. At June 30, 2021, the Fund's measurement date, the following employees were covered by the benefit terms:

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

Contributions - Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the County were \$911,093 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported a liability of \$38,117,687 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for year ending June 30, 2020. At June 30, 2020, the County's proportion was 0.90780 percent.

For the year ended June 30, 2021, the County recognized OPEB income of \$2,582,136. At June 30, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 6,768,681
Changes of assumptions	7,482,775	6,769,440
Differences between actual and projected earnings on OPEB plan investments	207,863	0
Changes in proportion	839,908	4,727,221
County contributions made after the measurement date	911,093	-
Totals	<u>\$ 9,441,639</u>	<u>\$ 18,265,342</u>

Deferred outflows of resources totaling \$911,093 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. Contributions made after the measurement date of the net pension liability but before the end of the County's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2021	(4,102,587)
2022	(3,512,389)
2023	(2,021,393)
2024	(863,033)
2025	<u>764,606</u>
Thereafter	<u>\$ (9,734,796)</u>

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.5% for PERA
Projected payroll increases	3.25% to 13.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.16% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2030. Beyond 2030, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.16% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

<u>1% Decrease</u> <u>(3.16%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(4.16%)</u>	<u>1% Increase</u> <u>(5.16%)</u>
\$ 47,380,442	\$38,117,687	\$30,958,536

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend</u> <u>Rate</u>	<u>1% Increase</u>
\$ 31,287,492	\$38,117,687	\$43,298,571

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2020.

Payable Changes in the Net OPEB Liability. At June 30, 2021, the County reported a payable of \$63,240 for outstanding contributions due to NMRHCA for the year ended June 30, 2021.

9) LONG-TERM OBLIGATIONS

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Accrued compensated absences	\$ 3,679,292	2,131,091	1,652,191	4,158,192	2,977,070
Revenue bonds payable	34,605,578	0	3,905,871	30,699,707	3,380,000
Total governmental activities	<u>\$ 38,284,870</u>	<u>2,131,091</u>	<u>5,558,062</u>	<u>34,857,899</u>	<u>6,357,070</u>
Business-type activities:					
Accrued compensated absences	\$ 3,804,704	2,671,771	1,938,711	4,537,764	2,914,172
Claims and judgments	2,639,593	488,872	709,377	2,419,088	1,470,199
Revenue bonds payable	18,477,444	-	3,200,798	15,276,646	1,245,000
Contracts and intergovernmental debt	11,750,667	720,596	702,313	11,768,949	714,021
Special closure costs	11,554,099	1,357,980	116,154	12,795,925	58,077
	<u>\$ 48,226,507</u>	<u>5,239,219</u>	<u>6,667,353</u>	<u>46,798,372</u>	<u>6,401,469</u>

In prior years, resources from the General Fund have been used to liquidate the liability for compensated absences. Internal service funds of the County predominantly serve the proprietary funds. Accordingly, compensated absences in the amount of \$190,611 and claims and judgments in the amount of \$2,419,088 from internal service funds are included as part of the business-type activities.

B. Gross Receipts Tax Improvement Revenue Bonds

GRT Revenue Bonds – 2008/2013 Series

On October 21, 2008, the County closed on the sale of The Incorporated County of Los Alamos, New Mexico Gross Receipts Tax (GRT) Improvement Revenue Bonds, Series 2008. The original bonds were issued in the amount of \$75,000,000 with a final maturity date of June 1, 2028. On June 26, 2013, the County issued \$38,235,000 Gross Receipts Tax Refunding Revenue Bonds, Series 2013 which advance refunded a portion of the 2008 Series. The net proceeds of \$49,926,817 (including \$5,178,930 in premiums net of discount [\$115,496], \$6,700,000 additional funding from the County less \$187,113 in underwriting, insurance and issuance costs) were deposited into escrow and used to pay a portion of the interest on the 2008 Series when due beginning December 1, 2013 through June 1, 2028 and redeem the outstanding 2008 Series maturing on June 1, 2029 and after, when callable on June 1, 2018. The un-refunded Series 2008 Revenue Bonds have principal outstanding of \$0 at June 30, 2018. The final maturity date was June 1, 2018.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$9,653,817. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2028 using the straight-line method. The County completed the advance refunding in order to reduce its total debt service payments over the next 14 years by \$9,515,950, and to recognize an economic gain (difference between the present values of the old and new debt service payments) of \$1,151,198.

The bonds were issued for the purpose of providing funds for public projects related to public facilities, roads and streets, public works, parks and recreation, and community services. The two largest projects to be funded with the proceeds are the Airport Basin Project and the Judicial / Police / Jail Complex Project.

Revenues pledged to cover debt service include (1) the County's State-Shared Gross Receipts Tax Revenues, at the rate authorized (currently 1.225%), (2) the Municipal Gross Receipts Tax Revenues, which equal one and one quarter percent (1.25%), (3) the Municipal Infrastructure Gross Receipts Tax Revenues, in an amount of one-eighth of one percent (0.125%), and (4) the third one-eighth of one percent (0.125%) increment of County Gross Receipts Tax Revenues. The schedules of current year activity and annual maturity requirements of the 2013 GRT Advance Refunding Bonds is as follows:

Year ending June 30	2013 Series	
	Principal	Interest
2022	3,380,000	1,176,409
2023	3,545,000	1,007,409
2024-2026	11,725,000	1,923,226
2027-2028	8,660,000	436,536
	<u>\$ 27,310,000</u>	<u>4,543,580</u>
2013 Series Principal	27,310,000	
Unamortized balances:		
Discounts and premiums	<u>3,389,707</u>	
	<u>\$ 30,699,707</u>	

C. Utility System Revenue Bonds

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

Utility Revenue Bonds – 2014 A and B Series

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

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

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

The scheduled annual maturity requirements of the 2014 Series A and B Utility Revenue Bonds as of June 30, 2021 are as presented below.

Year ending June 30	2014A Series		2014B Series	
	Principal	Interest	Principal	Interest
2022	485,000	284,375	0	0
2023	485,000	240,860	0	0
2024	515,000	215,925	0	0
2025-2027	1,390,000	528,885	0	0
2028-2032	2,845,000	535,473	0	0
2033-2034	1,200,000	69,885	0	0
	<u>\$ 6,700,000</u>	<u>1,852,783</u>	<u>0</u>	<u>0</u>
2014A Series Principal	\$ 6,700,000			
2014B Series Principal	0			
Unamortized balances:				
Discounts and premiums	329,890			
Total payable	<u>\$ 7,029,890</u>			

Utility Revenue Bonds – 2010 Series

On August 12, 2010, the county issued \$13,085,000 in Utility Revenue bonds (2010 Series A, B, C, D). These are 20-year bonds and will be fully amortized on June 1, 2030. The Series A are tax-exempt bonds with an aggregate principal of \$3,785,000. The Series B are taxable direct payment Build America bonds with an aggregate principal of \$1,535,000. Series C are taxable direct payment Recovery Zone Economic Development bonds with an aggregate principal of \$3,680,000. Series D are taxable bonds with an aggregate principal of \$4,085,000. The bonds have various interest rates with a blended interest rate of 5.355%. The Build America and Recovery Zone Economic Development bonds both include a federal subsidy component, receipt of which is dependent on meeting federal reporting requirements. The total federal subsidy is \$2,168,587 for the life of the bonds and is recorded as intergovernmental revenue when earned. The primary purpose of the bond issue was to enhance the County’s Utility System by constructing a low flow turbine generator at the County’s Abiquiu hydroelectric plant, constructing new and renovating existing electric distribution lines both in the overhead and underground systems, including but not limited to transformers, switchgear, protective devices and other appurtenances and equipment; and improving and renovating water distribution and transmission systems.

The scheduled annual maturity requirements of the 2010 Series A, B, C, and D Utility Revenue Bonds as of June 30, 2021 are as presented below.

Year ending June 30	2010 A Series		2010 B Series		2010 C Series		2010 D Series		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	560,000	22,400	0	84,364	0	222,167	220,000	144,932	1,253,863
2023	0	0	585,000	84,364	0	222,168	230,000	132,841	1,254,373
2024	0	0	600,000	52,212	0	222,167	245,000	120,200	1,239,579
2025-2027	0	0	350,000	19,236	1,570,000	597,911	810,000	275,759	3,622,906
2028-2030	0	0	0	0	2,110,000	259,008	970,000	120,080	3,459,088
	<u>\$ 560,000</u>	<u>22,400</u>	<u>1,535,000</u>	<u>240,176</u>	<u>3,680,000</u>	<u>1,523,421</u>	<u>2,475,000</u>	<u>793,812</u>	<u>10,829,809</u>
2010A Series Principal	\$ 560,000								
2010B Series Principal	1,535,000								
2010C Series Principal	3,680,000								
2010D Series Principal	2,475,000								
Unamortized balances:									
Refunding costs	0								
Discounts and premiums	(3,244)								
Total payable	<u>\$ 8,246,756</u>								

D. Intergovernmental Notes Payable

Business-type Activities

Beginning in December 2005 through June 2021, the County entered into various agreements to borrow \$37,801,998 from several State of New Mexico Agencies, to partially fund various projects. The purpose of each loan, the source of debt service payments, and other details are described below:

CWSRF 1438143: To partially fund the construction of a new wastewater treatment facility. The loan is to be repaid solely from the net revenues from the operation of only the Wastewater subfund, which is a part of the Joint Utility System Fund. On January 30, 2018 the County Council approved a transfer of \$2,500,000 from the Gas Fund to the Wastewater Fund. These funds were subsequently used to make a one-time principal payment to CWSRF 1438143 on February 8, 2018.

WPF 663: To construct a water line to transfer treated effluent water to County parks and ball fields. The loan is to be repaid from existing Utility system revenues. The agreement included a grant in the amount of \$585,720.

CWSRF 083: To finance the construction of a new wastewater treatment facility. The loan is to be repaid solely from the net revenues from the operation of only the Wastewater subfund, which is a part of the Joint Utility System Fund.

PP 1898: Effective October 6, 2017, this loan was paid in full and refinanced with proceeds from new loan PP 3732.

PP 3732: To construct the Los Alamos County Eco Station and repay loan# PP-1898. The loan is to be repaid from Municipal Environmental Services Gross Receipts Tax revenues.

WPF 689: To finance the costs of Phase II of the water conservation, treatment and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$319,648.

ARRA CWSRF 09: To finance the costs of Phase II of the effluent reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$150,000.

WPF 756: To finance the costs of Phase II of the water conservation, treatment, and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$590,000.

WPF 757: To finance the costs of environmental studies for a proposed collector well for water from the San Juan/Chama Diversion Project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$200,000.

WPF 820: To finance the costs of the project to upgrade public safety at the Los Alamos Canyon Dam. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$900,000.

WPF 821: To finance the costs of the water conservation treatment recycling or reuse project at the Los Alamos Canyon Reservoir. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$210,000.

WPF 918: To finance the total costs incurred for the Group 12 water tank rehabilitation project located on Arizona Avenue. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$843,600.

WPF 940: To finance the total costs incurred for the design and construction to replace the wastewater treatment plant pipeline from the Bayo Booster Station in Bayo Canyon to North Mesa.

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

Loan terms and repayment schedules are shown below.

	New Mexico Environment Department	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Environment Department	New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Environment Department Construction Programs Bureau	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	Totals
Loan Number	CWSRF 1436143	WPF 663	CWSRF 083	PP 3732	WPF 689	ARRA CWSRF 09	WPF 756	WPF 757	WPF 820	WPF 821	WPF 918	WPF 940	WPF 3557	
Date of agreement	Dec 2005	Apr 2007	Apr 2019	May 2007	Nov 2008	Dec 2009	Jul 2010 (a)	Jul 2010 (b)	Nov 2011	Jan 2013	Jun 2015	Mar 2015	Feb 2017	
Beginning principal	14,355,105	65,080	17,000,000	4,331,349	79,912	234,812	147,500	50,000	600,000	140,000	562,400	182,000	53,840	
Term of agreement, in years	20	20	20	15	20	20	20	20	20	20	20	20	20	
Interest rate	3%	-	2.38%	2.57%	-	2.56%	-	-	-	-	-	-	-	
Administrative fee	-	0.25%	-	-	0.25%	0.44%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
Payable in year ending 6/30/2022:														
Principal	365,291	3,292	-	241,715	4,117	11,744	7,402	2,509	30,918	6,991	27,994	9,401	2,647	714,021
Interest and/or admin fee	142,113	50	-	85,270	73	3,453	168	57	781	195	996	334	115	233,604
Total	507,404	3,342	-	326,985	4,190	15,197	7,570	2,566	31,699	7,186	28,990	9,735	2,762	947,625
Payable in year ending 6/30/2023:														
Principal	373,966	3,300	-	244,664	4,128	12,096	7,420	2,515	30,993	7,008	28,064	9,424	2,654	726,233
Interest and/or admin fee	133,437	41	-	82,321	62	3,151	150	51	704	177	926	311	108	221,440
Total	507,404	3,341	-	326,985	4,190	15,248	7,570	2,566	31,697	7,185	28,990	9,735	2,762	947,673
Payable in year ending 6/30/2024:														
Principal	382,848	3,309	-	248,114	4,138	12,459	7,439	2,522	31,069	7,026	28,134	9,448	2,660	739,167
Interest and/or admin fee	124,555	33	-	78,872	52	2,841	131	44	627	160	856	287	102	208,560
Total	507,404	3,342	-	326,986	4,190	15,300	7,570	2,566	31,696	7,186	28,990	9,735	2,762	947,727
Payable in five years ending 6/30/2029:														
Principal	2,055,027	9,975	-	1,310,614	16,656	68,132	37,475	12,703	156,480	35,392	141,727	47,596	13,402	3,905,179
Interest and/or admin fee	481,991	50	-	324,311	104	9,217	376	127	1,965	534	3,220	1,081	408	823,384
Total	2,537,018	10,025	-	1,634,925	16,760	77,349	37,851	12,830	158,445	35,926	144,947	48,677	13,809	4,728,563
Payable in five years ending 6/30/2034:														
Principal	2,310,932	-	-	1,490,904	-	30,200	7,552	2,560	63,123	21,448	143,507	48,195	13,570	4,131,991
Interest and/or admin fee	226,086	-	-	144,022	-	1,167	19	6	237	107	1,440	483	239	373,807
Total	2,537,018	-	-	1,634,926	-	31,368	7,571	2,566	63,360	21,555	144,947	48,678	13,809	4,505,798
Payable in five years ending 6/30/2039:														
Principal	495,632	-	-	-	-	-	-	-	-	0	28,917	9,711	10,979	545,239
Interest and/or admin fee	11,771	-	-	-	-	-	-	-	-	0	72	24	69	11,937
Total	507,404	-	-	-	-	-	-	-	-	0	28,989	9,735	11,047	557,175
Total payable														
Principal	6,883,897	19,878	1,007,120	3,638,011	28,039	134,832	87,288	22,809	312,683	77,886	398,343	133,776	46,811	11,788,949
Interest and/or admin fee	1,119,864	174	-	714,796	291	19,830	844	288	4,314	1,173	7,609	2,622	1,040	1,872,731
Total	7,103,860	20,050	1,007,120	4,260,808	28,330	164,482	88,132	23,096	318,897	79,058	405,862	138,297	48,851	13,641,811

(10) POWER SUPPLY

The Public Service Company of New Mexico (PNM) adjusts its transmission rate annually using the Form 1 worksheet from the Federal Energy Regulatory Commission (FERC). This worksheet reflects PNM's actual financials for the previous year. For the year ended June 30, 2021, the Formula Rate adjustment resulted in a 21.72 percent increase. This increase includes a significant amount of system upgrades. In addition to the annual increase a change in the business processes will occur due to the Energy Imbalance Market.

In July 1987, the County entered a “life-of-plant” agreement with the City of Lincoln, Nebraska (Lincoln) for the long-term purchase of approximately 10 megawatts of capacity and energy from the Lincoln ownership interest in the Laramie River Station (LRS). The agreement requires the County to pay an annual fixed power cost of approximately \$1,235,195. Additionally, the County is required to pay a share of Lincoln's costs and assessments resulting from Lincoln's ownership interest in Laramie River Station, including fuel, operation and maintenance costs, and costs of renewals, replacements, and capital improvements. For the year ended June 30, 2021, the County paid \$1,824,622 under this agreement, which is included in purchased power expense. The Balancing Authority has introduced an Energy Imbalance Market called the Western Energy Imbalance Service (WEIS) which has caused us to modify some of our business practices. The energy from LRS is delivered to New Mexico over the Western Area Power Administration (WAPA) transmission path described below.

The County also has a firm transmission services agreement with the WAPA that requires monthly payments at a rate of approximately \$17,541.67 plus ancillary services. Furthermore, the County has transmission service agreements with Jemez Mountain Electric Cooperative (Jemez), Tri-State Generation and Transmission Cooperative, PNM, and Northern Rio Arriba Electric Cooperative (NORA) for transmission of County hydroelectric power to the County service area. The payment to Jemez for FY 2021 was \$47,412. The County's contract with NORA includes a prepayment of \$34,800 plus gross receipts taxes. Any remaining credit will be utilized in FY 2022. The wheeling rate schedule for NORA expired in July 2017. Los Alamos County renegotiated a new 10-year term with an increase of 5.09 percent over the 10-year period. The renegotiated contract with NORA will expire in 2027.

The County also has the following annual obligations to pay for water to power its hydroelectric plants: a minimum of \$50,000 to pay the Middle Rio Grande Conservancy District for the El Vado Hydroelectric Plant; and approximately \$180,000 to pay FERC for headwater benefits associated with the San Juan-Chama Diversion Project. FERC also collects approximately \$94,000 annually in administrative and falling water fees.

In April 2018, the County Council approved Resolution 18-09 authorizing and approving the Carbon Free Power Project (CFPP) Power Sales Contract with the Utah Associated Municipal Power Systems (UAMPS). Resolution 18-09 allows the County to join UAMPS and other participating entities to pursue the development of a facility that can house up to 12 small nuclear power modules that can each generate up to approximately 60 megawatts (MW) of electric power per unit. This year, the project scope has been revised to construct 6 modules in using an uprate to 77 MW per module for a total plant capacity of 462 MW. UAMPS proposes to acquire and construct the nuclear generating facility plant at a site within the Idaho National Laboratory near Idaho Falls, Idaho. The anticipated project meets the community's desire for clean energy and meets the carbon neutral goal of 2040. The projected commercial operation date is scheduled to occur in 2030. As of June 30, 2021, Los Alamos County has paid \$110,888 under the Small Modular Nuclear Reactor (SMR) Carbon Free Power Study. On July 27, 2021, the Council approved DPU's continued participation in the CFPP project through Phase 1 of the combined operating license application period, scheduled for September 2022, which is also the next off-ramp, with no additional cost beyond investments that are already committed. With the project out of the “study phase”, if the County continues their participation in the project until the commercial operation date expected in 2030, the development cost, construction, operation and maintenance and decommissioning costs will be paid through the cost of energy targeted to be in 2021 dollars at \$58 per megawatt hour over the forty-year debt service period. If the County chooses to exit the project at one of the predefined off-ramps prior to the final notice to proceed with construction, the project costs will be charged to participants in accordance with various project participation agreements during the development period. The County's financial commitment associated with the development of the Combined Operating Licensing Application, phase 1 is \$1,260,000. The project just received a \$1.355 Billion multi-year Grant Award from the Department of Energy. The Technology Developer NuScale has received its Design Certification from the Nuclear Regulatory Commission.

(11) RESOURCE POOL

In 1985 the County and the U.S. Department of Energy (DOE) entered into an Electric Coordination Agreement (ECA) to create a Resource Pool (Pool) to which each party contributes the capacity and energy of their individual electric supply and transmission resources to meet their combined requirements. The County's major contributions to the Pool consist of energy from its San Juan Unit 4 Interest, the El Vado Hydroelectric Project, the Abiquiu Hydroelectric Project, the Laramie River Station, the WAPA entitlement, the PNM Network Integration Transmission Service Agreement (NITSA), and various transmission service agreements. The County received \$20,620,749 during FY 2021 from DOE, which is included in utility sales and services as a result of this contract.

The ECA was renewed in fiscal year 2014 with a five-year base term and five one-year options. In FY 2015, the agreement was amended with a fixed expiration date of June 30, 2025. The County is in the process of negotiating an agreement for Post 2025. Los Alamos has also added an approved resource which will provide 15 MWs of energy around-the-clock for 15 years. It will be online on January 1, 2022.

(12) SPECIAL CLOSURE COSTS

A. Landfill (Environmental Services Fund)

During the year ended June 30, 2012, the County closed a landfill site, which is owned by the U.S. Department of Energy (DOE) and is located in the County. State and federal laws require the County to monitor and maintain the landfill site for thirty years after it is closed, and to provide financial assurance to fund those activities. The County recognized the closure and post-closure care costs during the periods that the Landfill was in operation. The amount recognized each year was based on the total estimated cost of closure and post-closure care, the amount of the liability that had been recognized in previous years and the estimated time that the landfill would remain open.

In May 2007, the New Mexico Environment Department (NMED) approved the County's landfill closure plan, which had a total cost estimate of \$3,366,269. In April 2009, the County began operating its new solid waste transfer station, and the Landfill began limiting the types of waste that it would accept. During the year ended June 30, 2011, estimated capacity at the landfill reached 100%. During the year ended June 30, 2012, the Landfill was closed, capped, and the County began to install a field of solar panels over the capped landfill.

The total cost estimate for landfill closure increased in fiscal year 2012 because the original closure plan had to be enhanced to accommodate the solar panels. In fiscal years 2015 and 2016, the liability was increased to take care of drainage and methane accumulation issues. In fiscal year 2017, the liability was increased for the methane extraction system construction costs. In fiscal year 2018, the methane extraction system was complete. In fiscal year 2019, the liability was increased again for methane monitoring costs.

In fiscal year 2020, the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the Los Alamos County Landfill for the remaining 22 years of the post closure care period. The County recorded the five-year reserve of \$348,463 as the long-term liability rather than the amount per the study, which estimated the total landfill closure liability to be \$1,277,700. The County's fiscal year 2021 beginning net position was therefore overstated by \$929,237. In fiscal year 2021, the County recorded a prior period adjustment to correct this error. As of June 30, 2021 the remaining long-term liability was \$1,161,545. The County meets the NMED requirements of the financial assurance test each fiscal year which include the following: (a) satisfying each of the following financial ratios based on the local government's most recent audited annual financial statement: a ratio of cash plus marketable securities to total expenditures greater than or equal to 0.05; and a ratio of annual debt service to total expenditures less than or equal to 0.20; (b) preparing its financial statements in conformity with generally accepted accounting principles for governments and have its financial statements audited by an independent certified public accountant. The County has an established Reserve Fund within the existing financial accounting system; which

is in addition to meeting the financial assurance test. The reserve of \$358,670 is reflected in restricted assets in the Environmental Services Fund as of June 30, 2021. This reserve is in excess of the financial assurance requirements, and has been put in place for any additional costs that may arise due the nature of continuous monitoring of the landfill.

The estimated cost of landfill and Transfer Station closure is subject to changes resulting from inflation, deflation, or changes in technology or applicable laws or regulations.

B. San Juan Generating Station (Electric Utility Fund)

The County owns a 7.2 percent undivided interest in Unit 4 of the San Juan Electric Generating Station, which is operated by the Public Service Company of New Mexico (PNM). The station consists of four pulverized coal-fired generating units. To meet EPA's Best Available Retrofit Technology (BART) ruling on regional haze, a State Implementation Plan (SIP) was approved whereby the project participants negotiated an equitable settlement allowing four of the owners to exit the plant early with a shutdown of units 2 and 3; and the installation of Selective Non-Catalytic Reduction (SNCR), a lower cost technology, on units 1 and 4. Accordingly, Units 2 and 3 were retired on December 31, 2017, in accordance with the State Implementation Plan, but Units 1 and 4 remain operational. The current Project Participation agreement expires June 30, 2022. During the restructuring discussed above, an "Exit Date Amendment" was executed specifying parameters by which the owners could elect to extend participation and operation of the plant. Under that agreement, remaining participants were required to notify the other remaining participants if they were interested in extending. On November 18, 2018, Los Alamos notified the other participants that we are not going to extend. The participants are considering a proposal from the City of Farmington and Enchant Energy for the continued operation of the plant post 2022 using carbon capture technology. The participants are looking for a clean break from the decommissioning liabilities associated with the plant.

Included in the restructuring agreements is the San Juan Decommissioning and Trust Funds Agreement, which specifies how decommissioning plans and expenses, and the funding obligations of each party, are to be determined. Decommissioning could involve simply securing the facility and leaving it standing as a base case, or complete demolition and site reclamation as a most extreme case. Until a decommissioning plan is adopted and approved by the participants, Los Alamos considers the "brown field scenario", by which structures will be removed and underground equipment will be capped, filled, stabilized, and retired in place, to be the most prudent, and we have been accumulating funds toward that approach. In 1992, an engineering firm conducted a decommissioning study that estimated the County's portion of the decommissioning costs to be \$2,932,770. In June 2003, an updated demolition study was conducted on the generating station, which materially agreed to the previous estimate. In January 2012 another updated study was performed which estimated the County's portion of decommissioning costs to be \$3,388,233 with deductions for potential sales of scrap materials, or \$5,478,503 without deductions. After the 1992 study the County began accumulating a decommissioning reserve fund to accumulate sufficient funds for the anticipated decommissioning and demolition costs, using an assumed 4 percent inflation factor. During fiscal year 2005, in conjunction with the refinancing of the 1994 bond issue, \$403,507 of the decommissioning reserves was applied to reduce the face amount of the 2004A refunding bonds. In fiscal year 2021, \$188,400 was set aside for this San Juan decommissioning. As of June 30, 2021, \$6,341,693 was invested for this purpose.

Using the 2012 updated study and the inflation factor of 4 percent, the County would incur an actual decommissioning cost of \$5.2 million in 2022 (with scrap deductions), Actual inflation has not been over 4 percent since 1991, and has averaged approximately 2.5 percent in that time, so while a decommissioning plan and cost obligation has yet to be determined by the parties, Los Alamos considers the accumulated reserve will be adequate to fund any likely potential obligation, but will periodically review the assumptions to determine whether more or less should be set aside each year.

C. Coal Mine Reclamation (Electric Utility Fund)

The County is required under the San Juan Generation Project Participation Agreement (PPA) to fund its share of reclamation costs for the San Juan surface coal mine. The total final cost will be dependent on the eventual closure date of the San Juan Generating Station because coal ash from continued operations of the station provides material for the fill. The surface mine itself has been out of service for several years. While there is no current consensus on potential operations of the plant, for estimating purposes a closure date in 2038 was initially assumed. Under the terms of the mine reclamation agreement, the closure date and cost estimates are periodically reviewed and adjusted. As of June 30, 2020, a closure date of June 30, 2022, was assumed, coinciding with the expiration of the current plant participation agreement, and resulting in revised reclamation cost estimates of \$204,565,553, with Los Alamos' share being \$4,469,884. In fiscal year 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2021, the balance in this trust is \$4,210,458. The owners are currently evaluating projected closure dates and funding requirements. Cost estimate updates are periodically performed, and revised funding curves are adjusted on an annual basis as necessary. The participants are looking for a clean break from the Mine Reclamation liabilities associated with the fuel supply and are currently considering a proposal from the Westmoreland San Juan Mining company to take over the Reclamation of the mine.

D. Laramie River (Electric Utility Fund)

The County is required under the Laramie River Station Participation Power Sales Agreement (LRS-PPA) to fund its proportionate share of future costs for the Laramie River decommissioning. The Laramie River Station is estimated for closure between 2040 and 2042. Under the terms of the agreement, the current estimate of costs is \$90 million of which \$550,000 is Los Alamos County's share. In fiscal year 2015, the County began funding a reserve account as required for its share of the cost. As of June 30, 2021, the balance in this trust is \$1,024,152. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated.

(13) RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In fiscal year 1993, the County created an internal service fund to account for its risk management programs. All funds of the County participate in the programs and make payments to the Risk Management Fund. The County purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. The table on the following page displays a summary of the County's major commercial insurance coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The claims liability of \$2,419,088 reported in the Risk Management Fund at June 30, 2020 is based on the requirements of GASB Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims payable also includes an estimate for claims incurred but not reported.

FY 2021 Insurance coverage summary:

<u>Insurance Coverage</u>	<u>Deductible</u>	<u>Insurance Liability Limits</u>
General and Automotive Liability, and Medical Malpractice	\$25,000	\$400,000 per person and \$750,000 per occurrence for bodily injury \$100,000 per occurrence, fire legal liability damage \$300,000 for all past and & future medical/medically-related expenses per occurrence \$200,000 per Kegakky Described Real Property for Physical Damage or Distraction (PD) \$750,000 per occurrence for physical property damage or destruction to multiple real properties and related bodily injury to multiple individuals arising out of a single occurrence \$4,000,000 annual aggregate per policy
Law Enforcement Liability	\$25,000	\$1,000,000 per occurrence, \$2,000,000 per year in aggregate
Emergency Medical Malpractice	\$25,000	Subject to tort claims limits
Public Officials Errors and Omissions	\$25,000	\$1,000,000 per occurrence, \$2,000,000 per year in aggregate
Buildings and Property	\$25,000	Limited by individual property's insured value
Earthquake and Flood	\$100,000	Limited by individual property's insured value
Inland Marine (Large Equipment)	\$5,000	Limited by individual property's insured value
Boiler Machinery	\$2,500	Limited by individual property's insured value
Crime and Fraud	\$10,000	\$500,000 Employee dishonesty blanket coverage \$50,000 Depositors' forgery \$50,000 Theft of money/securities

Changes in the Risk Management Fund's claims liability amount in fiscal year 2020 and 2021 are summarized below.

	<u>Group Insurance (Dental)</u>	<u>Medical Insurance</u>	<u>Unemployment Compensation</u>	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Claims liability, June 30, 2019	\$ 31,327	654,513	0	1,591,722	168,192	2,445,754
Current year claims, insurance, and changes in estimates	520,845	7,668,615	0	1,116,800	1,280,754	10,587,014
Claims and insurance payments	(537,172)	(7,733,128)	0	(778,306)	(1,344,569)	(10,393,175)
Claims liability, June 30, 2020	\$ 15,000	590,000	0	1,930,216	104,377	2,639,593
Current year claims, insurance, and changes in estimates	471,906	7,613,744	0	682,479	803,774	9,571,903
Claims and insurance payments	(471,906)	(7,905,744)	0	(682,479)	(732,279)	(9,792,408)
Claims liability, June 30, 2021	\$ 15,000	298,000	0	1,930,216	175,872	2,419,088

Employee Group Insurance

The County offers all regular and limited-term employees, the choice of two medical insurance options, which are both PPO plans, provided through Blue Cross Blue Shield of New Mexico (BCBS). The County pays 80 percent of the premium for full-time employees, 60 percent for three-quarter-time employees, and 40 percent for half-time employees. Under these medical plans, the County was neither self-insured nor retaining risk prior to January 1, 2013. Beginning

January 1, 2013, the County changed the structure of the insurance program to be self-insured. The plans and premiums are updated periodically. Since January 1, 2013, the County has accounted for contributions as revenue and paid BCBS for actual claims and claims processing. The County has Individual Stop Loss insurance should claims for an individual participant exceed \$155,000 in a calendar claim year and Aggregate Stop Loss insurance in the event claims exceed 125% of projected claims for the calendar claim year. As of June 30, 2021 the estimated claims liability was \$298,000. The County also offers dental and vision insurance. The County pays actual dental claims, which are capped based on the individual procedure. The County chose this method as the premiums were much more expensive than paying the actual claims. Claims are paid monthly with one month prepaid. Claims liability is recorded for the amount by which the estimated claims exceeds the prepaid balance.

Unemployment Compensation

The County makes reimbursable prepayments to the New Mexico Department of Labor for unemployment compensation claims, which are processed through the Department. Accordingly, no liability is reported for those claims.

Worker Compensation/General Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico Self-Insurer's Fund (NMSIF), a public entity risk pool currently operating as a common risk management insurance program for its members. The County pays a premium to NMSIF for its general and worker's compensation insurance coverage. Additionally, the County reimburses the NMSIF for sums paid by NMSIF on the County's behalf, which fall within the County's selected deductible amounts. The NMSIF reinsures through commercial insurance for claims in excess of deductible amounts.

(14) FINANCIAL ASSISTANCE

The County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a cooperative agreement with the National Nuclear Security Administration (NNSA), an agency of the U.S. Department of Energy (DOE). During FY 2021, the County recognized intergovernmental revenue of approximately \$20.3 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$2.9 million were recorded in the Transit Fund for Federal Transit Administration. The County receives financial assistance from numerous other federal and state grantors as detailed in the Schedule of Expenditures of State Awards and the Schedule of Expenditures of Federal Awards, Exhibits 6 and 7 in the Other Information section of this report.

(15) COMMITMENTS AND CONTINGENCIES

A. Joint Utility System – Natural Gas Purchase Agreement

In November 2009, the County entered into a 30-year natural gas purchase arrangement with the New Mexico Municipal Energy Acquisition Authority (NMMEAA) for approximately 80 percent of its historical requirements. Under this arrangement the County will purchase gas at the index price less a discount. The discount is derived from a prepaid gas arrangement between NMMEAA and the Royal Bank of Canada (RBC). The County's only obligation is to purchase gas from NMMEAA. The County has no obligation to purchase gas that is not needed, no exposure to any bond risk associated with the transaction between NMMEAA and RBC, and no exposure to paying greater than index price for gas.

Under the agreement with RBC, changes in bank regulatory requirements can result in restructuring of the agreement. In October 2013, RBC notified NMMEAA that certain regulatory requirements becoming effective in calendar 2014 could make the agreement uneconomical. A restructuring agreement was entered into in fiscal year 2014. This new agreement provides for a fixed discount for the life of the agreement but requires the participants to refund the bonds with an option to continue, renegotiate, or terminate at the end of each five to seven-year period. The agreement was extended in FY 2019 and the bonds refinanced, with a new fixed discount amount of \$0.295 per dth (dekatherms) of gas purchased.

B. Fire Cooperative Agreement with NNSA

As described in Note (14), the County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a cooperative agreement with the NNSA.

Under the cooperative agreement that began October 1, 2013 the County's share is 20-25% of the incurred expenses for the Department, with NNSA paying the remainder. As established by County Council, the assignment of fund balance for potential uncollectible amounts under this cooperative agreement is calculated as 1% of the cooperative agreement, life-to-date expenses.

C. Encumbrances

The County uses an encumbrance system as an extension of normal budgetary accounting for all funds as the County's budgetary basis includes encumbrances. Under this system, purchase orders, contracts and commitments for expenditures are recorded to reserve that portion of applicable appropriations. In governmental funds, encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balance depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at fiscal year-end are re-appropriated for the following year. Encumbrances outstanding by fund at June 30, 2021 are as follows:

Major Governmental Funds:	
General Fund	\$ 2,390,499
Economic Development	-
Emergency Declarations	-
Capital Improvement Projects	8,391,688
Other Governmental	291,585
Total Governmental Funds	<u>11,073,772</u>
Major Proprietary Funds:	
Joint Utility System	9,317,110
Environmental Services	190,755
Transit	1,420,115
Fire	167,567
Airport	140,150
Total Proprietary Funds	<u>11,235,697</u>
Internal Service Funds:	
Equipment	344,282
Risk Management	73,066
Total Internal Service Funds	<u>417,348</u>
Outstanding Encumbrances at June 30, 2021	<u>\$ 22,726,817</u>

D. Litigation

The County is subject to various other legal proceedings, claims, and liabilities, which arise in the ordinary course of the County's business. In the opinion of the County's management and in-house legal counsel, the ultimate resolution of the above matters will not have a material adverse effect on the financial position or results of operations of the County.

E. Operating Leases

The County leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriation and as such are cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2021 was \$818,950.

The future minimum lease payments under operating leases as of June 30, 2021, are approximately as follows:

Year ending June 30*	Amount
2022	720,852
2023	123,225
2024	46,034
2025	46,034
2026	38,361
	\$ 974,506

(16) ECONOMIC DEPENDENCY

The County has significant economic dependence upon LANL. It is the County's largest employer, and it is estimated that LANL's expenditures provide, either directly or indirectly, over 90% of the County's economic activity. For the year ended June 30, 2021, an estimated 75-80% of GRT revenues relate directly to LANL operations.

On November 1, 2018, Triad National Security, LLC (Triad) took over as the new management and operations contractor at LANL. During the 2019 New Mexico Legislative Session, Senate Bill 11 was signed into law requiring any non-profit organization organized under the IRS 501(c)3 section operating a national laboratory in the state to pay gross receipts taxes. This enactment greatly reduced the risk of the County's dependence on GRT revenues, which are predicted to remain steady in future years.

As a result of this, Moody's removed a negative outlook on the County due to the uncertainty associated with the potential change in the taxable status of Triad. Moody's has maintained an issuer rating of Aa3 to the County, and affirmed the County's A1 GRT Revenue Bond rating based on the continued stability to Los Alamos' economy with the passing of the legislation.

(17) CERTAIN ASSET RETIREMENT OBLIGATIONS

Under GASB Statement No. 83 the County determined it was required to restate net position because the liability for the San Juan decommissioning costs were both incurred and reasonably estimable. The County used the measurement of the asset retirement obligations based on the best estimate of the current value of outlays expected to be incurred.

In previous fiscal years, the County had recognized a liability and expense for the San Juan decommissioning costs. In fiscal year 2019, the County recorded a prior period restatement on the face of the financial statements to show the cumulative effect of this expense on net position. This restatement was reflected in the Electric Fund and increased its beginning net position by \$5.6 million from \$159.9 million to \$165.5 million. The County recorded deferred outflows of \$5.6 million. In fiscal year 2021, the County expensed amortization costs for \$618.7 million and adjust deferred outflows by this same amount.

(18) TAX ABATEMENTS

As of June 30, 2021, the County does not have a GASB Statement 77 disclosure to make as the County does not provide tax abatements.

(19) CONDUIT DEBT

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

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

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

The outstanding principal amount as of June 30, 2021, was \$12,500,000 with an interest rate of 3.5% per annum, issued as of September 24, 2019. However, the County terminated the Project Participation Agreement and Lease at the request of Pebble Labs Inc., as of August 31, 2021. The bonds will be fully redeemed and will no longer be outstanding.

(20) PRIOR PERIOD RESTATEMENT

GASB Statement 18 requires state and local governments to accrue a liability for closure and post closure care costs that are required by federal, state, and local laws and regulations. In fiscal year 2020, the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the Los Alamos County Landfill for the remaining 22 years of the post closure care period. The County recorded the five-year reserve of \$348,463 as the long-term liability rather than the amount per the study, which estimated the total landfill closure liability to be \$1,277,700. The County's fiscal year 2021 beginning net position was therefore overstated by \$929,237. In fiscal year 2021, the County recorded a prior period adjustment to correct this error. As of June 30, 2021 the remaining long-term liability was \$1,219,622.



LOS ALAMOS



Required Supplementary Information

**INCORPORATED COUNTY OF LOS ALAMOS
 NEW MEXICO PERA MUNICIPAL GENERAL DIVISION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	3.1545%	3.1100%	3.6388%	3.2978%	3.0931%	3.0997%	3.125%
County proportionate share of the net pension liability	\$ 63,791,160	\$ 58,837,193	\$ 58,015,939	\$ 45,314,561	\$ 49,423,456	\$ 31,604,127	\$ 24,378,354
County covered payroll	29,644,941	28,361,756	27,062,042	28,784,360	28,183,333	25,894,321	25,267,986
County proportionate share of the net pension liability as a percentage of its covered payroll	215.2%	207.5%	214.4%	157.4%	175.4%	122.1%	96.5%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	81.5%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL GENERAL DIVISION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 2,905,204	\$ 2,951,264	\$ 2,753,567	\$ 2,931,499	\$ 2,534,844	\$ 2,579,007	\$ 2,517,567
Contributions in relation to contractually required contributions	2,905,204	2,951,264	2,753,567	2,931,499	2,534,844	2,579,007	2,517,567
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$ 29,644,939	\$ 30,114,939	\$ 28,833,162	\$30,696,325	\$ 26,542,869	\$ 27,005,309	\$ 26,361,958
Contributions as a percentage of covered payroll	9.80%	9.80%	9.55%	9.55%	9.55%	9.55%	9.55%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL POLICE DIVISION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	1.0634%	1.0708%	1.1533%	1.1284%	1.0753%	1.0245%	1.0533%
County proportionate share of the net pension liability	\$ 9,133,220	\$ 7,909,668	\$ 7,869,016	\$ 6,269,001	\$ 7,927,902	\$ 4,926,451	\$ 3,433,643
County covered payroll	3,721,409	3,533,220	3,338,452	3,507,562	2,325,631	2,007,757	2,050,627
County proportionate share of the net pension liability as a percentage of its covered payroll	245.4%	223.9%	235.7%	178.7%	340.9%	245.4%	167.4%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	78.3%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**INCORPORATED COUNTY OF LOS ALAMOS
 NEW MEXICO PERA MUNICIPAL POLICE DIVISION
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 693,739	\$ 480,718	\$ 389,019	\$ 460,525	\$ 405,149	\$ 404,404	\$ 387,569
Contributions in relation to contractually required contributions	693,739	480,718	389,019	460,525	405,149	404,404	387,569
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$ 3,622,658	\$ 2,510,277	\$ 2,058,302	\$ 2,436,640	\$ 2,143,646	\$ 2,139,704	\$ 2,050,630
Contributions as a percentage of covered payroll	19.15%	19.15%	18.90%	18.90%	18.90%	18.90%	18.90%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL FIRE DIVISION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS [a]

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
County proportion of the net pension liability	6.5852%	7.0259%	7.8388%	7.5073%	7.6203%	7.8438%	7.7878%
County proportionate share of the net pension liability	\$ 49,808,727	\$ 48,284,574	\$ 50,173,239	\$ 42,952,607	\$ 50,835,148	\$ 40,483,279	\$ 35,506,227
County covered payroll	9,340,533	9,164,720	9,357,544	9,961,027	9,097,485	8,935,025	8,832,796
County proportionate share of the net pension liability as a percentage of its covered payroll	533.3%	526.9%	536.2%	431.2%	558.8%	453.1%	402.0%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	81.5%	81.29%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**INCORPORATED COUNTY OF LOS ALAMOS
NEW MEXICO PERA MUNICIPAL FIRE DIVISION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Actuarial determined contribution	\$ 2,045,577	\$ 2,012,231	\$ 2,089,272	\$ 2,156,562	\$ 1,920,956	\$ 1,932,454	\$ 1,904,387
Contributions in relation to contractually required contributions	2,045,577	2,012,231	2,089,272	2,156,562	1,920,956	1,932,454	1,904,387
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County covered payroll	\$ 9,340,534	\$ 9,188,269	\$ 9,650,217	\$ 9,961,025	\$ 8,872,776	\$ 8,925,885	\$ 8,796,245
Contributions as a percentage of covered payroll	21.90%	21.90%	21.65%	21.65%	21.65%	21.65%	21.65%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES

Year ended June 30, 2021

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY20 audit available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Changes of assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2020 report is available at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports>. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “the total actuarial loss due to the investment experience of the total PERA Fund is \$273.8 million. The loss on non-investment related items totaled \$301.0 million. The net loss due to the plan’s experience was \$574.8 million. For details about changes in the actuarial assumptions, see Appendix B on page 53 of the report.

**INCORPORATED COUNTY OF LOS ALAMOS
 NEW MEXICO RETIREE HEALTH CARE ASSOCIATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
County proportion of the net OPEB liability	0.90780%	0.96531%	1.02953%
County proportionate share of the net OPEB liability	\$ 38,117,687	\$ 31,299,103	\$ 44,767,617
County covered payroll	\$ 39,018,302	\$ 40,281,697	\$ 44,173,187
County proportionate share of the net OPEB liability as a percentage of its covered payroll	97.69%	77.70%	101.35%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	16.50%	18.92%	13.14%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

[b] Covered payroll is presented for the prior fiscal year to match the measurement date of the other post employment benefits liability.

**INCORPORATED COUNTY OF LOS ALAMOS
 NEW MEXICO RETIREE HEALTH CARE ASSOCIATION
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 LAST TEN FISCAL YEARS [a]**

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
Contractually required contribution	\$ 911,093	\$ 854,457	\$ 1,608,813
Contributions in relation to contractually required contributions	<u>911,093</u>	<u>854,457</u>	<u>1,589,169</u>
Contribution deficiency (excss)	<u>0</u>	<u>0</u>	<u>19,644</u>
County covered payroll	42,296,608	40,281,697	44,173,187
Contributions as a percentage of covered payroll	2.15%	2.12%	3.60%

[a] The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES

Year ended June 30, 2021

Changes of benefit terms

The RHCA Fund eligibility benefits are described in Section 2 of the RHCA FY20 Actuarial Valuation available at https://www.nmrhca.org/wp-content/uploads/2020/12/RPTS-05496.013-NMRHCA-6_30_2020-GAS-74-Report.pdf

Other (nonmajor) Governmental Funds

State Shared Revenues Fund 110 - this special revenue fund accounts for the receipt and expenditure of certain State Shared revenues. These include gasoline tax, arterial, cooperative, school bus route, and motor vehicle revenues, all of which provide funding for the general control and management of the County's roads, highways, and bridges. (7-1-6.9 NMSA 1978)

Lodgers' Tax Fund 121 - this special revenue fund accounts for the proceeds of the lodgers' tax which are required to be used for promotional activities and for the acquisition of certain facilities as provided in the Los Alamos County Code Chapter 4.04. (3-38-21 NMSA 1978)

State Grants/Other Fund 140 - this special revenue fund accounts for the receipt and expenditure of certain State grants and other grant awards. These include Law Enforcement Protection, Local DWI, Fire Marshal, Fire EMS, Community Health Council and Drug Enforcement Agency asset forfeiture funds. (29-13-6 NMSA 1978, 59A-53-5 NMSA 978, Civil Asset Forfeiture Reform Act of 2000)

Health Care Assistance Fund 151 - this special revenue fund accounts for the revenues and expenditures associated with the administration of the Indigent Health Care Program. (25-5-7 NMSA 1978)

Other Special Revenues Fund 180 - this special revenue fund accounts for the expenditures and revenues associated with the following activities: Property Tax Valuation funds; Clerk Recording and Equipment funds; Aquatic Center Gift funds; Library Gift funds; and Bench Warrant funds. This special revenue fund was established by County Council.

Gross Receipts Tax Revenue Bond Debt Service 231 - this debt service fund accounts for amounts to be accumulated for payment of principal and interest on gross receipts tax revenue bonds issued for the construction of specific capital projects. Debt service is financed by a portion of the gross receipts tax imposed and collected by the State and distributed to the County.

INCORPORATED COUNTY OF LOS ALAMOS

Other Governmental Funds

Combining Balance Sheet

June 30, 2021

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
ASSETS							
Equity in pooled cash and investments	\$ 445,455	401,641	1,064,762	439,809	855,245	276,821	3,483,733
Receivables, net of allowance for uncollectibles							
Accounts	0	25,722	0	3,318	0	0	29,040
Interest	0	0	0	0	17	0	17
Due from other governments	72,118	0	0	292,216	0	0	364,334
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	36,719	36,719
TOTAL ASSETS	\$ 517,573	427,363	1,064,762	750,793	855,262	313,540	3,929,293
LIABILITIES							
Accounts payable	\$ 295,278	40,005	50,805	2,667	0	0	388,755
Accrued salaries and benefits payable	0	0	0	717	1,242	0	1,959
TOTAL LIABILITIES	295,278	40,005	50,805	3,384	1,242	0	390,714
FUND BALANCE							
Prepaid items	0	0	0	15,450	0	0	15,450
Restricted for							
Clerk records and files (State law)	0	0	0	0	136,017	0	136,017
Debt service (Bond and loan agreements)	0	0	0	0	0	313,540	313,540
Grants (Granting entities)	0	0	1,013,957	0	0	0	1,013,957
Library operations (contributors)	0	0	0	0	4,056	0	4,056
Lodgers' tax (State law)	0	387,358	0	0	0	0	387,358
Health care claims (State law)	0	0	0	731,959	0	0	731,959
Property tax valuation (State law)	0	0	0	0	676,399	0	676,399
Recreation (County code and contributors)	0	0	0	0	37,548	0	37,548
Major street management (State law)	222,295	0	0	0	0	0	222,295
TOTAL FUND BALANCE	222,295	387,358	1,013,957	747,409	854,020	313,540	3,538,579
TOTAL LIABILITIES AND FUND BALANCE	\$ 517,573	427,363	1,064,762	750,793	855,262	313,540	3,929,293

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Other Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2021

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
REVENUES							
Taxes							
Gross receipts taxes	\$ 0	0	0	2,292,853	0	0	2,292,853
Lodgers' tax	0	183,548	0	0	0	0	183,548
	<u>0</u>	<u>183,548</u>	<u>0</u>	<u>2,292,853</u>	<u>0</u>	<u>0</u>	<u>2,476,401</u>
Intergovernmental							
State grants-fire	0	0	826,060	0	0	0	826,060
State grants-police	0	0	39,800	0	0	0	39,800
State grants-other	0	0	78,862	0	0	0	78,862
State shared revenues	439,133	0	0	0	0	0	439,133
	<u>439,133</u>	<u>0</u>	<u>944,722</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,383,855</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	1,400	0	1,400
Charges for services							
Clerk fee	0	0	0	0	34,942	0	34,942
Finance/treasurer fees	0	0	0	0	209,271	0	209,271
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>244,213</u>	<u>0</u>	<u>244,213</u>
Miscellaneous revenue							
Investment income	0	27,588	57,231	22,063	45,945	892	153,719
Buildings rental	0	0	0	36,148	0	0	36,148
Land rental	0	0	0	33,888	0	0	33,888
Donations	0	0	0	0	200	0	200
Other	0	0	650	0	0	0	650
	<u>0</u>	<u>27,588</u>	<u>57,881</u>	<u>92,099</u>	<u>46,145</u>	<u>892</u>	<u>224,605</u>
TOTAL REVENUES	439,133	211,136	1,002,603	2,384,952	291,758	892	4,330,474
EXPENDITURES							
General government							
Municipal Court	0	0	0	0	28,400	0	28,400
County Assessor	0	0	0	0	168,624	0	168,624
County Clerk	0	0	0	0	12,137	0	12,137
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>209,161</u>	<u>0</u>	<u>209,161</u>
Public safety							
Fire marshal	0	0	268,821	0	0	0	268,821
Fire-E.M.S. grant	0	0	3,347	0	0	0	3,347
Police	0	0	4,664	0	0	0	4,664
	<u>0</u>	<u>0</u>	<u>276,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>276,832</u>
Physical and economic environment							

Community and Economic Development	0	345,738	0	0	0	0	345,738
Health and welfare							
Community Services-Social Services	0	0	68,229	2,777,307	0	0	2,845,536
Culture and recreation							
Community Services-Recreation	0	0	0	0	272	0	272
Capital outlay:							
Public Safety							
Fire	0	0	408,434	0	0	0	408,434
Police	0	0	29,517	0	0	0	29,517
Transportation-Public Works	875,278	0	0	0	0	0	875,278
	<u>875,278</u>	<u>0</u>	<u>437,951</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,313,229</u>
Debt service:							
Principal	0	0	0	0	0	3,215,000	3,215,000
Interest	0	0	0	0	0	1,337,159	1,337,159
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,552,159</u>	<u>4,552,159</u>
TOTAL EXPENDITURES	<u>875,278</u>	<u>345,738</u>	<u>783,012</u>	<u>2,777,307</u>	<u>209,433</u>	<u>4,552,159</u>	<u>9,542,927</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(436,145)	(134,602)	219,591	(392,355)	82,325	(4,551,267)	(5,212,453)
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	9,950	650,000	27,000	4,552,159	5,239,109
	<u>0</u>	<u>0</u>	<u>9,950</u>	<u>650,000</u>	<u>27,000</u>	<u>4,552,159</u>	<u>5,239,109</u>
NET CHANGE IN FUND BALANCE	(436,145)	(134,602)	229,541	257,645	109,325	892	26,656
FUND BALANCE							
Beginning of fiscal year	658,440	521,960	784,416	489,764	744,695	312,648	3,511,923
FUND BALANCE - END OF FISCAL YEAR	<u>\$ 222,295</u>	<u>387,358</u>	<u>1,013,957</u>	<u>747,409</u>	<u>854,020</u>	<u>313,540</u>	<u>3,538,579</u>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
STATE SHARED REVENUES FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State shared revenues	\$ 580,000	580,000	439,133	(140,867)
TOTAL REVENUES	580,000	580,000	439,133	(140,867)
EXPENDITURES AND ENCUMBRANCES				
Public Works - major street maintenance				
Outside services	580,000	1,155,968	0	1,155,968
Capital outlay	0	0	1,155,968	(1,155,968)
TOTAL EXPENDITURES AND ENCUMBRANCES	580,000	1,155,968	1,155,968	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	0	(575,968)	(716,835)	(140,867)
NET CHANGE IN FUND BALANCE	\$ 0	(575,968)	(716,835)	(140,867)
ADJUSTMENTS TO GAAP				
Encumbrances			280,690	
			280,690	
GAAP BASIS			(436,145)	
FUND BALANCE				
Beginning of fiscal year			658,440	
FUND BALANCE - END OF FISCAL YEAR			\$ 222,295	

**INCORPORATED COUNTY OF LOS ALAMOS
LODGERS' TAX FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 275,000	275,000	183,548	(91,452)
Miscellaneous revenues				
Investment income	12,000	12,000	27,588	15,588
TOTAL REVENUES	287,000	287,000	211,136	(75,864)
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	490,500	494,033	343,201	150,832
Intrafund/interfund services	2,538	2,538	2,537	1
TOTAL EXPENDITURES AND ENCUMBRANCES	493,038	496,571	345,738	150,833
NET CHANGE IN FUND BALANCE	\$ (206,038)	(209,571)	(134,602)	74,969
ADJUSTMENTS TO GAAP				
Encumbrances			0	
GAAP BASIS			(134,602)	
FUND BALANCE				
Beginning of fiscal year			521,960	
FUND BALANCE - END OF FISCAL YEAR			\$ 387,358	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
STATE GRANTS/OTHER FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State grants-fire	\$ 490,154	826,060	826,060	0
State grants-police	40,146	39,800	39,800	0
State grants-other	91,846	93,462	78,862	(14,600)
Miscellaneous revenues				
Investment income	0	0	57,231	57,231
Other	0	0	650	650
TOTAL REVENUES	622,146	959,322	1,002,603	43,281
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social services				
Police - DWI local grant	98,547	93,950	68,229	25,721
Health council grant	5,846	5,846	0	5,846
	104,393	99,796	68,229	31,567
Fire				
Grants and contracts				
Fire - Fire marshal grant	480,000	1,556,811	670,354	886,457
Fire - Emergency medical services grant	10,500	10,248	10,248	0
	490,500	1,567,059	680,602	886,457
Police				
Grants and contracts				
Police - Law enforcement protection grant	39,800	39,800	39,800	0
	39,800	39,800	39,800	0
TOTAL EXPENDITURES AND ENCUMBRANCES	634,693	1,706,655	788,631	918,024
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(12,547)	(747,333)	213,972	961,305
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	9,950	9,950	9,950	0
NET CHANGE IN FUND BALANCE	\$(2,597)	\$(737,383)	223,922	961,305
ADJUSTMENTS TO GAAP				
Encumbrances			5,619	
GAAP BASIS			229,541	
FUND BALANCE				
Beginning of fiscal year			784,416	
FUND BALANCE - END OF FISCAL YEAR			\$ 1,013,957	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
HEALTH CARE ASSISTANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
General gross receipts taxes	\$ 2,190,000	2,190,000	2,292,853	102,853
Miscellaneous revenues				
Investment income	13,000	13,000	22,063	9,063
Buildings rental	53,000	53,000	36,148	(16,852)
Land rental	0	0	33,888	33,888
TOTAL REVENUES	2,256,000	2,256,000	2,384,952	128,952
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social Services				
Employee salaries and benefits	108,457	108,457	97,375	11,082
Outside services	2,702,500	2,713,993	2,663,199	50,794
Materials and supplies	1,000	3,207	15,769	(12,562)
Debt and fiscal charges	963	963	964	(1)
TOTAL EXPENDITURES AND ENCUMBRANCES	2,812,920	2,826,620	2,777,307	49,313
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(556,920)	(570,620)	(392,355)	178,265
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	650,000	650,000	650,000	0
NET CHANGE IN FUND BALANCE	\$ 93,080	79,380	257,645	178,265
ADJUSTMENTS TO GAAP				
Encumbrances			0	
GAAP BASIS			257,645	
FUND BALANCE				
Beginning of fiscal year			489,764	
FUND BALANCE - END OF FISCAL YEAR			\$ 747,409	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
OTHER SPECIAL REVENUES**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Fines and Forfeits				
Court ordered reimbursements	\$ 3,300	3,300	1,400	(1,900)
Charges for Services				
Clerk fee	28,000	28,000	34,942	6,942
Finance/treasurer fees	195,000	195,000	209,271	14,271
	<u>223,000</u>	<u>223,000</u>	<u>244,213</u>	<u>21,213</u>
Miscellaneous revenues				
Investment income	20,438	20,438	45,945	25,507
Donations	3,000	3,000	200	(2,800)
	<u>23,438</u>	<u>23,438</u>	<u>46,145</u>	<u>22,707</u>
TOTAL REVENUES	249,738	249,738	291,758	42,020
EXPENDITURES AND ENCUMBRANCES				
Municipal Court				
Bench warrant	30,016	30,016	28,400	1,616
County Assessor				
Property tax valuation	231,685	231,685	173,900	57,785
County Clerk				
Recording and equipment	26,700	26,700	12,137	14,563
Community Services				
Aquatic center gift	3,000	3,000	272	2,728
Library gift	3,200	3,200	0	3,200
	<u>6,200</u>	<u>6,200</u>	<u>272</u>	<u>5,928</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	294,601	294,601	214,709	79,892
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(44,863)	(44,863)	77,049	121,912

OTHER FINANCING SOURCES (USES)

Transfers in from:				
General Fund	27,000	27,000	27,000	0
Transfers out to:				
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (17,863)	(17,863)	104,049	121,912

ADJUSTMENTS TO GAAP

Encumbrances			5,276	
			<hr/>	
			5,276	
GAAP BASIS			109,325	

FUND BALANCE

Beginning of fiscal year			744,695	
FUND BALANCE - END OF FISCAL YEAR			<hr/>	
			\$ 854,020	

**INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX REVENUE BONDS FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous revenues				
Investment income	\$ 9,000	9,000	892	(8,108)
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Principal payment on debt	3,215,000	3,215,000	3,215,000	0
Interest payment on debt	1,337,159	1,337,159	1,337,159	0
	<u>4,552,159</u>	<u>4,552,159</u>	<u>4,552,159</u>	<u>0</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(4,543,159)	(4,543,159)	(4,551,267)	(8,108)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	4,552,159	4,552,159	4,552,159	0
NET CHANGE IN FUND BALANCE	\$ <u>9,000</u>	<u>9,000</u>	892	<u>(8,108)</u>
FUND BALANCE				
Beginning of fiscal year			312,648	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>313,540</u>	

**INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL PROJECTS PERMANENT FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 2,018,000	2,018,000	10,386,863	8,368,863
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Projects Fund	(1,358,000)	(1,358,000)	(1,334,569)	23,431
NET CHANGE IN FUND BALANCE	\$ 660,000	660,000	9,052,294	8,392,294
FUND BALANCE				
Beginning of fiscal year			30,096,796	
FUND BALANCE - END OF FISCAL YEAR			\$ 39,149,090	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Year ended June 30, 2021

PROJECT	ACCOUNT NUMBER	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2021	UNEXPENDED AS OF JUNE 30, 2021	ENCUMBRANCES AS OF JUNE 30, 2021	REMAINING BALANCE AS OF JUNE 30, 2021
CAPITAL IMPROVEMENT PROJECTS								
Municipal Building Replacement (Residual)	\$ CP1001	96,645	0	0	0	96,645	0	96,645
White Rock Civic Center (Residual)	CP1003	2,004	0	0	0	2,004	0	2,004
Betty Ehart Senior Center Improvement	CP1005	140,000	0	0	0	140,000	0	140,000
WAC Building Design	CP1006	350,000	0	0	0	350,000	0	350,000
20th Safety Improvement	CP4002	146,905	0	0	0	146,905	0	146,905
Deacon Street	CP4003	199,000	0	0	0	199,000	0	199,000
A-8-B Infrastructure (The Bluffs)	CP4004	1,030,997	215,076	279,474	494,550	536,447	0	536,447
A-13 (Former LASO Site)	CP4005	1,200,000	145,251	35,845	181,097	1,018,904	2,647	1,016,257
A-16 Infrastructure (Utilities)	CP4006	171,738	0	0	0	171,738	0	171,738
N. Mesa Infrastructure	CP4007	1,225,000	0	0	0	1,225,000	0	1,225,000
A-9 Infrastructure (Canyon Walk)	CP4008	5,183	0	0	0	5,183	0	5,183
DP Road Infrastructure	CP4009	4,477,500	0	86,074	86,074	4,391,426	198,103	4,193,323
Street CIP Allocation	CP5001	84,731	0	0	0	84,731	0	84,731
Canyon Rim Trail - East	CP5002	56,743	0	0	0	56,743	0	56,743
NM 502 Knecht to Tewa	CP5003	13,633	0	0	0	13,633	0	13,633
MSM-Coop Agreement Program	CP5004	349,948	0	0	0	349,948	0	349,948
Sherwood Boulevard	CP5008	1,427,656	0	7,201	7,201	1,420,455	0	1,420,455
Pavement Condition Index Survey	CP5010	25,385	0	0	0	25,385	6,854	18,531
Canyon Rim Trail West Phs 3	CP5012	1,253,408	95,727	7,688	103,415	1,149,993	15,641	1,134,352
Proj Dev, Stds & Guidelines	CP5015	166,409	0	0	0	166,409	0	166,409
Tsikumu Village Road Work	CP5017	5,475	0	0	0	5,475	0	5,475
Canyon Rim Trail Underpass	CP5018	3,859,900	189,341	1,214,594	1,403,935	2,455,965	2,119,507	336,458
Barranca Mesa Road Project	CP5019	465,273	0	0	0	465,273	83,143	382,130
NM4 Intersection Road Project	CP5020	1,000,000	0	0	0	1,000,000	0	1,000,000
Diamond Drive Pavement Rehab	CP5021	391,808	0	0	0	391,808	0	391,808
Urban Trail Project	CP5022	255,000	0	23,591	23,591	231,409	178,126	53,283
Trinity Drive Pedestrian Improvement	CP5023	246,800	0	72,795	72,795	174,005	129,993	44,012
20th Street Extension - Signal Light	CP5024	398,000	0	0	0	398,000	11,809	386,191
Trinity Drive Safety & ADA Improvements	CP5025	640,000	0	0	0	640,000	0	640,000
Transportation Planning	CP5026	200,000	0	0	0	200,000	0	200,000
North Mesa - Casa de Oro	CP5027	1,098,565	0	292,256	292,256	806,309	298,176	508,133
Sherwood Blvd Reconstruction	CP5028	2,487,500	0	69,121	69,121	2,418,379	11,668	2,406,710
Public Art (Continuing)	CP7001	568,920	0	0	0	568,920	41,664	527,256
Parks Small Capital Projects (Continuing)	CP7002	717,878	0	0	0	717,878	4,040	713,838
Ice Rink Improvements Project	CP7004	22,216	0	0	0	22,216	13,403	8,812
Pajarito Mountain Bike Trails	CP7007	496,566	0	0	0	496,566	0	496,566
Golf Course Improvement	CP7011	2,018,993	0	0	0	2,018,993	236,049	1,782,944
Pinion Park Splash Pad	CP7012	7,563	0	0	0	7,563	2,480	5,084
Leisure Lagoon	CP7013	8,103,633	381,462	2,145,413	2,526,875	5,576,758	5,038,383	538,375
Community Recreation Space Design	CP7014	350,000	0	0	0	350,000	0	350,000
Finance Enterprise Resource Planning (Residual)	CP9002	70,958	0	0	0	70,958	0	70,958
Information Technology (Continuing)	CP9003	2,160,239	0	0	0	2,160,239	0	2,160,239
		<u>37,988,174</u>	<u>1,026,857</u>	<u>4,234,053</u>	<u>5,260,911</u>	<u>32,727,264</u>	<u>8,391,688</u>	<u>24,335,576</u>
PROJECTS COMPLETED IN FY2021								
Municipal Building Replacement (Residual)	CP1001	27,584	0	27,584	27,584	0	0	0
A-9 Infrastructure (Canyon Walk)	CP4008	785,880	183,642	602,238	785,880	0	0	0
MSM-Coop Agreement Program	CP5004	52	0	52	52	0	0	0
Pavement Condition Index Survey	CP5010	199,615	0	199,615	199,615	0	0	0
Barranca Mesa Road Project	CP5019	573,330	0	573,330	573,330	0	0	0
Diamond Drive Pavement Rehab	CP5021	362	0	362	362	0	0	0
Public Art (Continuing)	CP7001	49,385	0	49,385	49,385	0	0	0
Parks Small Capital Projects (Continuing)	CP7002	202,948	0	202,948	202,948	0	0	0
Ice Rink Improvements Project	CP7004	1,815,784	850,448	965,336	1,815,784	0	0	0
Golf Course Improvement	CP7011	2,457,055	935,511	1,521,544	2,457,055	0	0	0
Pinion Park Splash Pad	CP7012	820,237	60,890	759,347	820,237	0	0	0
Information Technology (Continuing)	CP9003	389,780	37,004	352,776	389,780	0	0	0
TOTAL PROJECTS COMPLETED IN FY2021		<u>7,322,012</u>	<u>2,067,495</u>	<u>5,254,517</u>	<u>7,322,012</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROJECT TOTALS FY2021	\$	45,310,186	3,094,352	9,488,570	12,582,923	32,727,264	8,391,688	24,335,576



Joint Utility System Subfunds

The Joint Utility System is presented as a major fund. This section provides combining schedules for the individual utility subfunds and industry format financial schedules.

Electric Utility Subfund 510 - accounts for the provision of electric utility services to the county.

Gas Utility Subfund 531 - accounts for the provision of gas utility services to the county.

Water Utility Subfund 540 - accounts for the provision of water utility services to the county.

Wastewater Utility Subfund 551 - accounts for the provision of wastewater utility services to the county.

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where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF NET POSITION
June 30, 2021

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
ASSETS					
CURRENT ASSETS					
Equity (deficit) in pooled cash and investments	\$ 1,818,433	1,492,789	5,792,679	2,923,778	12,027,679
Receivables, net of allowance for uncollectibles					
Accounts	5,702,734	409,621	561,837	479,148	7,153,340
Unbilled	621,964	80,676	379,176	272,469	1,354,285
Due from other subfunds (not included in total column)	0	0	174,227	0	0
Inventories and prepayments					
Inventories	764,161	23,788	161,990	10,198	960,137
Power plant inventories	370,323	0	0	0	370,323
Prepayments	721,326	0	21,774	0	743,100
	<u>9,998,941</u>	<u>2,006,874</u>	<u>7,091,683</u>	<u>3,685,593</u>	<u>22,608,864</u>
RESTRICTED ASSETS					
Cash and cash equivalents					
Debt reserves and debt service	3,053,554	0	167,145	0	3,220,699
Operations and maintenance	11,576,303	2,032,932	3,904,441	4,363,479	21,877,155
	<u>14,629,857</u>	<u>2,032,932</u>	<u>4,071,586</u>	<u>4,363,479</u>	<u>25,097,854</u>
PROPERTY, PLANT AND EQUIPMENT					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	178,042,885	16,283,326	93,540,391	43,133,064	330,999,666
Machinery and equipment	2,794,608	172,620	706,549	399,413	4,073,190
Less accumulated depreciation	(118,650,775)	(6,366,239)	(34,848,705)	(15,153,826)	(175,019,545)
Construction in progress	5,666,342	2,176,404	4,273,924	1,190,997	13,307,667
	<u>67,853,060</u>	<u>12,266,111</u>	<u>63,672,159</u>	<u>32,528,976</u>	<u>176,320,306</u>
OTHER ASSETS					
Advances to other subfunds (not included in total column)	0	0	270,506	0	0
TOTAL ASSETS	<u>92,481,858</u>	<u>16,305,917</u>	<u>75,105,934</u>	<u>40,578,048</u>	<u>224,027,024</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts from refunding of debt (debits)	230,807	0	0	0	230,807
Deferred other post employment benefits	797,588	116,091	163,024	135,788	1,212,491
Deferred pensions	2,345,640	603,768	322,446	294,790	3,566,644
Deferred decommissioning cost	3,712,335	0	0	0	3,712,335
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,086,370</u>	<u>719,859</u>	<u>485,470</u>	<u>430,578</u>	<u>8,722,277</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	4,755,026	556,072	818,295	89,091	6,218,484
Accrued salaries including benefits payable	58,739	7,579	12,572	10,811	89,701
Accrued compensated absences	648,317	141,018	80,919	43,540	913,794
Customer deposits payable	137,979	115,766	135,330	0	389,075
Due to other governments	69,456	24,225	39,183	24,130	156,994
Due to other subfunds (not included in total column)	0	0	0	174,227	0
Donations held in trust	0	0	0	0	0
	<u>5,669,517</u>	<u>844,660</u>	<u>1,086,299</u>	<u>341,799</u>	<u>7,768,048</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Current portion of revenue bonds payable	1,190,512	0	54,488	0	1,245,000
Contracts and intergovernmental debt payable	0	0	103,723	368,583	472,306
Interest payable on debt	55,365	0	7,687	32,709	95,761
	<u>1,245,877</u>	<u>0</u>	<u>165,898</u>	<u>401,292</u>	<u>1,813,067</u>

NON-CURRENT LIABILITIES

Revenue bonds payable	12,765,532	0	1,266,114	0	14,031,646
Special closure costs	11,576,303	0	0	0	11,576,303
Accrued compensated absences	208,272	95,360	71,331	23,382	398,345
Advances from other subfunds (not included in total column)	0	0	0	270,506	0
Contracts and intergovernmental debt payable	0	0	1,118,523	6,642,110	7,760,633
Net other post employment benefits liability	2,955,195	1,072,100	317,715	318,532	4,663,542
Net pension liability	8,926,195	2,217,533	1,308,032	1,128,737	13,580,497
	<u>36,431,497</u>	<u>3,384,993</u>	<u>4,081,715</u>	<u>8,383,267</u>	<u>52,010,966</u>
TOTAL LIABILITIES	<u>43,346,891</u>	<u>4,229,653</u>	<u>5,333,912</u>	<u>9,126,358</u>	<u>61,592,081</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	1,445,574	353,063	255,686	206,588	2,260,911
Deferred pensions	259,002	35,002	67,114	33,855	394,973
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,704,576</u>	<u>388,065</u>	<u>322,800</u>	<u>240,443</u>	<u>2,655,884</u>

NET POSITION

Net investment in capital assets	54,127,823	12,266,111	61,129,311	25,518,283	153,041,528
Restricted assets for, net of related liabilities:					
Debt service	2,998,189	2,032,932	4,063,899	4,330,770	13,425,790
Unrestricted	(2,609,251)	(1,890,985)	4,741,482	1,792,772	2,034,018
TOTAL NET POSITION	<u>\$ 54,516,761</u>	<u>12,408,058</u>	<u>69,934,692</u>	<u>31,641,825</u>	<u>168,501,336</u>

See accompanying notes to financial statements



LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2021

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
OPERATING REVENUES					
Utility sales and service	\$ 45,915,681	5,701,589	7,562,452	6,036,819	65,216,541
Miscellaneous operating revenue	0	0	30,576	9,676	40,252
	<u>45,915,681</u>	<u>5,701,589</u>	<u>7,593,028</u>	<u>6,046,495</u>	<u>65,256,793</u>
OPERATING EXPENSES					
Employee salaries and benefits	6,403,434	745,898	1,493,576	1,388,318	10,031,226
Contractual services	34,704,832	4,526,881	3,213,968	1,910,323	44,356,004
Materials and supplies	355,047	153,353	556,792	229,440	1,294,632
Depreciation and amortization	3,773,140	397,106	2,045,314	854,397	7,069,957
Special closure costs	1,280,726	0	0	0	1,280,726
Other	5,517	64,964	0	2,586	73,067
	<u>46,522,696</u>	<u>5,888,202</u>	<u>7,309,650</u>	<u>4,385,064</u>	<u>64,105,612</u>
OPERATING INCOME (LOSS)	(607,015)	(186,613)	283,378	1,661,431	1,151,181
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposition of capital assets	(57,406)	0	(355)	(91)	(57,852)
Investment income (loss)	589,212	222,211	561,353	376,048	1,748,824
Interest on long-term debt	(718,952)	0	(80,034)	(148,694)	(947,680)
Interest on intra-subfund debt	0	0	18,417	(18,417)	0
Inventory adjustment	6,846	971	(8,347)	(40)	(570)
	<u>(180,300)</u>	<u>223,182</u>	<u>491,034</u>	<u>208,806</u>	<u>742,722</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(787,315)	36,569	774,412	1,870,237	1,893,903
TRANSFERS AND CONTRIBUTIONS					
Transfers in	200,000	0	599,728	0	799,728
Transfers out	(623,658)	(228,087)	(21,165)	(10,583)	(883,493)
Intergovernmental - capital grants	96,241	0	26,038	0	122,279
Contributed capital assets- governmental activities	(6,058)	0	0	0	(6,058)
	<u>(333,475)</u>	<u>(228,087)</u>	<u>578,563</u>	<u>(10,583)</u>	<u>(73,582)</u>
NET INCOME (LOSS)	(1,120,790)	(191,518)	1,379,013	1,859,654	1,926,359
NET POSITION					
Beginning of fiscal year	55,637,551	12,599,576	68,555,679	29,782,171	166,574,977
NET POSITION - END OF FISCAL YEAR	\$ 54,516,761	12,408,058	69,934,692	31,641,825	168,501,336

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS**

COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2021

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES					
Cash received from customers and users	\$ 42,671,677	5,448,045	7,453,958	5,970,931	61,544,611
Cash paid to suppliers for goods and services	(30,655,684)	(4,274,026)	(2,979,840)	(2,171,666)	(40,081,216)
Cash paid to employees	(5,986,405)	(680,001)	(1,498,962)	(1,425,557)	(9,590,925)
Taxes received from customers and users	862,045	381,706	318,354	292,941	1,855,046
Taxes remitted to State (from customers and users)	(851,482)	(368,520)	(311,183)	(290,639)	(1,821,824)
NET CASH FLOWS - OPERATING ACTIVITIES	6,040,151	507,204	2,982,327	2,376,010	11,905,692
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(582,223)	(217,505)	0	0	(799,728)
Transfers from other funds	0	0	599,728	0	599,728
Cash received from short-term intra subfund loans	0	0	187,569	0	187,569
Cash paid for short-term intra subfund loans	0	0	0	(187,570)	(187,570)
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	(582,223)	(217,505)	787,297	(187,570)	(200,001)
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from capital grants	96,241	0	26,038	0	122,279
Proceeds received from loans	0	0	0	720,596	720,596
Principal repaid	(3,017,945)	0	(155,208)	(360,100)	(3,533,253)
Interest and other debt service paid	(776,032)	0	(83,266)	(148,694)	(1,007,992)
Cash paid for acquisition of capital assets	(1,098,168)	(1,020,699)	(2,635,475)	(687,555)	(5,441,897)
Proceeds from sale of capital assets	67,529	0	218	0	67,747
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(4,728,375)	(1,020,699)	(2,847,693)	(475,753)	(9,072,520)
CASH FLOWS - INVESTING ACTIVITIES					
Interest received on investments	589,212	222,211	561,353	376,048	1,748,824
NET CASH FLOWS - INVESTING ACTIVITIES	589,212	222,211	561,353	376,048	1,748,824
NET INCREASE (DECREASE) IN CASH	1,318,765	(508,789)	1,483,284	2,088,735	4,381,995
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	15,129,525	4,034,510	8,380,981	5,198,522	32,743,538
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 16,448,290	3,525,721	9,864,265	7,287,257	37,125,533

(Joint Utility System Fund and Environmental Services Fund cash balances are shown in both Equity in Pooled Cash and Investments and Restricted Cash on the Proprietary Funds Statement of Net Position)

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	\$	(607,015)	(186,613)	283,378	1,661,431	1,151,181
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES						
Depreciation and amortization expense		3,773,140	397,106	2,045,314	854,397	7,069,957
Amortization of special closure costs		1,899,448	0	0	0	1,899,448
Provision for uncollectible accounts receivable		15,449	64,964	0	(2,586)	77,827
Change in assets and liabilities:						
Accounts and other receivables		(3,230,292)	(268,238)	(163,917)	(70,392)	(3,732,839)
Inventories		(375,318)	(6,736)	40,601	2,270	(339,183)
Prepayments and other		(846)	0	18,664	0	17,818
Accounts and retentions payable		5,077,213	412,944	726,269	(34,173)	6,182,253
Salaries and benefits payable		417,029	65,897	0	(37,239)	445,687
Other current liabilities		(939,220)	14,694	24,847	0	(899,679)
Due to other governments		10,563	13,186	7,171	2,302	33,222
Total adjustments		6,647,166	693,817	2,698,949	714,579	10,754,511
NET CASH FLOWS - OPERATING ACTIVITIES	\$	6,040,151	507,204	2,982,327	2,376,010	11,905,692

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(41,435)	(10,582)	(21,165)	(10,583)	(83,765)
Contributed capital assets - governmental activities		(6,058)	0	0	0	(6,058)
TOTAL NON CASH TRANSACTIONS	\$	(47,493)	(10,582)	(21,165)	(10,583)	(89,823)

**INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)

Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 17,415,533	17,415,533	122,279	(17,293,254)
Charges for services	64,767,836	70,173,483	65,264,922	(4,908,561)
Miscellaneous revenues	3,063,118	3,063,118	1,936,393	(1,126,725)
TOTAL REVENUES	85,246,487	90,652,134	67,323,594	(23,328,540)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric Subfund	44,800,693	52,636,349	48,420,077	4,216,272
Gas Subfund	4,554,939	10,129,725	7,147,040	2,982,685
Water Subfund	17,134,674	22,474,462	13,290,802	9,183,660
Wastewater Subfund	19,511,811	22,139,137	6,466,187	15,672,950
TOTAL EXPENSES AND ENCUMBRANCES	86,002,117	107,379,673	75,324,106	32,055,567
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(755,630)	(16,727,539)	(8,000,512)	8,727,027
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	2,799,728	799,728	(2,000,000)
Transfers out	(819,197)	(834,743)	(799,728)	35,015
TOTAL OTHER FINANCING SOURCES (USES)	1,180,803	1,964,985	0	(1,964,985)
NET CHANGE IN FUND BALANCE	\$ 425,173	(14,762,554)	(8,000,512)	6,762,042
ADJUSTMENTS TO GAAP				
Encumbrances			9,317,110	
Changes in compensated absences			(196,469)	
Bad debt adjustment			(75,806)	
Depreciation and amortization			(7,069,957)	
Adjustments to inventory			(569)	
Special closure costs			(1,280,726)	

Net book value of disposed capital assets	(57,851)
Assets transferred - proprietary funds	(83,765)
Contributed capital assets - governmental activities	(6,058)
Capital outlay capitalized	5,345,941
Principal on interfund loan	(169,152)
Pension expense	501,767
Principal on debt service	3,702,406
	<u>9,926,871</u>
GAAP BASIS	1,926,359
NET POSITION	
Beginning of fiscal year	166,574,977
NET POSITION - END OF FISCAL YEAR	\$ <u>168,501,336</u>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
ELECTRIC SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal subsidy	\$ 59,482	59,482	96,241	36,759
Charges for services				
Residential	14,354,374	14,504,374	8,155,745	(6,348,629)
Commercial and industrial	0	0	4,059,412	4,059,412
Public street and highway lighting	0	0	95,549	95,549
Municipal	0	0	1,529,417	1,529,417
Educational	0	0	449,572	449,572
Wholesale	32,188,247	35,093,894	31,625,986	(3,467,908)
Miscellaneous services	258,101	108,101	15,323	(92,778)
	<u>46,800,722</u>	<u>49,706,369</u>	<u>45,931,004</u>	<u>(3,775,365)</u>
Miscellaneous revenues				
Interest income (loss)	197,942	197,942	602,398	404,456
Gain (loss) on investments	0	0	(13,186)	(13,186)
Other	33,984	33,984	0	(33,984)
	<u>231,926</u>	<u>231,926</u>	<u>589,212</u>	<u>357,286</u>
TOTAL REVENUES	47,092,130	49,997,777	46,616,457	(3,381,320)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Electric production				
Employee salaries and benefits	1,589,910	1,828,194	1,847,480	(19,286)
Outside services	32,467,618	36,081,214	35,493,653	587,561
Materials and supplies	84,250	84,250	101,170	(16,920)
Intrafund/interfund services	1,217,102	1,217,102	1,080,217	136,885
Capital outlay	100,000	275,774	10,774	265,000
Debt and fiscal charges	2,769,652	2,769,652	2,507,890	261,762
	<u>38,228,532</u>	<u>42,256,186</u>	<u>41,041,184</u>	<u>1,215,002</u>
Electric distribution				
Employee salaries and benefits	4,732,948	4,768,657	4,595,380	173,277
Outside services	3,132,807	4,185,661	3,099,598	1,086,063
Materials and supplies	629,216	1,565,175	599,480	965,695

Intrafund/interfund services	1,908,506	1,908,506	1,395,520	512,986
Capital outlay	64,000	1,847,480	17,814	1,829,666
Debt and fiscal charges	1,253,443	1,253,443	1,234,400	19,043
	<u>11,720,920</u>	<u>15,528,922</u>	<u>10,942,192</u>	<u>4,586,730</u>
General and administrative				
Employee salaries and benefits	440,012	440,012	369,049	70,963
Outside services	275,000	275,000	87,193	187,807
Materials and supplies	20,000	20,000	10,242	9,758
Intrafund/interfund services	(5,883,771.00)	(5,883,771.00)	(4,060,444)	(1,823,327)
Capital outlay	0	0	30,661	(30,661)
	<u>(5,148,759)</u>	<u>(5,148,759)</u>	<u>(3,563,299)</u>	<u>(1,585,460)</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>44,800,693</u>	<u>52,636,349</u>	<u>48,420,077</u>	<u>4,216,272</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	2,291,437	(2,638,572)	(1,803,620)	834,952
OTHER FINANCING SOURCES (USES)				
Gas Fund	0	200,000	200,000	0
Transfers out to:				
General Fund	(617,238)	(35,014)	0	35,014
Water Production subfund	0	(582,224)	(582,223)	1
Proceeds from issuance of long-term debt				
NET CHANGE IN FUND BALANCE	\$ <u>1,674,199</u>	<u>(3,055,810)</u>	<u>(2,185,843)</u>	<u>869,967</u>
ADJUSTMENTS TO GAAP				
Encumbrances			1,961,810	
Changes in compensated absences			(83,825)	
Bad debt adjustment			(15,449)	
Depreciation and amortization			(3,773,140)	
Adjustments to inventory			6,846	
Special closure costs			(1,280,726)	
Net book value of disposed capital assets			(57,406)	
Assets transferred - proprietary funds			(41,435)	
Contributed capital assets - governmental activities			(6,058)	
Capital outlay capitalized			1,002,404	
Pension expense			334,087	
Principal on debt service			3,017,945	
			<u>1,065,053</u>	
GAAP BASIS			<u>(1,120,790)</u>	
NET POSITION				
Beginning of fiscal year			<u>55,637,551</u>	
NET POSITION - END OF FISCAL YEAR			\$ <u>54,516,761</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GAS SUBFUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services				
Residential	\$ 4,344,896	6,844,896	4,232,945	(2,611,951)
Commercial and industrial	0	0	1,059,474	1,059,474
Municipal	0	0	219,084	219,084
Educational	0	0	130,779	130,779
Miscellaneous services	0	0	59,307	59,307
	<u>4,344,896</u>	<u>6,844,896</u>	<u>5,701,589</u>	<u>(1,143,307)</u>
Miscellaneous revenues				
Interest income	84,534	84,534	222,211	137,677
	<u>84,534</u>	<u>84,534</u>	<u>222,211</u>	<u>137,677</u>
TOTAL REVENUES	4,429,430	6,929,430	5,923,800	(1,005,630)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Gas				
Employee salaries and benefits	559,717	559,717	731,734	(172,017)
Outside services	2,331,730	6,409,088	5,181,850	1,227,238
Materials and supplies	197,100	1,318,850	192,402	1,126,448
Intrafund/interfund services	1,466,392	1,466,392	1,018,371	448,021
Capital outlay	0	375,678	22,683	352,995
TOTAL EXPENSES AND ENCUMBRANCES	4,554,939	10,129,725	7,147,040	2,982,685
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(125,509)	(3,200,295)	(1,223,240)	1,977,055

OTHER FINANCING SOURCES (USES)

Transfer out to:

General Fund	(201,959)	(217,505)	0	217,505
Water Distribution subfund	0	0	(17,505)	(17,505)
Electric Distribution subfund	0	0	(200,000)	(200,000)
	<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>(200,000)</u>

NET CHANGE IN FUND BALANCE	\$ <u>(327,468)</u>	<u>(3,417,800)</u>	<u>(1,440,745)</u>	<u>1,977,055</u>
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ADJUSTMENTS TO GAAP

Encumbrances			736,554	
Changes in compensated absences			(67,654)	
Bad debt adjustment			(64,964)	
Depreciation and amortization			(397,106)	
Adjustments to inventory			972	
Assets transferred - proprietary funds			(10,582)	
Capital outlay capitalized			1,020,699	
Pension expense			31,308	
			<u>1,249,227</u>	
GAAP BASIS			<u>(191,518)</u>	

NET POSITION

Beginning of fiscal year			<u>12,599,576</u>	
NET POSITION - END OF FISCAL YEAR	\$		<u>12,408,058</u>	

**INCORPORATED COUNTY OF LOS ALAMOS
WATER SUBFUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal subsidy	\$ 0	0	26,038	26,038
State grants-other	2,555,195	2,555,195	0	(2,555,195)
Charges for services				
Residential	5,648,899	5,648,899	4,930,764	(718,135)
Commercial and industrial	0	0	538,537	538,537
Municipal	186,997	186,997	727,590	540,593
Educational	0	0	201,195	201,195
Wholesale	1,488,750	1,488,750	1,102,041	(386,709)
Miscellaneous services	30,450	30,450	85,707	55,257
	<u>7,355,096</u>	<u>7,355,096</u>	<u>7,585,834</u>	<u>230,738</u>
Miscellaneous revenues				
Interest income	144,683	144,683	579,770	435,087
Other	2,275,866	2,275,866	0	(2,275,866)
Interfund loan repayment	215,144	215,144	169,152	(45,992)
	<u>2,635,693</u>	<u>2,635,693</u>	<u>748,922</u>	<u>(1,886,771)</u>
TOTAL REVENUES	<u>12,545,984</u>	<u>12,545,984</u>	<u>8,360,794</u>	<u>(4,185,190)</u>
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Water distribution				
Employee salaries and benefits	719,431	719,431	634,438	84,993
Outside services	309,467	2,284,903	2,041,933	242,970
Materials and supplies	426,800	1,319,779	679,006	640,773
Intrafund/interfund services	1,352,910	1,352,910	817,924	534,986
Capital outlay	0	282,553	13,332	269,221
	<u>2,808,608</u>	<u>5,959,576</u>	<u>4,186,633</u>	<u>1,772,943</u>
Water production				
Employee salaries and benefits	1,110,523	1,120,207	948,927	171,280
Outside services	10,044,793	10,282,563	5,883,399	4,399,164
Materials and supplies	326,800	491,113	268,483	222,630

Intrafund/interfund services	2,110,294	2,110,294	1,754,786	355,508
Capital outlay	450,000	2,227,053	13,332	2,213,721
Debt and fiscal charges	283,656	283,656	235,242	48,414
	<u>14,326,066</u>	<u>16,514,886</u>	<u>9,104,169</u>	<u>7,410,717</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>17,134,674</u>	<u>22,474,462</u>	<u>13,290,802</u>	<u>9,183,660</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(4,588,690)	(9,928,478)	(4,930,008)	4,998,470
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Economic Development Fund	2,000,000	2,000,000	0	(2,000,000)
Gas subfund	0	17,504	17,504	0
Electric Distribution subfund	0	582,224	582,224	0
Proceeds from issuance of long-term debt:				
NET CHANGE IN FUND BALANCE	\$ <u>(2,588,690)</u>	<u>(7,328,750)</u>	<u>(4,330,280)</u>	<u>2,998,470</u>
ADJUSTMENTS TO GAAP				
Encumbrances			5,106,043	
Changes in compensated absences			(24,888)	
Bad debt adjustment			7,193	
Depreciation and amortization			(2,045,314)	
Adjustments to inventory			(8,347)	
Net book value of disposed capital assets			(354)	
Assets transferred - proprietary funds			(21,165)	
Capital outlay capitalized			2,635,285	
Principal on interfund loans			(169,152)	
Pension expense			74,784	
Principal on debt service			155,208	
			<u>5,709,293</u>	
GAAP BASIS			1,379,013	
NET POSITION				
Beginning of fiscal year			<u>68,555,679</u>	
NET POSITION - END OF FISCAL YEAR			\$ <u>69,934,692</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
WASTEWATER SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
State grants-other	\$ 14,800,856	14,800,856	0	(14,800,856)
Charges for services				
Wastewater collection	\$ 6,267,122	6,267,122	5,249,857	(1,017,265)
Commercial and industrial	0	0	786,962	786,962
Miscellaneous services	0	0	9,676	9,676
	<u>6,267,122</u>	<u>6,267,122</u>	<u>6,046,495</u>	<u>(220,627)</u>
Miscellaneous revenues				
Interest income	110,965	110,965	376,048	265,083
	<u>110,965</u>	<u>110,965</u>	<u>376,048</u>	<u>265,083</u>
TOTAL REVENUES	21,178,943	21,178,943	6,422,543	(14,756,400)
EXPENSES AND ENCUMBRANCES				
Department of Public Utilities				
Wastewater				
Employee salaries and benefits	1,449,399	1,449,399	1,429,895	19,504
Outside services	15,300,123	17,823,404	2,564,953	15,258,451
Materials and supplies	419,700	429,310	240,588	188,722
Intrafund/interfund services	1,639,275	1,639,275	1,487,420	151,855
Capital outlay	5,000	99,435	46,968	52,467
Debt and fiscal charges	698,314	698,314	696,363	1,951
TOTAL EXPENSES AND ENCUMBRANCES	19,511,811	22,139,137	6,466,187	15,672,950
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,667,132	(960,194)	(43,644)	916,550
Transfers in from:				
NET CHANGE IN FUND BALANCE	\$ <u>1,667,132</u>	<u>(960,194)</u>	<u>(43,644)</u>	<u>916,550</u>

ADJUSTMENTS TO GAAP

Encumbrances	1,512,703
Changes in compensated absences	(20,102)
Bad debt adjustment	(2,586)
Depreciation and amortization	(854,397)
Adjustments to inventory	(40)
Net book value of disposed capital assets	(91)
Assets transferred - proprietary funds	(10,583)
Capital outlay capitalized	687,553
Pension expense	61,588
Principal on debt service	529,253

1,903,298**GAAP BASIS**

1,859,654**NET POSITION**

Beginning of fiscal year

29,782,171**NET POSITION - END OF FISCAL YEAR**

\$ 31,641,825

LOS ALAMOS



Enterprise Funds

Enterprise Funds account for activities financed and operated in a manner similar to private business enterprises. These activities generally provide goods or services to the public on a continuing basis and are financed primarily through charges to users.

Other Enterprise Funds:

Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Transit Fund 651 - accounts for the operation of the Atomic City Transit (ACT) public transportation system.

Fire Fund 660 - accounts for fire protection services provided to Los Alamos National Laboratory and the community through a cooperative agreement with the National Nuclear Security Administration.

Airport Fund 681 - accounts for the operation and maintenance of the Los Alamos Airport.



LOS ALAMOS

where discoveries are made

**INCORPORATED COUNTY OF LOS ALAMOS
ENVIRONMENTAL SERVICE FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 1,101,000	1,101,000	1,146,427	45,427
State grants-other	0	12,300	12,300	0
Charges for services				
Sales of food or merchandise (trash bags)	0	0	1,967	1,967
Residential	2,211,000	2,211,000	2,243,908	32,908
Commercial and industrial	670,000	670,000	664,804	(5,196)
Other charges for services	500,000	500,000	437,869	(62,131)
	<u>3,381,000</u>	<u>3,381,000</u>	<u>3,348,548</u>	<u>(32,452)</u>
Interfund/interdepartmental charges				
Interdepartmental services	74,000	74,000	64,354	(9,646)
Miscellaneous revenues				
Interest income	13,000	13,000	82,027	69,027
Interest charges-delinquent accounts	0	0	5,970	5,970
Other	110,000	110,000	146,327	36,327
	<u>123,000</u>	<u>123,000</u>	<u>234,324</u>	<u>111,324</u>
TOTAL REVENUES	4,679,000	4,691,300	4,805,953	114,653
EXPENSES AND ENCUMBRANCES				
Public Works				
Environmental Services				
Employee salaries and benefits	1,472,957	1,472,957	1,367,939	105,018
Outside services	1,533,573	1,616,845	1,554,117	62,728
Materials and supplies	281,202	461,202	173,086	288,116
Intrafund/interfund services	1,138,164	1,138,164	1,126,318	11,846
Capital outlay	175,000	175,000	175,000	0
Debt and fiscal charges	326,985	326,985	329,726	(2,741)
	<u>4,927,881</u>	<u>5,191,153</u>	<u>4,726,186</u>	<u>464,967</u>
TOTAL EXPENSES AND ENCUMBRANCES	4,927,881	5,191,153	4,726,186	464,967
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(248,881)	(499,853)	79,767	579,620

OTHER FINANCING SOURCES (USES)

General Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u>(198,881)</u>	<u>(449,853)</u>	129,767	<u>579,620</u>

ADJUSTMENTS TO GAAP

Encumbrances	190,755
Changes in compensated absences	(7,894)
Bad debt adjustment	(25,673)
Depreciation and amortization	(186,743)
Special closure costs	58,078
Capital outlay capitalized	175,000
Assets transferred - proprietary funds	(175,000)
Principal on debt service	239,061
Pension expense	67,515

335,099**GAAP BASIS**

464,866**NET POSITION**

Beginning of fiscal year	1,920,156
Prior period restatement	(929,237)

\$ 1,455,785**NET POSITION - END OF FISCAL YEAR**

\$ 1,455,785

**INCORPORATED COUNTY OF LOS ALAMOS
TRANSIT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal direct	\$ 190,620	190,620	0	(190,620)
Federal indirect	3,009,913	3,009,913	2,828,287	(181,626)
State grants-other	0	1,543,000	0	(1,543,000)
Other intergovernmental (NCRTD)	1,202,120	1,202,120	418,940	(783,180)
	<u>4,402,653</u>	<u>5,945,653</u>	<u>3,247,227</u>	<u>(2,698,426)</u>
Interfund/interdepartmental charges				
Interdepartmental services	0	0	0	0
Miscellaneous revenues				
Interest income	24,000	24,000	114,575	90,575
TOTAL REVENUES	<u>4,426,653</u>	<u>5,969,653</u>	<u>3,361,802</u>	<u>(2,607,851)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Transit (Atomic City Transit)				
Employee salaries and benefits	3,084,316	3,084,316	2,363,405	720,911
Outside services	151,011	2,092,353	99,504	1,992,849
Materials and supplies	39,472	51,752	40,832	10,920
Intrafund/interfund services	1,396,338	1,396,338	1,396,541	(203)
Capital outlay	1,417,026	1,854,151	1,480,820	373,331
TOTAL EXPENSES AND ENCUMBRANCES	<u>6,088,163</u>	<u>8,478,910</u>	<u>5,381,102</u>	<u>3,097,808</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(1,661,510)	(2,509,257)	(2,019,300)	489,957
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
Transfers out to:				
NET CHANGE IN FUND BALANCE	<u><u>\$ (461,510)</u></u>	<u><u>(1,309,257)</u></u>	<u><u>(819,300)</u></u>	<u><u>489,957</u></u>

ADJUSTMENTS TO GAAP

Encumbrances	1,420,115
Changes in compensated absences	(24,436)
Depreciation and amortization	(184,127)
Capital outlay capitalized	61,977
Pension expense	116,775

1,390,304

GAAP BASIS

571,004

NET POSITION

Beginning of fiscal year	(702,756)
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NET POSITION - END OF FISCAL YEAR

\$ (131,752)

**INCORPORATED COUNTY OF LOS ALAMOS
FIRE FUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Fire excise tax	\$ 2,190,000	2,190,000	2,292,854	102,854
Intergovernmental revenue				
Federal direct - NNSA cooperative agreement	20,594,835	20,594,835	20,288,950	(305,885)
State grants-other	500,000	500,000	532,066	32,066
Charges for services				
Ambulance services	620,000	620,000	616,051	(3,949)
Interfund/interdepartmental charges				
County share of fire services	7,144,357	7,144,357	6,584,108	(560,249)
TOTAL REVENUES	31,049,192	31,049,192	30,314,029	(735,163)
EXPENSES AND ENCUMBRANCES				
Fire Department				
Operations				
Employee salaries and benefits	17,122,419	17,122,419	16,123,544	998,875
Outside services	22,120	43,216	20,197	23,019
Materials and supplies	300,105	416,959	418,675	(1,716)
	<u>17,444,644</u>	<u>17,582,594</u>	<u>16,562,416</u>	<u>1,020,178</u>
Life Safety				
Employee salaries and benefits	0	0	9,171	(9,171)
Outside services	158,700	158,700	75,111	83,589
Materials and supplies	861,577	1,436,577	1,433,059	3,518
	<u>1,020,277</u>	<u>1,595,277</u>	<u>1,517,341</u>	<u>77,936</u>
Training				
Employee salaries and benefits	0	0	12,551	(12,551)
Outside services	402,743	188,449	129,668	58,781
Materials and supplies	98,300	182,341	133,994	48,347
	<u>501,043</u>	<u>370,790</u>	<u>276,213</u>	<u>94,577</u>

Emergency Medical Services				
Outside services	161,459	169,763	120,785	48,978
Materials and supplies	189,618	237,791	252,665	(14,874)
	<u>351,077</u>	<u>407,554</u>	<u>374,934</u>	<u>32,620</u>
Non contract-administration				
Employee salaries and benefits	243,621	243,621	238,367	5,254
Outside services	71,200	80,228	68,742	11,486
Materials and supplies	25,578	25,578	35	25,543
Intrafund/interfund services	199,601	199,601	199,600	1
Capital outlay	0	0	17,100	(17,100)
	<u>540,000</u>	<u>549,028</u>	<u>523,844</u>	<u>25,184</u>
Administration				
Employee salaries and benefits	2,859,499	2,859,499	2,756,746	102,753
Outside services	635,898	360,898	351,278	9,620
Materials and supplies	76,400	79,692	41,367	38,325
Intrafund/interfund services	4,850,354	4,850,354	5,121,355	(271,001)
	<u>8,422,151</u>	<u>8,150,443</u>	<u>8,270,746</u>	<u>(120,303)</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>28,279,192</u>	<u>28,655,686</u>	<u>27,525,494</u>	<u>1,130,192</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	2,770,000	2,393,506	2,788,535	(395,029)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	<u>(2,190,000)</u>	<u>(2,190,000)</u>	<u>(2,190,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u>580,000</u>	<u>203,506</u>	598,535	<u>(395,029)</u>
ADJUSTMENTS TO GAAP				
Encumbrances			167,567	
Changes in compensated absences			(463,878)	
Bad debt expense			(149,759)	
Depreciation and amortization			(553,919)	
Net book value of disposed capital assets			1,263,442	
Pension expense			3,351,665	
			<u>3,615,118</u>	
GAAP BASIS			4,213,653	
NET POSITION				
Beginning of fiscal year			(50,961,045)	
NET POSITION - END OF FISCAL YEAR			\$ <u>(46,747,392)</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
AIRPORT FUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Licenses and permits				
Intergovernmental				
Federal direct	45,000	88,000	0	(88,000)
State grants-other	796,500	871,264	71,947	(799,317)
	<u>841,500</u>	<u>959,264</u>	<u>71,947</u>	<u>(887,317)</u>
Charges for services				
Airport fees	137,225	137,225	71,711	(65,514)
Miscellaneous revenues				
Interest income	24,000	24,000	40,033	16,033
	<u>24,000</u>	<u>24,000</u>	<u>40,033</u>	<u>16,033</u>
TOTAL REVENUES	<u>1,002,725</u>	<u>1,120,489</u>	<u>183,691</u>	<u>(936,798)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Airport operations				
Employee salaries and benefits	118,365	118,365	20,656	97,709
Outside services	992,300	1,113,025	192,240	920,785
Materials and supplies	37,442	37,442	13,041	24,401
Intrafund/interfund services	165,557	165,557	159,760	5,797
Capital outlay	60,000	0	49,797	(49,797)
Debt and fiscal charges	1,500	1,500	809	691
	<u>1,375,164</u>	<u>1,435,889</u>	<u>436,303</u>	<u>999,586</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>1,375,164</u>	<u>1,435,889</u>	<u>436,303</u>	<u>999,586</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(372,439)	(315,400)	(252,612)	62,788

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

General Fund

376,053	376,053	165,331	(210,722)
<u>376,053</u>	<u>376,053</u>	<u>165,331</u>	<u>(210,722)</u>

NET CHANGE IN FUND BALANCE

\$ 3,614	60,653	(87,281)	(147,934)
<u>3,614</u>	<u>60,653</u>	<u>(87,281)</u>	<u>(147,934)</u>

ADJUSTMENTS TO GAAP

Encumbrances

140,150

Changes in compensated absences

(1,418)

Depreciation and amortization

(586,259)

Capital outlay capitalized

49,797

Pension expense

5,639

(392,091)(479,372)**GAAP BASIS****NET POSITION**

Beginning of fiscal year

13,126,157

NET POSITION - END OF FISCAL YEAR

\$ 12,646,785
<u>12,646,785</u>



LOS ALAMOS



Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of a government on a cost-reimbursement basis. The County's internal service funds primarily serve the business-type activities of the County.

Equipment Fund 720 - accounts for the maintenance and replacement of the County's central equipment pool.

Risk Management Fund 730 - accounts for the County's insurance for health, workers compensation, unemployment, retiree health care, property and general liability.

Custodial Fund

Custodial Fund 871 - accounts for the collection and payment to the State and local School District of property taxes billed and collected by the County and all contributions and benefits made to and from the Employee Assistance Fund, Recreation Programs and Utility Assistance Programs. The Statement of Net Position and the Statement of Changes in Net Position are required fund financial statements for the Custodial Fund, and are presented immediately following the Internal Service Funds financial statements.

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where discoveries are made

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2021

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
ASSETS			
CURRENT ASSETS			
Equity in pooled cash and investments	\$ 5,571,405	11,818,304	17,389,709
Receivables, net of allowance for uncollectibles			
Accounts	0	1,938	1,938
Inventories and prepayments			
	<u>5,571,405</u>	<u>11,820,242</u>	<u>17,391,647</u>
PROPERTY, PLANT AND EQUIPMENT			
Machinery and equipment	30,496,401	0	30,496,401
Less accumulated depreciation	(20,173,626)	0	(20,173,626)
	<u>10,322,775</u>	<u>0</u>	<u>10,322,775</u>
TOTAL ASSETS	<u>15,894,180</u>	<u>11,820,242</u>	<u>27,714,422</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post employment benefits	111,069	31,866	142,935
Deferred pensions	326,723	93,383	420,106
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	37,881	548,856	586,737
Claims and judgments payable	0	1,470,199	1,470,199
Accrued salaries including benefits payable	8,276	2,675	10,951
Accrued compensated absences	102,864	30,475	133,339
Due to other funds	0	11,000	11,000
	<u>149,021</u>	<u>2,063,205</u>	<u>2,212,226</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	54,136	3,136	57,272
Claims and judgments payable	0	948,889	948,889
Net other post employment benefits liability	446,927	174,477	621,404
Net pension liability	1,240,732	371,826	1,612,558
	<u>1,741,795</u>	<u>1,498,328</u>	<u>3,240,123</u>
TOTAL LIABILITIES	<u>1,890,816</u>	<u>3,561,533</u>	<u>5,452,349</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred other post employment benefits	212,372	77,679	290,051
Deferred pensions	32,335	13,338	45,673
NET POSITION			
Net investment in capital assets	10,322,775	0	10,322,775
Unrestricted	3,873,674	8,292,941	12,166,615
TOTAL NET POSITION	<u>\$ 14,196,449</u>	<u>8,292,941</u>	<u>22,489,390</u>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2021

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
OPERATING REVENUES			
Interfund charges for services	\$ 4,183,060	66	4,183,126
Insurance and pension contributions			
County	0	9,201,597	9,201,597
Employees and retirees	0	1,732,682	1,732,682
Miscellaneous operating revenue	52,534	581,006	633,540
	<u>4,235,594</u>	<u>11,515,351</u>	<u>15,750,945</u>
OPERATING EXPENSES			
Employee salaries and benefits	931,373	332,673	1,264,046
Contractual services	831,201	9,786,687	10,617,888
Materials and supplies	1,044,296	5,822	1,050,118
Depreciation and amortization	2,110,536	0	2,110,536
Other	0	0	0
	<u>4,917,406</u>	<u>10,125,182</u>	<u>15,042,588</u>
OPERATING INCOME (LOSS)	(681,812)	1,390,169	708,357
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of fixed assets	216,025	0	216,025
Investment income	357,563	0	357,563
	<u>573,588</u>	<u>0</u>	<u>573,588</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(108,224)	1,390,169	1,281,945
TRANSFERS AND CONTRIBUTIONS			
Transfers in	258,765	0	258,765
Intergovernmental - capital grants	172,758	0	172,758
Contributed capital assets - governmental activities	76,521	0	76,521
	<u>508,044</u>	<u>0</u>	<u>508,044</u>
NET INCOME (LOSS)	399,820	1,390,169	1,789,989
NET POSITION			
Beginning of fiscal year	13,796,629	6,902,772	20,699,401
NET POSITION - END OF FISCAL YEAR	\$ 14,196,449	\$ 8,292,941	22,489,390

**INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2021**

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES			
Cash received from customers and users	\$ 4,235,792	581,135	4,816,927
Cash received from contributions-employer and employees	0	10,934,279	10,934,279
Cash paid to suppliers for goods and services	(1,911,197)	(9,941,170)	(11,852,367)
Cash paid to employees	(947,334)	(333,306)	(1,280,640)
NET CASH FLOWS - OPERATING ACTIVITIES	1,377,261	1,240,938	2,618,199
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	0	11,000	11,000
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	0	11,000	11,000
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from grants	172,758	0	172,758
Cash paid for acquisition of capital assets	(2,561,459)	0	(2,561,459)
Proceeds from sale of capital assets	240,441	0	240,441
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(2,148,260)	0	(2,148,260)
CASH FLOWS - INVESTING ACTIVITIES			
Interest received on investments	357,563	0	357,563
NET INCREASE (DECREASE) IN CASH	(413,436)	1,251,938	838,502
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	5,984,841	10,566,366	16,551,207
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 5,571,405	11,818,304	17,389,709

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

OPERATING INCOME(LOSS)	\$ (681,812)	1,390,169	708,357
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES			
Depreciation and amortization expense	2,110,536	0	2,110,536
Change in assets and liabilities:			
Accounts and other receivables	198	63	261
Accounts payable	(35,700)	71,844	36,144
Salaries and benefits payable	(15,961)	(633)	(16,594)
Claims and judgments payable	0	(220,505)	(220,505)
Total adjustments	<u>2,059,073</u>	<u>(149,231)</u>	<u>1,909,842</u>
NET CASH FLOWS - OPERATING ACTIVITIES	\$ <u><u>1,377,261</u></u>	<u><u>1,240,938</u></u>	<u><u>2,618,199</u></u>

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ 258,765	0	258,765
Contributed capital assets - governmental activities	76,521	0	76,521
TOTAL NON CASH CAPITAL ACQUISITIONS	\$ <u><u>335,286</u></u>	<u><u>0</u></u>	<u><u>335,286</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS
EQUIPMENT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State grants-other	\$ 0	173,000	172,758	(242)
Interfund/interdepartmental charges				
Charges for special services	4,183,031	4,183,031	4,183,060	29
Miscellaneous revenues				
Investment income	137,000	137,000	357,563	220,563
Other	216,000	216,000	52,534	(163,466)
	<u>353,000</u>	<u>353,000</u>	<u>410,097</u>	<u>57,097</u>
TOTAL REVENUES	<u>4,536,031</u>	<u>4,709,031</u>	<u>4,765,915</u>	<u>56,884</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	1,061,671	1,061,671	948,929	112,742
Outside services	202,686	202,686	213,287	(10,601)
Materials and supplies	1,483,049	1,744,304	1,044,847	699,457
Intrafund/interfund services	637,030	637,030	641,969	(4,939)
Capital outlay	0	0	92,248	(92,248)
	<u>3,384,436</u>	<u>3,645,691</u>	<u>2,941,280</u>	<u>704,411</u>
Fleet management-equipment replacement				
Capital outlay	2,122,485	2,881,421	2,788,887	92,534
	<u>2,122,485</u>	<u>2,881,421</u>	<u>2,788,887</u>	<u>92,534</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>5,506,921</u>	<u>6,527,112</u>	<u>5,730,167</u>	<u>796,945</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(970,890)	(1,818,081)	(964,252)	853,829

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

Proceeds from sale of capital assets

103,000103,000240,441137,441**NET CHANGE IN NET POSITION**\$ **(867,890)****(1,715,081)****(723,811)****991,270****ADJUSTMENTS TO GAAP**

Encumbrances

344,282

Changes in compensated absences

(27,898)

Depreciation and amortization

(2,110,536)

Net book value of disposed capital assets

(24,416)

Capital outlay capitalized

2,561,459

Asset transfers - proprietary funds

258,765

Contributed capital assets - governmental activities

76,521

Pension expense

45,454

1,123,631**GAAP BASIS****399,820****NET POSITION**

Beginning of fiscal year

13,796,629**NET POSITION - END OF FISCAL YEAR**\$ **14,196,449**

**INCORPORATED COUNTY OF LOS ALAMOS
RISK MANAGEMENT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2021

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services				
Administrative charges for services	\$ 0	0	66	66
Interfund/interdepartmental charges				
County insurance contributions	10,544,397	10,544,397	9,201,597	(1,342,800)
Miscellaneous revenues				
Group insurance contributions				
Employees	2,130,731	2,130,731	1,732,682	(398,049)
Other	192,000	192,000	580,931	388,931
	<u>2,322,731</u>	<u>2,322,731</u>	<u>2,313,613</u>	<u>(9,118)</u>
TOTAL REVENUES	12,867,128	12,867,128	11,515,276	(1,351,852)
EXPENSES AND ENCUMBRANCES				
Administrative Services - Human Resources				
Group insurance				
Outside services	679,909	680,118	577,896	102,222
Intrafund/interfund services	(30,209)	(30,209)	(31,871)	1,662
	<u>649,700</u>	<u>649,909</u>	<u>546,025</u>	<u>103,884</u>
Medical Insurance				
Outside services	9,720,000	9,720,000	7,958,368	1,761,632
Unemployment insurance				
Outside services	70,000	70,000	7,470	62,530
Workers' compensation insurance				
Outside services	700,000	700,000	682,479	17,521
Administration and other insurance				
Employee salaries and benefits	394,912	394,912	333,997	60,915
Outside services	1,407,151	1,461,768	846,953	614,815
Materials and supplies	11,525	11,525	5,822	5,703
Intrafund/interfund services	37,302	37,302	38,962	(1,660)
	<u>1,850,890</u>	<u>1,905,507</u>	<u>1,225,734</u>	<u>679,773</u>
TOTAL EXPENSES AND ENCUMBRANCES	12,990,590	13,045,416	10,420,076	2,625,340

NET CHANGE IN NET POSITION	\$ <u>(123,462)</u>	<u>(178,288)</u>	1,095,200	<u>1,273,488</u>
ADJUSTMENTS TO GAAP				
Encumbrances			73,066	
Changes in compensated absences			(11,066)	
Bad debt expense			75	
Incurred but not reported claims adjustment			220,505	
Pension expense			12,389	
			<u>294,969</u>	
GAAP BASIS			1,390,169	
NET POSITION				
Beginning of fiscal year			<u>6,902,772</u>	
NET POSITION - END OF FISCAL YEAR			\$ <u>8,292,941</u>	

INCORPORATED COUNTY OF LOS ALAMOS
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2021

	Property Taxes	Employee Assistance Fund	Recreation Programs	Utility Assistance Program
ASSETS				
Cash and cash equivalents	2,237	22,592	42,606	33,348
Receivables, net of allowance for uncollectibles:				
Property taxes	330,223	0	0	0
Others	313	0	0	0
Total receivables	330,536	0	0	0
TOTAL ASSETS	332,773	22,592	42,606	33,348
LIABILITIES				
Accounts payable and other liabilities	0	0	0	0
TOTAL LIABILITIES	0	0	0	0
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	332,773			
Employee fund		22,592		
Recreation programs			42,606	
Utility assistance program				33,348
TOTAL NET POSITION	332,773	22,592	42,606	33,348

INCORPORATED COUNTY OF LOS ALAMOS
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
Year Ended June 30, 2021

	<u>Property Taxes</u>	<u>Employee Assistance Fund</u>	<u>Recreation Programs</u>	<u>Utility Assistance Program</u>
ADDITIONS				
Contributions:				
Customers	0	0	0	20,237
Property tax received	34,012,895	0	0	0
Donations for recreation programs	0	0	1,000	0
Employee fund	0	22,592	0	0
Total contributions	<u>34,012,895</u>	<u>22,592</u>	<u>1,000</u>	<u>20,237</u>
Sales tax collections for other governments	2,565,933	0	0	0
Fee collections for other governments	11,412	0	0	0
TOTAL ADDITIONS	<u>36,590,240</u>	<u>22,592</u>	<u>1,000</u>	<u>20,237</u>
DEDUCTIONS				
Benefits paid to participants or beneficiaries	0	0	0	14,200
Payment to State	2,563,046	0	0	0
Property tax payment	34,008,911	0	0	0
Employee fund	0	21,582	0	0
TOTAL DEDUCTIONS	<u>36,571,957</u>	<u>21,582</u>	<u>0</u>	<u>14,200</u>
Net increase (decrease) in custodial net position	18,283	1,010	1,000	6,037
NET POSITION				
Beginning of fiscal year	0	0	0	0
Prior period restatement - GASB Statement 84	314,490	21,582	41,606	27,311
NET POSITION - END OF FISCAL YEAR	<u><u>332,773</u></u>	<u><u>22,592</u></u>	<u><u>42,606</u></u>	<u><u>33,348</u></u>



LOS ALAMOS

where discoveries are made

Statistical Section

This section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the County's overall financial health. This section is presented in five general categories as described below.

Financial trends information is intended to assist readers in understanding and assessing how the County's financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the County's ability to generate its "own-source revenues". Own-source revenues are revenues that are generated by the County itself. The County's largest own-source revenues are Joint Utility System charges, thus there are several required tables showing the Joint Utility Fund customer base, charge rates, and revenues by customer category. **Additional tables, although not required, show gross receipts tax revenue history and information about property taxes.**

Debt capacity information is intended to assist readers in understanding and assessing the County's debt burden and its ability to issue additional debt.

Demographic and economic information is intended (1) to assist readers in understanding the socioeconomic environment within which the County operates and (2) to provide information that facilitates comparisons of financial information over time and among governments.

Operating information is intended to provide contextual information about the County's operations and resources to assist readers in using financial statement information to understand and assess the County's economic condition.

**INCORPORATED COUNTY OF LOS ALAMOS
NET POSITION BY COMPONENT**

Table 1

(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Governmental activities										
Net investment in capital assets	\$ 208,576,888	237,826,582	239,254,295	250,108,256	252,531,286	259,802,145	245,740,292	243,608,904	241,821,819	244,701,611
Restricted	33,651,944	35,537,750	34,988,485	34,249,549	33,470,637	36,167,913	37,428,930	38,583,131	41,161,171	51,636,358
Unrestricted	88,201,894	64,512,993	65,417,024	24,828,055 [b]	23,440,469	11,708,367	-14,208,320 [c]	-9,962,668	-4,966,319	13,286,669
Total governmental activities net position [a]	<u>\$ 330,430,726</u>	<u>337,877,325</u>	<u>339,659,804</u>	<u>309,185,860</u>	<u>309,442,392</u>	<u>307,678,425</u>	<u>268,960,902</u>	<u>272,229,367</u>	<u>278,016,671</u>	<u>309,624,638</u>
Business-type activities										
Net investment in capital assets	\$ 167,570,211	167,060,666	181,756,242	179,372,871	184,426,198	188,228,999	189,991,534	190,686,814	190,251,621	192,208,314
Restricted	21,139,074	22,202,599	22,978,409	18,360,915	14,083,223	12,158,471	10,098,323	7,166,671	18,728,201	13,944,183
Unrestricted	37,641,839	35,292,581	32,720,327	-13,031,536 [b]	-11,155,982	-19,209,288	-47,684,553 [c]	-45,260,431 [d]	-55,904,827	-46,157,528
Total business-type activities net position [a]	<u>\$ 226,351,124</u>	<u>224,555,846</u>	<u>237,454,978</u>	<u>184,702,250</u>	<u>187,353,439</u>	<u>181,178,182</u>	<u>152,405,304</u>	<u>152,593,054</u>	<u>153,074,995</u>	<u>159,994,969</u>
Primary government										
Net investment in capital assets	\$ 376,147,099	404,887,248	421,010,537	429,481,127	436,957,484	448,031,144	435,731,826	434,295,718	432,073,440	436,909,925
Restricted	54,791,018	57,740,349	57,966,894	52,610,464	47,553,860	48,326,384	47,527,253	45,749,802	59,889,372	65,580,541
Unrestricted	125,843,733	99,805,574	98,137,351	11,796,519 [b]	12,284,487	-7,500,921	-61,892,873 [c]	-55,223,099 [d]	-60,871,146	-32,870,859
Total primary government net position [a]	<u>\$ 556,781,850</u>	<u>562,433,171</u>	<u>577,114,782</u>	<u>493,888,110</u>	<u>496,795,831</u>	<u>488,856,607</u>	<u>421,366,206</u>	<u>424,822,421</u>	<u>431,091,666</u>	<u>469,619,607</u>

Source: Los Alamos County ACFRs

Notes:

[a] The County implemented GASB 63 during FY2013 in which formerly titled "Net Assets" are now named "Net Position".

[b] The County implemented GASB 68 during FY2015 which includes net pension liability. The reduction of net position is related to the recording of pension expense and the associated deferred inflows and outflows of resources.

[c] The County implemented GASB 75 during FY2018 which includes net other post employment benefits liability. The reduction of net position is related to the recording of other post employment expense and the associated deferred inflows and outflows of resources.

[d] The County implemented GASB 83 during FY2019 for certain Asset Retirement Obligations and the associated deferred outflows of resources.

INCORPORATED COUNTY OF LOS ALAMOS
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Table 2

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Expenses										
Governmental activities:										
General government	\$ 18,663,752	14,217,521	14,792,046	15,786,864	15,346,876	15,742,286	16,153,556	19,043,406	14,263,560	13,393,900
Public safety	12,763,626	14,126,300	13,888,177	12,144,576	13,360,596	16,408,125	16,302,563	15,797,548	16,656,101	18,345,645
Physical and economic environment	3,900,321	1,820,183	1,704,968	1,625,567	2,958,513	3,153,938	3,720,214	4,163,026	3,663,039	3,976,600
Transportation	11,979,692	10,597,589	11,592,103	10,612,552	11,818,676	11,961,231	11,313,990	11,464,191	9,926,041	9,211,396
Health and welfare	2,671,201	2,812,257	2,413,003	3,454,239	3,365,393	3,875,543	3,852,592	4,057,282	4,834,931	4,868,243
Culture and recreation	9,327,340	8,630,805	8,539,264	8,499,131	9,048,935	10,887,483	10,597,328	10,314,762	10,508,678	9,743,003
Interest on long-term debt	3,476,881	3,651,044	3,143,244	3,089,731	2,918,556	2,729,727	2,525,526	1,666,726	1,694,656	1,322,450
Total governmental activities expenses	<u>62,782,813</u>	<u>55,855,699</u>	<u>56,072,805</u>	<u>55,212,660</u>	<u>58,817,545</u>	<u>64,758,333</u>	<u>64,465,769</u>	<u>66,506,941</u>	<u>61,547,006</u>	<u>60,861,237</u>
Business-type activities:										
Joint Utilities										
Electric	41,719,538	47,133,456	43,960,638	47,510,797	40,530,631	41,151,605	42,051,970	45,127,608	41,918,130	47,336,014
Gas	4,311,995	4,782,055	6,075,188	4,442,941	3,917,505	4,541,525	4,415,685	5,077,295	4,328,197	5,868,459
Water	5,551,378	6,743,730	6,663,350	7,037,166	7,476,966	7,204,526	6,683,631	6,955,455	7,239,170	7,362,681
Wastewater	3,771,483	4,013,751	3,943,016	4,294,289	4,013,980	4,136,049	4,189,896	4,242,789	4,453,683	4,498,210
Environmental Services	4,549,617	3,670,408	4,225,768	3,984,802	3,669,075	4,601,666	4,488,772	4,803,463	3,833,069	5,108,761
Golf	1,254,690	1,194,242	0 [a]	0	0	0	0	0	0	0
Transit (Atomic City Transit)	3,567,829	4,200,697	3,993,193	4,050,193	3,665,719	4,038,842	4,239,082	4,113,106	4,236,488	3,927,810
Fire	21,002,769	20,470,142	22,908,775	23,455,765	25,081,899	29,027,727	26,744,125	28,057,775	27,975,499	23,570,955
Airport	1,108,878	1,737,767	1,537,667	1,251,229	1,777,165	1,628,521	1,134,060	931,841	924,622	827,233
Total business-type activities expenses	<u>86,838,177</u>	<u>93,946,248</u>	<u>93,307,595</u>	<u>96,027,182</u>	<u>90,132,940</u>	<u>96,330,461</u>	<u>93,947,221</u>	<u>99,309,332</u>	<u>94,908,858</u>	<u>98,500,123</u>
Total primary government expenses	<u>\$ 149,620,990</u>	<u>149,801,947</u>	<u>149,380,400</u>	<u>151,239,842</u>	<u>148,950,485</u>	<u>161,088,794</u>	<u>158,412,990</u>	<u>165,816,273</u>	<u>156,455,864</u>	<u>159,361,360</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 1,020,736	1,079,196	957,045	1,038,897	1,271,004	1,316,695	1,378,903	1,692,841	1,541,893	1,393,398
Public safety	39,254	30,892	10,075	27,970	21,186	33,262	32,631	38,749	103,530	209,150
Transportation	0	58,997	0	0	0	0	0	0	0	0
Physical and economic environment	229,336	278,557	297,164	285,865	267,346	350,571	394,274	391,345	585,986	933,120
Culture and recreation	500,258	485,245	1,095,508	1,054,444	1,049,593	1,002,205	884,437	549,841	417,634	528,851
Operating grants and contributions	2,188,367	2,944,958	3,193,079	1,686,315	2,215,748	2,775,875	1,167,725	482,275	1,459,864	4,333,989
Capital grants and contributions	462,299	1,254,628	710,953	895,715	702,911	2,937,044	3,253,923	2,273,796	4,039,402	2,120,077
Total governmental activities program revenues	<u>4,440,250</u>	<u>6,132,473</u>	<u>6,263,824</u>	<u>4,989,206</u>	<u>5,527,788</u>	<u>8,415,652</u>	<u>7,111,893</u>	<u>5,428,847</u>	<u>8,148,309</u>	<u>9,518,585</u>
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	44,840,758	49,066,724	46,479,599	41,641,654	45,701,692	40,655,034	42,778,437	43,810,731	41,311,524	45,915,681
Gas	5,453,744	5,496,085	6,714,276	5,383,259	4,910,279	4,502,630	4,213,834	5,481,552	4,729,484	5,701,589
Water	5,667,415	5,768,598	4,913,083	4,614,815	4,901,704	5,305,884	6,204,782	5,917,490	6,749,100	7,593,028
Wastewater	4,147,134	3,998,295	4,019,962	4,286,041	4,643,528	4,962,215	5,274,729	5,519,652	5,856,991	6,046,495
Environmental Services	2,827,628	2,701,807	3,096,701	2,719,249	2,951,773	3,180,855	3,359,964	3,380,819	3,597,243	3,559,229
Golf	521,004	505,080	0 [b]	0	0	0	0	0	0	0
Transit (Atomic City Transit)	39,132	150,092	150,000	0	0	11,701	18,830	0	0	0
Fire	4,111,381	4,485,389	4,702,845	4,399,490	4,829,236	5,415,618	5,597,906	5,515,946	6,461,392	7,200,160
Airport	88,933	85,324	100,434	88,639	87,389	90,208	96,492	115,787	130,428	71,711

Operating grants and contributions	18,545,761	18,639,957	20,631,902	20,167,450	20,747,128	22,035,279	22,230,633	21,041,542	22,592,220	24,018,567
Capital grants and contributions	1,734,061	1,863,427	11,953,592	2,484,713	1,577,799	777,875	766,530	1,382,160	925,955	428,961
Total business-type activities program revenues	<u>87,976,951</u>	<u>92,760,778</u>	<u>102,762,394</u>	<u>85,785,310</u>	<u>90,350,528</u>	<u>86,937,299</u>	<u>90,542,137</u>	<u>92,165,679</u>	<u>92,354,337</u>	<u>100,535,421</u>
Total primary government program revenues	<u>\$ 92,417,201</u>	<u>98,893,251</u>	<u>109,026,218</u>	<u>90,774,516</u>	<u>95,878,316</u>	<u>95,352,951</u>	<u>97,654,030</u>	<u>97,594,526</u>	<u>100,502,646</u>	<u>110,054,006</u>
Net (Expenses)/Revenues										
Governmental activities	\$ (58,342,563)	(49,723,226)	(49,808,981)	(50,223,454)	(53,289,757)	(56,342,681)	(57,353,876)	(61,078,094)	(53,398,697)	(51,342,652)
Business-type activities	1,138,774	(1,185,470)	9,454,799	(10,241,872)	217,588	(9,393,162)	(3,405,084)	(7,143,653)	(2,554,521)	2,035,298
Total primary government net expense	<u>\$ (57,203,789)</u>	<u>(50,908,696)</u>	<u>(40,354,182)</u>	<u>(60,465,326)</u>	<u>(53,072,169)</u>	<u>(65,735,843)</u>	<u>(60,758,960)</u>	<u>(68,221,747)</u>	<u>(55,953,218)</u>	<u>(49,307,354)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts taxes	\$ 29,348,286	24,328,784	22,376,156	22,340,980	25,455,540	24,315,050	26,366,908	31,443,202	31,193,301	34,881,631
Property taxes	5,181,012	5,266,033	5,328,528	5,336,098	6,974,747	7,020,492	7,183,982	7,295,432	7,757,444	8,025,363
Franchise taxes	470,897	464,719	481,665	472,261	512,974	566,033	491,995	528,970	524,930	533,848
Grants and contribution not restricted to specific programs	654,647	523,589	1,451,287	817,545	1,392,069	847,665	889,846	1,222,801	934,392	870,136
State shared tax revenue not restricted to specific programs	19,562,710	16,273,672	14,979,816	14,911,175	17,009,401	16,816,686	18,170,327	21,565,567	21,320,542	23,792,023
Unrestricted investment earnings	310,908	6,423,031	8,321,837	1,359,032	55,063	4,961,233	3,719,637	3,467,279	2,623,382	14,620,287
Gain on exchange of capital assets	0	0	0	337,133	0	0	(12,210,226)	(2,719,594)	(6,038,219)	(476,875)
Transfers	(626,955)	3,889,997	(807,895)	347,887	2,146,495	51,556	1,460,372	1,542,902	870,229	704,206
Total governmental activities	<u>54,901,505</u>	<u>57,169,825</u>	<u>52,131,394</u>	<u>45,922,111</u>	<u>53,546,289</u>	<u>54,578,715</u>	<u>46,072,841</u>	<u>64,346,559</u>	<u>59,186,001</u>	<u>82,950,619</u>
Business-type activities:										
Gross receipts taxes	2,884,446	2,392,659	2,197,573	2,190,204	2,498,560	2,382,482	2,584,525	3,084,255	3,063,986	3,439,281
Grants and contribution not restricted to specific programs	7,500	0	0	0	0	0	0	0	0	0
Unrestricted investment earnings	911,137	887,530	898,846	157,053	127,936	886,979	779,323	831,079	737,305	1,991,428
Gain on restructuring of San Juan ownership agreement	0	0	0	0 [c]	1,953,600	0	0	0	0	0
Gain (loss) on exchange of capital assets	0	0	0	0	0	0	(998,192)	(609,531)	105,401	158,173
Transfers	626,955	(3,889,997)	807,895	(347,887)	(2,146,495)	(51,556)	(1,460,372)	(1,542,902)	(870,229)	(704,206)
Total business-type activities	<u>4,430,038</u>	<u>(609,808)</u>	<u>3,904,314</u>	<u>1,999,370</u>	<u>2,433,601</u>	<u>3,217,905</u>	<u>905,284</u>	<u>1,762,901</u>	<u>3,036,463</u>	<u>4,884,676</u>
Total primary government	<u>\$ 59,331,543</u>	<u>56,560,017</u>	<u>56,035,708</u>	<u>47,921,481</u>	<u>55,979,890</u>	<u>57,796,620</u>	<u>46,978,125</u>	<u>66,109,460</u>	<u>62,222,464</u>	<u>87,835,295</u>
Change in Net Position										
Governmental activities	\$ (3,441,058)	7,446,599	2,322,413	(4,301,343)	256,532	(1,763,966)	(11,281,035)	3,268,465	5,787,304	31,607,967
Business-type activities	5,568,812	(1,795,278)	13,359,113	(8,242,502)	2,651,189	(6,175,257)	(2,499,800)	(5,380,752)	481,942	6,919,974
Total primary government net expense	<u>\$ 2,127,754</u>	<u>5,651,321</u>	<u>15,681,526</u>	<u>(12,543,845) [b]</u>	<u>2,907,721</u>	<u>(7,939,223)</u>	<u>(13,780,835) [d]</u>	<u>(2,112,287) [d]</u>	<u>6,269,246 [d]</u>	<u>38,527,941</u>

Source: Los Alamos County CAFRs

Notes:

[a] The Golf Course Fund was closed at the end of FY2013 and reclassified from an enterprise fund. The Golf Course became a division of the General Fund beginning July 1, 2014.

[b] The County implemented GASB Statement No. 68 in FY2015 which included restated beginning balances of (\$70.68M) related to the net effect of deferred inflows and outflows relative to net pension liabilities.

[c] The owners of the San Juan generating station restructured ownership agreement when some owners withdrew. The result was a gain for the other owners. This gain was recorded in the Joint Utility System Fund and appears in the business-type activities

[d] The County implemented GASB Statement No. 75 in FY2018 which included restated beginning balances of (\$52.84M) related to the net effect of deferred inflows and outflows relative to net other post employment benefits liabilities.

L  S A L A M O  S

INCORPORATED COUNTY OF LOS ALAMOS
FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)
LAST TEN FISCAL YEARS

Table 3

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 [d]</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
General Fund										
Reserved	0	0	0	0	0	0	0	0	0	0
Unreserved	0	0	0	0	0	0	0	0	0	0
Nonspendable	1,304,638	2,082,306	2,370,466	2,086,644	1,543,084	1,495,689	1,520,487	1,569,759	1,739,237	1,801,502
Restricted	4,573,909	4,704,218	4,578,105	4,662,147	4,725,850	4,817,028	4,719,414	4,904,811	6,549,439	8,074,861
Committed	4,879,110	10,576,477	11,216,517	0	0	0	0	0	0	0
Assigned	0	0	0	2,735,989	2,552,924	1,441,333	5,886,465	2,389,590	3,869,407	10,428,819 [e]
Unassigned	11,947,812	11,020,219	10,946,134	16,030,633	10,988,354	10,122,214	13,177,552	25,370,753	30,409,028	27,392,196 [f]
Total General Fund	<u>22,705,469</u>	<u>28,383,220</u>	<u>29,111,222</u>	<u>25,515,413</u>	<u>19,810,212</u>	<u>17,876,264</u>	<u>25,303,918</u>	<u>34,234,913</u>	<u>42,567,111</u>	<u>47,697,378</u>
All Other Governmental Funds										
Reserved	0	0	0	0	0	0	0	0	0	0
Unreserved, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	0	0
Debt service funds	0	0	0	0	0	0	0	0	0	0
Capital projects funds	0	0	0	0	0	0	0	0	0	0
Permanent funds [a]	0	0	0	0	0	0	0	0	0	0
Nonspendable	24,982,806	25,214,071	25,177,558	25,472,184	24,580,311	24,958,847	25,830,386	15,450	15,450	15,450
Restricted	4,808,769	6,169,905	5,377,454	4,153,960	3,426,972	5,617,945	6,094,484	32,850,984	33,756,368	42,672,219
Committed	72,140,568	43,106,108	43,694,827	787,738	522,781	509,644	475,383	436,126	544,471	568,920
Assigned	0	0	0	31,376,364	36,492,709	28,601,685	26,816,584	26,969,685	25,180,170	40,876,071 g
Unassigned	0	(605,171) [b]	(2,733,870) [c]	0	0	0	(796,699)	(510,303)	69,994	69,993
Total All Other Governmental Funds	<u>101,932,143</u>	<u>73,884,913</u>	<u>71,515,969</u>	<u>61,790,246</u>	<u>65,022,773</u>	<u>59,688,121</u>	<u>58,420,138</u>	<u>59,761,942</u>	<u>59,566,453</u>	<u>84,202,653</u>

Source: Los Alamos County ACFRs

Notes:

[a] Amount by which undistributed balance exceeds required amount of maintained principal balance.

[b] The Unassigned fund balance deficit relates to the individual Las Conchas Fire Fund incurring reimbursable expenditures which were not received within the County's period of availability for accrual (60 days).

[c] The Unassigned fund balance deficit relates to the individual Emergency Declarations Fund, formerly Las Conchas Fire Fund, incurring reimbursable expenditures which were not received within the County's period of availability for accrual (60 days).

[d] The County made policy changes and restructured its fund balances, making many fund balances that were previously reported as committed as either assigned or unrestricted.

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

[f] The decrease in unassigned fund balance is due to the County carrying forward a significant amount in assigned fund balance to complete projects in the next fiscal year.

[g] The increase in Assigned fund balance is due to the Emergency Declarations Fund receiving corona virus relief funds and the significant increase in funding for capital projects in the Capital Improvements Fund.

INCORPORATED COUNTY OF LOS ALAMOS
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)
LAST TEN FISCAL YEARS

Table 4

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Revenues:										
Taxes and special assessments	\$ 35,288,631	30,353,771	28,507,405	28,494,458	33,406,693	32,370,821	34,508,399	39,741,012	39,934,857	43,857,792
Licenses and permits	182,160	232,506	274,320	252,091	241,250	282,417	292,869	271,167	397,269	560,069
Intergovernmental	21,714,390	19,420,500	17,067,419	19,881,600	21,218,380	21,429,688	20,174,079	24,159,020	24,346,020	34,384,924
Fines forfeitures and penalties	160,777	171,567	167,241	154,697	185,658	208,610	190,910	142,993	101,454	112,718
Charges for services	939,550	1,014,457	1,230,420	1,204,594	1,217,041	1,282,751	1,273,973	1,023,331	1,000,884	1,385,207
Interfund/Interdepartmental charges	4,172,734	6,436,301	7,493,187	6,602,030	6,301,361	7,190,007	7,224,440	7,130,081	8,023,975	8,004,968
Investment Income	[b] 310,908 [a]	6,423,031	8,321,837	1,359,032	55,063 [b]	4,961,233 [b]	3,719,637 [b]	3,467,279 [b]	2,623,382 [a]	14,620,287
Other revenues	820,470	706,646	1,286,404	1,482,134	1,613,461	1,043,009	1,684,264	1,855,709	1,695,655	3,262,980
Total revenues	63,589,620	64,758,779	64,348,233	59,430,636	64,238,907	68,768,536	69,068,571	77,790,592	78,123,496	106,188,945
Expenditures										
General government	19,187,027	18,639,060	18,478,112	19,795,338	19,716,655	18,962,346	18,872,265	22,558,333	20,133,201	22,088,973
Public safety	12,157,139	13,510,694	13,365,914	11,897,415	13,083,180	15,115,676	14,813,375	14,078,315	15,020,479	17,989,556
Physical and economic environment	3,895,739	1,723,777	1,714,917	1,660,995	3,006,055	3,011,403	3,535,192	3,951,468	3,471,347	4,079,822
Transportation	4,889,279	4,511,094	4,613,400	3,737,857	4,296,240	3,749,900	3,519,442	4,907,804	4,274,507	3,957,613
Health and welfare	2,671,161	2,811,364	2,414,606	3,461,538	3,371,456	3,855,380	3,831,088	4,028,652	4,809,190	4,883,588
Culture and recreation	8,508,258	7,840,837	7,788,712	7,805,286	7,947,403	8,477,156	8,689,730	8,188,393	8,287,118	8,491,488
Capital Projects/Outlay	24,432,329	24,017,766	11,688,570	18,701,900	10,508,740	17,417,464	4,860,632	4,601,011 [e]	9,885,442	11,153,948
Debt service										
Principal	3,345,000	9,794,887 [c]	3,615,000	3,795,000	3,970,000	4,175,000	4,395,000	4,620,000	3,090,000	3,215,000
Interest	3,569,438	3,442,225	2,542,740	2,475,396	2,299,109	2,089,646	1,873,597	1,645,558	1,460,759	1,337,159
Bond issuance costs	0	375,113 [c]	0	0	0	0	0	0	0	0
Total expenditures	82,655,370	86,666,817	66,221,971	73,330,725	68,198,838	76,853,971	64,390,321	68,579,534	70,432,043	77,197,147
Excess of revenues over (under) expenditures	(19,065,750)	(21,908,038)	(1,873,738)	(13,900,089)	(3,959,931)	(8,085,435)	4,678,250	9,211,058	7,691,453	28,991,798
Other Financial Sources (Uses)										
Transfers in	27,418,134	15,264,237	21,359,159	17,779,053	25,518,449	15,751,408	13,417,513	14,779,710	15,502,538	28,578,479
Transfers out	(28,073,173)	(15,725,678)	(21,126,363)	(17,200,496)	(24,031,192)	(14,934,572)	(11,936,092)	(13,717,969)	(14,459,880)	(27,803,810)
Issuance of long-term debt	0	43,413,930 [d]	0	0	0	0	0	0	0	0
Payment to escrow - refunding debt	0	(43,413,930)	0	0	0	0	0	0	0	0
Loss on disposal of asset held for resale	0	0	0	0	0	0	0	0	(597,402)	0
Total other financial sources (uses)	(655,039)	(461,441)	232,796	578,557	1,487,257	816,836	1,481,421	1,061,741	445,256	774,669
Net change in fund balance	\$ (19,720,789)	(22,369,479)	(1,640,942)	(13,321,532)	(2,472,674)	(7,268,599)	6,159,671	10,272,799	8,136,709 [f]	29,766,467
Debt service as a percentage of non-capital expenditures										
	11.88%	21.13%	11.29%	11.48%	10.87%	10.54%	10.53%	9.79%	7.52%	6.89%

Source: Los Alamos County ACFRs

Notes:

[a] The increase in investment income reflects higher cash and investment balances and higher returns in the overall market.

[b] The decrease in investment income reflects lower cash and investment balances and lower returns in the overall market.

[c] The County refunded a portion of the 2008 GRT Revenue Bonds with Series 2013 GRT Refunding Revenue Bonds, and contributed \$6.7M to defray future debt service payments.

[d] Proceeds from issuance of 2013 GRT Refunding Revenue Bonds are shown here net of premiums and discounts.

[e] The County significantly reduced capital outlay spending as many of the capital projects were completed in the prior year, and the majority of new capital project were not started until fiscal year 2019.

[f] The positive change in fund balance is due to a significant increase in investment income based on higher returns in the overall market.

**INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM CUSTOMER BASE
LAST TEN FISCAL YEARS**

Table 5

Fiscal Year	Number of customer accounts			
	Electric	Gas	Water	Wastewater
2012	8,964	7,756	7,229	7,094
2013	8,714	7,537	7,044	6,768
2014	8,900	7,544	7,064	6,765
2015	8,647	7,439	6,984	6,696
2016	8,796	7,584	7,042	6,694
2017	8,830	7,553	7,095	6,986
2018	8,774	7,602	7,088	6,721
2019	8,561	7,620	7,240	6,926
2020	8,701	7,472	6,954	6,725
2021	8,745	7,589	7,050	6,942

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

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE AND SALES
LAST TEN FISCAL YEARS

Table 6

Fiscal Year	ELECTRIC		GAS		WATER		Wastewater Revenue	Joint Utility System Revenue
	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]		
2012	44,954,861	592,737,868	5,482,076	8,284,857	5,672,022	1,288,143	4,147,134	60,256,093
2013	49,206,543	570,882,779	5,507,228	8,385,907	5,780,760	1,254,647	4,006,563	64,501,094
2014	46,574,314	531,795,566	6,714,276	9,030,531	4,938,708	1,029,057	4,019,962	62,247,260
2015	41,736,139	514,619,427	5,383,259	8,085,720	4,640,379	964,069	4,286,041	56,045,818
2016	45,701,692	566,018,259	4,910,279	8,416,085	4,901,704	974,848	4,643,528	60,157,203
2017	40,655,034	572,259,534	4,502,630	7,649,471	5,305,884	1,035,300	4,962,215	55,425,763
2018	42,778,437	592,979,847	4,213,834	7,642,815	6,204,782	1,056,892	5,274,729	58,471,782
2019	43,810,731	558,286,940	5,481,552	9,229,011	5,917,490	963,397	5,519,652	60,729,425
2020	41,311,524	537,001,455	4,729,484	8,625,811	6,749,101	1,131,886	5,856,991	58,647,099
2021	45,915,681	517,689,041	5,701,589	8,383,838	7,593,028	1,141,059	6,046,495	65,256,793

Sources: All operating revenue - Joint Utility System audited financial statements

Sales - Electric, Gas, Water and Wastewater Quantity Report; UB709 Report; Department of Public Utilities Annual Report

Notes:

[a] Water sales include wholesale water and Mgal sales.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE BY TYPE OF CUSTOMER

Table 7

LAST TEN FISCAL YEARS

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Type of Customer:										
Electric Utility										
Residential	\$ 5,878,664	5,744,107	5,801,691	6,203,978	7,113,594	6,949,869	6,812,700	7,183,448	7,749,030	8,155,745
Commercial and industrial	3,858,918	3,822,367	3,888,005	4,286,822	4,780,023	4,535,052	4,532,289	4,365,731	4,384,843	4,059,412
Public street and highway lighting	69,953	63,467	66,035	67,436	67,941	68,043	88,041	78,252	101,212	95,549
Municipal	1,554,427	1,683,615	1,444,776	1,402,431	1,563,086	1,673,078	1,544,364	1,467,655	1,312,790	1,529,417
Educational	425,151	447,456	473,886	469,886	530,129	531,812	499,448	471,040	483,927	449,572
Wholesale	32,888,233	36,932,693	34,425,200	29,056,585	31,402,138	26,577,782	29,133,071	30,195,212	27,184,281	31,625,986
Miscellaneous	279,515	512,838	474,721	249,001	244,781	319,398	168,524	33,575	95,441	0
Total electric utility	<u>44,954,861</u>	<u>49,206,543</u>	<u>46,574,314</u>	<u>41,736,139</u>	<u>45,701,692</u>	<u>40,655,034</u>	<u>42,778,437</u>	<u>43,794,913</u>	<u>41,311,524</u>	<u>45,915,681</u>
Gas Utility										
Residential	4,230,259	4,288,747	5,068,656	4,150,914	3,825,203	3,549,664	3,304,944	4,076,050	3,502,206	4,232,945
Commercial and industrial	783,425	782,496	879,141	786,424	704,292	593,836	585,317	1,004,232	847,877	1,059,474
Municipal	215,625	216,626	322,610	228,955	196,661	165,999	174,770	200,144	156,721	219,084
Educational	193,036	189,857	227,578	177,991	161,799	163,585	114,868	127,685	95,318	130,779
Miscellaneous	59,731	29,502	216,291	38,975	22,324	29,546	33,935	73,441	127,362	59,307
Total gas utility	<u>5,482,076</u>	<u>5,507,228</u>	<u>6,714,276</u>	<u>5,383,259</u>	<u>4,910,279</u>	<u>4,502,630</u>	<u>4,213,834</u>	<u>5,481,552</u>	<u>4,729,484</u>	<u>5,701,589</u>
Water Utility										
Residential	3,512,646	3,559,699	3,112,239	3,010,161	3,114,535	3,488,643	4,001,151	3,738,794	4,477,349	4,930,764
Commercial and industrial	515,633	479,456	418,078	459,150	431,565	457,437	504,663	499,347	543,179	538,537
Municipal	413,283	379,986	310,255	259,569	303,355	296,167	469,475	485,779	381,593	727,590
Educational	157,613	139,435	122,780	115,167	123,883	138,134	180,863	165,780	207,412	201,195
Wholesale	1,017,619	1,163,816	898,229	734,950	850,800	858,738	999,950	962,792	1,009,607	1,102,041
Miscellaneous	55,228	58,368	77,127	61,382	77,566	66,765	48,680	64,982	129,960	92,901
Total water utility	<u>5,672,022</u>	<u>5,780,760</u>	<u>4,938,708</u>	<u>4,640,379</u>	<u>4,901,704</u>	<u>5,305,884</u>	<u>6,204,782</u>	<u>5,917,474</u>	<u>6,749,100</u>	<u>7,593,028</u>
Wastewater Utility										
Wastewater collection	4,136,291	3,997,167	4,008,411	4,274,921	4,632,768	4,950,622	5,263,954	5,492,597	5,853,950	6,036,819
Municipal (non-potable water)	0	0	0	0	0	0	0	0	0	0
Miscellaneous	10,843	9,396	11,551	11,120	10,760	11,593	10,775	27,055	3,041	9,676
Total wastewater utility	<u>4,147,134</u>	<u>4,006,563</u>	<u>4,019,962</u>	<u>4,286,041</u>	<u>4,643,528</u>	<u>4,962,215</u>	<u>5,274,729</u>	<u>5,519,652</u>	<u>5,856,991</u>	<u>6,046,495</u>
Total operating revenues- Joint Utility System	<u>\$ 60,256,093</u>	<u>64,501,094</u>	<u>62,247,260</u>	<u>56,045,818</u>	<u>60,157,203</u>	<u>55,425,763</u>	<u>58,471,782</u>	<u>60,713,591</u>	<u>58,647,099</u>	<u>65,256,793</u>

Source: ACFRs, Budget to Actual Statements

[a] Non-potable water sales are included in the municipal Water Sub-fund revenues starting in FY2008. Prior to FY2008 they were accounted for in the Wastewater Sub-fund.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM RATE STRUCTURE
LAST TEN FISCAL YEARS

Table 8

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Electric Utility										
Residential										
Rate per kilowatt hour	\$0.0952	\$0.0952	\$0.1028	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152
Monthly flat service fee	\$5.95	\$5.95	\$6.43	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Commercial										
Rate per kilowatt hour	\$0.0613 - 0.902	\$0.0613 - 0.902	\$0.0662 - .09074	\$0.0821-0.1111	\$0.0821-0.1111	\$0.0821-0.1111	\$0.0821-0.1111	\$0.0821-0.1111	\$0.0821-0.1111	\$0.0821-0.1111
Monthly flat service fee	\$15.96 -16.80	\$15.96 -16.80	\$17.24 -18.14	\$22.00 - 65.00	\$22.00 - 65.00	\$22.00 - 65.00	\$22.00 - 65.00	\$22.00 - 65.00	\$22.00 - 65.00	\$22.00 - 65.00
Demand Rate	\$8.93 - 9.35	\$8.93 - 9.35	\$9.644 - 10.10	\$10.50 - 11.00	\$10.50 - 11.00	\$10.50 - 11.00	\$10.50 - 11.00	\$10.50 - 11.00	\$10.50 - 11.00	\$10.50 - 11.00
Gas Utility										
Residential										
Rate per therm	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.30 - \$0.70	\$0.19 - \$0.58	\$0.19 - \$0.58	\$0.28 - \$0.60	\$0.35- \$0.58	\$0.28- \$1.22
Monthly flat service fee	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Commercial										
Rate per therm	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.30 - \$0.70	\$0.19 - \$0.58	\$0.19 - \$0.58	\$0.28 - \$0.60	\$0.35- \$0.58	\$0.28- \$1.22
Monthly flat service fee	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50
Water Utility										
Residential										
Rate per 1000 Gallons	\$4.19	\$4.19	\$4.19	\$4.19 - \$5.32	\$4.19 - \$5.32	\$4.61 - \$5.85	\$4.98 - \$6.32	\$5.29 - \$6.72	\$5.55 - \$7.06	\$5.79 - \$7.36
Monthly flat service fee	\$7.55	\$7.55	\$7.55 - \$8.80	\$7.93	\$7.93	\$8.72	\$9.42	\$10.01	\$10.51	\$10.96
Commercial										
Rate per 1000 Gallons	\$4.19	\$4.19	\$4.19	\$4.19	\$4.19	\$4.61	\$4.98	\$5.29	\$5.55	\$5.79
Monthly flat service fee	\$7.55 - \$275	\$7.55 - \$275	\$7.55 - \$275	\$7.93 - \$439.50	\$7.93 - \$439.50	\$8.72 - \$483.45	\$9.42 - \$522.13	\$10.01 - \$554.75	\$10.51 - \$582.50	\$10.96 - \$607.25
Wastewater Utility										
Residential										
Rate per 1000 Gallons	\$5.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly flat service fees	\$14.52	\$30.33 - \$34.89	\$30.33 - \$34.89	\$32.75 - \$37.68	\$35.37 - \$40.69	\$38.19 - \$43.94	\$41.24 - \$47.45	\$44.54 - \$51.24	\$47.22 - \$54.32	\$48.63 - \$55.95
Commercial										
Rate per 1000 Gallons	\$5.89	\$11.91	\$12.86	\$13.89	\$15.00	\$16.20	\$17.50	\$18.90	\$20.03	\$20.63
Monthly flat service fee	\$14.52	\$7.00	\$7.56	\$8.16	\$8.81	\$9.51	\$10.27	\$11.09	\$11.76	\$12.11

Source: Utility rates approved by County Council

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

Table 9

LAST TEN FISCAL YEARS

Business Sector	FY2012	FY2013	FY2014 [b]	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Services [a]	\$ 1,350,135	1,047,653	962,997	1,117,023	1,136,727	1,268,313	1,198,371	1,407,986	1,491,947	1,646,211
Construction	67,311	80,273	61,625	34,176	38,096	45,778	43,856	74,527	72,533	76,680
Retail & Food Service	59,933	64,501	58,195	79,997	74,711	74,780	81,417	78,321	83,997	78,546
Telecommunications	28,445	26,983	27,875	25,406	24,434	26,868	27,805	28,420	27,220	13,787
Manufacturing	3,706	5,471	6,042	5,370	4,935	5,205	6,922	6,704	8,255	6,057
Wholesale	6,195	2,944	1,555	2,121	2,280	2,263	2,853	3,409	3,713	3,492
Financial Services	11,456	8,962	9,594	12,240	12,050	13,571	13,967	15,581	15,441	15,910
Agriculture	0	0	9	47	99	86	110	85	51	26
Mining	0	4	0	0	0	1,722	3	0	0	0
Other	14,991	14,805	17,822	18,406	20,307	21,703	16,330	24,383	21,521	7,095
Totals	\$ 1,542,172	1,251,596	1,145,714	1,294,786	1,313,639	1,460,289	1,391,634	1,639,416	1,724,678	1,847,804

Source: Taxable Gross Receipts (from State of New Mexico Taxation and Revenue Department - monthly and quarterly report NM_FR003-500 Local Government Distribution) - in \$1,000s

Notes:

General Notes: The State will not distribute information on individual taxpayers; thus, the County cannot disclose information on the largest individual taxpayers.

[a] Services include professional services, health care, education, administration and support, and waste management and remediation services

[b] Lower receipts overall in FY2014 are due to the Federal Government shutdown in October 2013. Los Alamos County's taxable receipts are highly dependent on the Federal Government and its contractors.

**INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX (GRT) REVENUES AND RATES**

Table 10

LAST TEN FISCAL YEARS

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
GRT Revenues										
General Fund - Local - Municipal	\$ 21,399,137	17,750,645	16,303,296	16,248,652	18,536,296	17,678,062	19,174,189	22,881,732	22,731,389	25,515,658
General Fund - Local - County	5,768,820	4,785,252	4,395,075	4,380,342	4,997,049	4,766,376	5,169,020	6,168,510	6,127,973	6,878,560
General Fund - State Shared	19,440,165	16,125,672	14,810,815	14,761,175	16,839,401	16,060,293	17,418,955	20,787,142	20,650,511	23,179,890
General Fund - subtotal	46,608,122	38,661,569	35,509,186	35,390,169	40,372,746	38,504,731	41,762,164	49,837,384	49,509,873	55,574,109
Fire Protection Excise Tax	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,063	1,723,007	2,056,170	2,042,658	2,292,854
Health Care Assistance Fund	1,922,940	1,595,084	1,465,025	1,460,114	1,665,683	1,588,792	1,723,007	2,056,170	2,042,658	2,292,853
Capital Improvement Projects (CIP) Fund	0	0	0	0	0	0	0	0	0	0
Refuse Fund	961,506	797,575	732,548	730,090	832,877	794,419	861,518	1,028,085	1,021,329	1,146,427
Total GRT Revenues	\$ 51,415,508	42,649,312	39,171,784	39,040,487	44,536,989	42,476,005	46,069,696	54,977,809	54,616,518	61,306,243
Total GRT Revenues - Own source (excludes State Shared)	\$ 31,975,343	26,523,640	24,360,969	24,279,312	27,697,588	26,415,712	28,650,741	34,190,667	33,966,007	38,126,353
GRT Rates by Imposing Authority										
State Imposed Rate	[a] 5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%
Locally Imposed Options:										
Municipal:										
Municipal - General	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%
Municipal - Environmental - Refuse	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County:										
County - General - 1st 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - IHC - 2nd 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - General - 3rd 1/8th - CIP	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - Correctional - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Correctional - CIP	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Fire Protection Excise Tax	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
North-Central Regional Transit District (NCRTD):										
Regional Transit 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
Subtotal - Local options:	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
Total GRT Rates	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%
GRT Rates by Recipient										
State Revenue	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%	3.9000%
NCRTD	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County Revenue - State Shared	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%
County Revenue - Own Source, locally imposed	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
Total County Revenue	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%	3.2875%
Total GRT Rates	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%	7.3125%

Sources: Los Alamos County ACFRs and Adopted Budgets

Notes:

[a] State Rate Changed July 1, 2010

**INCORPORATED COUNTY OF LOS ALAMOS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS**

Table 11

TAX YEAR [a]	ORIGINAL LEVY	ADJUSTMENTS	ADJUSTED LEVY	COLLECTED IN FIRST PERIOD		COLLECTIONS IN SUBSEQUENT PERIODS	TOTAL COLLECTIONS	
				AMOUNT	PERCENTAGE OF ORIGINAL LEVY		AMOUNT	PERCENTAGE OF ADJUSTED LEVY
2011	15,508,620	189,520	15,698,140	15,015,951	96.82%	681,771	15,697,722	100.00%
2012	15,602,806	198,642	15,801,448	15,272,274	97.88%	506,379	15,778,653	99.86%
2013	15,574,631	193,977	15,768,608	15,188,194	97.52%	535,464	15,723,658	99.71%
2014	15,368,081	201,079	15,569,160	15,018,695	97.73%	259,582	15,278,277	98.13%
2015	16,969,275	214,699	17,183,974	16,690,916	98.36%	228,950	16,919,866	98.46%
2016	17,187,454	221,040	17,408,494	6,834,904	39.77%	10,365,500	17,200,404	98.80%
2017	18,541,449	229,697	18,771,146	18,441,627	99.46%	167,243	18,608,870	99.14%
2018	19,290,232	271,478	19,561,710	19,173,391	99.39%	211,061	19,384,452	99.09%
2019	20,178,715	254,812	20,433,526	20,054,135	99.38%	199,275	20,253,411	99.12%
2020	20,995,484	257,363	21,252,847	20,879,009	99.45%	180,390	21,059,399	99.09%

Sources: Tax rolls, collection reports

Notes:

[a] Tax Year 20XX corresponds to the fiscal year ended on June 30, 20XX+1. For example, taxes levied for Tax Year 2012 were collected during the fiscal year ended June 30, 2013.

INCORPORATED COUNTY OF LOS ALAMOS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS

Table 12

TAX YEAR [b]	ASSESSED VALUE [a]				EXEMPTIONS	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]	Total Levy
	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]						
2011	692,219,200	11,563,780	7,300,910	(8,732,840)	702,351,050	2,133,251,670	2.208%	15,508,620	
2012	693,444,690	9,321,500	6,051,950	(9,111,190)	699,706,950	2,126,454,420	2.230%	15,602,806	
2013	687,495,870	8,850,630	5,478,780	(9,042,360)	692,782,920	2,105,475,840	2.248%	15,574,631	
2014	661,177,270	9,403,680	5,601,990	(8,884,910)	667,298,030	2,028,548,820	2.303%	15,368,081	
2015	675,527,010	9,742,600	5,762,060	(8,944,770)	682,086,900	2,073,095,010	2.488%	16,969,275	
2016	685,091,450	9,612,180	6,165,250	(8,743,650)	692,125,230	2,102,606,640	2.483%	17,187,454	
2017	713,745,340	9,636,160	6,048,100	(8,960,460)	720,469,140	2,188,288,800	2.574%	18,541,449	
2018	747,963,370	9,892,020	4,787,970	(9,075,060)	753,568,300	2,287,930,080	2.560%	19,290,232	
2019	790,725,420	9,732,880	4,187,260	(9,552,630)	795,092,930	2,413,936,680	2.538%	20,178,715	
2020	830,113,580	11,111,760	4,032,280	(10,977,760)	834,279,860	2,535,772,860	2.517%	20,995,484	

Source: Tax rolls

Notes:

- [a] Assessed valuation is one third of estimated actual value for all ten years.
- [b] Tax Year 20XX corresponds to the fiscal year ended on June 30, 20XX+1. For example, taxes levied for Tax Year 2012 were collected during the fiscal year ended June 30, 2013.
- [c] Personal property Includes mobile homes and livestock.
- [d] Assessed value of communications, pipeline and gas, public utility, airline, mineral, and certain construction property within the County is determined by the New Mexico State Property Tax Division. A breakdown of real and personal property is not available.
- [e] Weighted average rate applied to assessed value

**INCORPORATED COUNTY OF LOS ALAMOS
PROPERTY TAX RATES AND TAX LEVIES - ALL DIRECT AND OVERLAPPING GOVERNMENTS**

Table 13

LAST TEN TAX YEARS

TAX YEAR		STATE OF NEW MEXICO	CITY AND COUNTY OF LOS ALAMOS	LOS ALAMOS SCHOOL DISTRICT	UNIVERSITY OF NEW MEXICO LOS ALAMOS	TOTAL
Tax Rates per \$1000 of Assessed Valuation						
2011	Residential	1.362	6.975	12.272	0.935	21.544
	Non-Residential	1.362	10.598	12.473	1.000	25.433
2012	Residential	1.360	7.166	12.316	0.969	21.811
	Non-Residential	1.360	10.598	12.506	1.000	25.464
2013	Residential	1.360	7.347	12.307	1.000	22.014
	Non-Residential	1.360	10.598	12.487	1.000	25.445
2014	Residential	1.360	7.690	12.534	1.000	22.584
	Non-Residential	1.360	10.598	12.694	1.000	25.652
2015	Residential	1.360	9.942	12.128	1.000	24.430
	Non-Residential	1.360	12.848	12.288	1.000	27.496
2016	Residential	1.360	9.823	12.203	0.988	24.374
	Non-Residential	1.360	12.848	12.367	1.000	27.575
2017	Residential	1.360	9.636	12.268	1.969	25.233
	Non-Residential	1.360	12.848	12.500	2.000	28.708
2018	Residential	1.360	9.542	12.235	1.950	25.087
	Non-Residential	1.360	12.848	12.502	2.000	28.710
2019	Residential	1.360	9.433	12.195	1.928	24.916
	Non-Residential	1.360	12.440	12.382	1.937	28.119
2020	Residential	1.360	9.187	12.107	1.878	24.532
	Non-Residential	1.360	12.764	12.479	1.987	28.590

Source: Adopted rates

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

Table 14

June 30, 2021

TAXPAYER	TYPE OF BUSINESS	FY 2021			FY 2012		
		TAX YEAR 2020 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2011 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-LOS ALAMOS INC	Medical Services	\$ 12,776,030	1	1.53%	\$ 9,615,720	1	1.37%
Central Park Square LLC	Real Estate	7,664,830	2	0.92%			
Topvalco, Inc.	Food & Drug	6,195,710	3	0.74%			
Los Alamos Commerce and Development Corp	Real Estate	5,017,250	4	0.60%	3,643,220	6	0.52%
PC Canyon Village LLC	Apartments	4,378,240	5	0.52%			
Los Alamos National Bank	Banking	4,015,360	6	0.48%	4,908,960	3	0.70%
Oppenheimer Place Condo Assoc Inc	Real Estate	4,090,140	7	0.49%	3,675,150	5	0.52%
Smith's Food & Drug Centers, Inc.	Food & Drug	2,506,230	8	0.30%	2,125,650	8	0.30%
Site A-19-A-1 Acquisition Gtoup LLC	Real Estate	2,490,360	9	0.30%			
CC&F Los Alamos Invest Co.	Real Estate	2,251,570	10	0.27%	1,976,920	9	0.28%
Qwest Corp.	Telephone Utility			-	5,284,560	2	0.75%
Shannon Corporation	Real Estate		-	-	1,773,850	10	0.25%
Netuschil Development Corporation	Real Estate		-	-	3,967,180	4	0.56%
Housing Solutions LLC	Real Estate		-	-	3,476,840	7	0.50%
Developers Diversified Realty	Real Estate		-	-			
Los Alamos Medical Center C/O PVS	Medical Services						
NMC Holdings LLC	Scientific						
Total assessed valuation of ten principal taxpayers		51,385,720		6.16%	40,448,050		5.76%
Total assessed valuation of other taxpayers		782,894,140		93.84%	661,903,000		94.24%
Total assessed valuation		\$ 834,279,860		100.00%	\$ 702,351,050		100.00%

Source: Tax rolls book

INCORPORATED COUNTY OF LOS ALAMOS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 15

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Gross Receipts Tax Revenue Bonds	State Loans	Joint Utility System Revenue Bonds	State Loans			
2012	0	63,799,121	0	47,310,039	19,182,482	130,291,642	12%	7,234
2013	0	53,956,841 [a]	0	39,879,153	18,784,979	112,620,973	10%	6,199
2014	0	59,912,216 [b]	0	32,822,680 [b]	18,113,022	110,847,918	10%	6,211
2015	0	56,056,683	0	33,137,373 [c]	17,284,068	106,478,124	10%	6,010
2016	0	52,034,028	0	30,339,868	16,967,732	99,341,628	8%	5,586
2017	0	47,827,556	0	27,490,394	16,232,121	91,550,071	8%	5,045
2018	0	43,413,930	0	24,568,949	12,781,783	80,764,662	7%	4,310
2019	0	38,140,939	0	21,564,551	12,155,444	71,860,934	5%	3,762
2020	0	34,605,578	0	18,477,444	11,750,667	64,833,689	5%	3,394
2021	0	30,699,707	0	15,176,646	11,768,950	57,645,303	4%	2,969

[a] Includes the 2013 Series refunding revenue bonds issued for approximately \$38.5 million.

[b] Includes reclassifications due to implementation of GASB 65 of \$9,653,817 to GRT revenue bonds and \$1,458,826 to Joint Utility revenue bonds.

[c] Includes the 2014 Series refunding revenue bonds issued for approximately \$21.6 million.

INCORPORATED COUNTY OF LOS ALAMOS

Table 16

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION [a]</u>	<u>ASSESSED VALUE [b]</u>	<u>GROSS BONDED DEBT</u>	<u>NET DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
2012	18,012	702,351,050	0	0	0	0.00%	0
2013	18,168	699,706,950	0	0	0	0.00%	0
2014	17,848	692,782,920	0	0	0	0.00%	0
2015	17,718	667,298,030	0	0	0	0.00%	0
2016	17,785	682,086,900	0	0	0	0.00%	0
2017	18,147	692,125,230	0	0	0	0.00%	0
2018	18,738	720,469,140	0	0	0	0.00%	0
2019	19,101	753,568,300	0	0	0	0.00%	0
2020	19,369	795,092,930	0	0	0	0.00%	0
2021	19,462	834,279,860	0	0	0	0.00%	0

Sources: [a] Community Development Department estimates and <http://eire.census.gov/popest/estimates.php>

[b] Assessed valuation is obtained from the County Assessor - tax year responds to corresponding fiscal year (i.e. the 2020 tax year corresponds to FY2021)

**INCORPORATED COUNTY OF LOS ALAMOS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

Table 17

June 30, 2021

NAME OF GOVERNMENTAL UNIT	2020 CALENDAR YEAR ASSESSED VALUATION	DEBT OUTSTANDING	PERCENT APPLICABLE TO GOVERNMENT	COUNTY OF LOS ALAMOS SHARE OF DEBT
Direct County of Los Alamos Debt				
General Obligation Bonds	\$ 834,279,860	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	834,279,860	34,605,578	100.00%	34,605,578
Overlapping Debt [a]				
State of New Mexico	70,648,047,631	421,700	1.18%	4,980
Los Alamos School District	834,279,860	28,981,244	100.00%	28,981,244
University of New Mexico - Los Alamos	834,279,860	0	100.00%	0
Total overlapping debt				28,986,224
Total direct and overlapping debt				\$ 63,591,802

Ratio of estimated direct and overlapping debt to 2020 assessed valuation: 7.62

Ratio of direct general obligation debt to 2020 assessed valuation: 1.18%

Per capita direct and overlapping debt: \$3,267

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

County population - 2021 estimate: 19,462

Sources: Tax rolls, New Mexico Department of Finance and Administration, Los Alamos Public Schools, and University of New Mexico

[a] Overlapping debt is calculated by dividing the total Governmental Unit assessed valuation by the County's assessed valuation and applying that percentage to the debt outstanding of each Governmental Unit.

**INCORPORATED COUNTY OF LOS ALAMOS
COMPUTATION OF LEGAL DEBT MARGIN**

Table 18

June 30, 2021

Assessed valuation, tax year 2020 (One third of full valuation)	<u>\$ 834,279,860</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	33,371,194
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 33,371,194</u></u>

Note:

State Constitution Article IX, Section 13, limits the amount of indebtedness for a county, city, town, or village to 4% of the assessed valuation. The State Statute is silent regarding the limitation that applies to a Class H (city/county) government such as Los Alamos County. The New Mexico State Department of Finance and Administration, Local Government Division, indicates that our limit is 4%.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Table 19

FISCAL YEAR	GROSS REVENUES[a]	EXPENSES[b]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS [c]			DEBT SERVICE COVERAGE RATIO
				PRINCIPAL	INTEREST	TOTAL	
ELECTRIC UTILITY							
2012	45,657,933	32,835,190	12,822,743	7,544,581	2,355,424	9,900,005	1.30
2013	49,096,622	38,067,208	11,029,414	6,944,924	2,342,866	9,287,790	1.19
2014	46,466,503	34,898,486	11,568,017	7,317,756	1,896,007	9,213,763	1.26
2015	41,608,321	39,453,772	2,154,549	9,031,716	1,128,201	10,159,917	0.21
2016	47,708,456	34,784,838	12,923,618	2,635,728	1,116,794	3,752,522	3.44
2017	40,840,366	34,974,344	5,866,022	2,685,242	1,058,250	3,743,492	1.57
2018	42,967,519	37,145,307	5,822,212	2,753,296	986,073	3,739,369	1.56
2019	44,271,601	40,156,550	4,115,051	2,831,837	903,138	3,734,975	1.10
2020	41,701,038	37,097,156	4,603,882	2,910,377	824,054	3,734,431	1.23
2021	46,607,980	43,373,214	3,234,766	3,017,945	718,952	3,736,897	0.87
WATER UTILITY							
2012	5,791,200	3,726,613	2,064,587	1,253	35,118	36,371	56.76
2013	6,324,036	4,504,479	1,819,557	68,001	41,413	109,414	16.63
2014	5,506,428	4,457,978	1,048,450	76,278	90,049	166,327	6.30
2015	4,790,904	4,449,574	341,330	70,332	89,436	159,768	2.14
2016	4,987,177	4,822,815	164,362	44,272	80,816	125,088	1.31
2017	5,491,511	4,372,531	1,118,980	44,758	88,931	133,689	8.37
2018	6,478,611	4,540,914	1,937,697	145,590	86,858	232,448	8.34
2019	6,631,869	4,766,423	1,865,446	150,040	84,990	235,030	7.94
2020	6,933,888	5,022,572	1,911,316	152,219	82,565	234,784	8.14
2021	8,172,072	5,285,501	2,886,571	155,208	80,034	235,242	12.27

Source: ACFRs

Notes:

[a] Total operating and non-operating revenue, operating transfers in, and bond proceeds reserved for payment of debt service.

[b] Operating expenses and transfers out, excluding depreciation and interest expense.

[c] Payments are due July 1 each year. As such these amounts reflect the amounts due July 1, which would use the previous FY resources.

**INCORPORATED COUNTY OF LOS ALAMOS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Table 20

Fiscal Year	Population	Personal Income (In thousands)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2012	18,012	1,108,440	61,539	3,375	2.90%
2013	18,168	1,103,143	60,719	3,528	3.70%
2014	17,848	1,138,453	63,786	3,524	3.40%
2015	17,718	1,103,548	62,284	3,505	3.40%
2016	17,785	1,113,679	62,619	3,578	4.00%
2017	18,147	1,185,308	65,317	3,666	4.13%
2018	18,738	1,227,227	65,494	3,714	3.48%
2019	19,101	1,308,476	68,503	3,754	3.33%
2020	19,369	1,367,451	70,600	3,757	9.00%
2021	19,419	1,389,818	71,570	3,544	8.40%

Sources: School Enrollment is from the New Mexico Public Education Department website. Unemployment Rate is from the New Mexico Department of Workforce Solutions Economic Research and Analysis report. The population data is from the US 2020 Census. Personal Income data is from NM Dept. of Workforce Solutions data for the most recent year available.

**INCORPORATED COUNTY OF LOS ALAMOS
LARGEST EMPLOYERS (with greater than 3% of the total workforce)**

Table 21

June 30, 2021

EMPLOYER	TYPE OF BUSINESS	FY2021			FY2011		
		NUMBER OF EMPLOYEES [a]	RANK	% of Total County Employment [b]	NUMBER OF EMPLOYEES	RANK	% of Total County Employment
Los Alamos National Laboratory	Research and Development	12,862	1	72.94%	10,927	1	64.09%
Los Alamos County	Government	697	3	3.95%	684	3	4.01%
Los Alamos Public Schools	Education	693	2	3.93%	750	2	4.40%
N3B Los Alamos	Legacy Waste Cleanup	621	4	3.52%	0	-	0.00%
Other employers		2,761		15.66%	4,689		27.50%
Total workforce [b]		17,634		100.00%	17,050		100.00%

Sources: Individual Employers, New Mexico Department of Workforce Solutions

Notes:

[a] Work force total based on estimates from New Mexico Department of Workforce Solutions.

[b] Top four employers shown, which collectively represent greater than 84.34% of total employment

**INCORPORATED COUNTY OF LOS ALAMOS
CENSUS POPULATION BY AGE BRACKET, COUNTS, AND PERCENTAGES**

Table 22

AGE BRACKET	1970		1980		1990		2000		2010		2020	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
0-4 years	1302	8.6%	1,115	6.3%	1,090	6.0%	1,021	5.6%	960	5.3%	1,112	5.7%
5-19 years	5414	35.6%	4,874	27.7%	4,032	22.3%	4,050	22.1%	3,648	20.4%	3,810	19.6%
20-24 years	567	3.7%	805	4.6%	565	3.1%	463	2.5%	498	2.8%	652	3.4%
25-34 years	2061	13.6%	2,608	14.8%	3,126	17.3%	1,864	10.2%	1,713	9.5%	2,336	12.0%
35-44 years	2432	16.0%	3,155	17.9%	3,718	20.5%	3,217	17.5%	2,327	13.0%	2,254	11.6%
45-54 years	2269	14.9%	2,491	14.2%	3,171	17.5%	3,226	17.6%	3,347	18.6%	2,910	15.0%
55-64 years	839	5.5%	1,829	10.4%	1,909	10.5%	2,282	12.4%	2,771	15.4%	2,985	15.4%
65 and over	314	2.1%	722	4.1%	504	2.8%	2,220	12.1%	2,686	15.0%	3,360	17.3%
Totals	15,198	100.0%	17,599	100.0%	18,115	100.0%	18,343	100.0%	17,950	100.0%	19,419	100.0%

Source: U.S. Census Bureau
2020 census data is set to be released by April 1, 2020.

INCORPORATED COUNTY OF LOS ALAMOS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 23

Function/Program	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Governmental activities										
General government										
County Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Courts	4.80	4.80	4.80	4.75	4.75	4.75	5.00	5.30	5.80	5.80
County Manager	11.00	23.50	22.00	20.00	21.00	21.00	20.00	18.00 [5]	18.00	19.00
County Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Clerk	6.70	6.70	6.69	6.69	7.94	8.16	8.16	7.77	8.27	8.27
County Sheriff	1.90	2.04	2.04	1.94	1.94	1.00	1.00	1.00	1.00	1.00
Administrative Services	60.22	47.76	50.00	50.00	48.01	46.01	46.01	46.01	46.38	48.34
Public Works [2]	12.00	12.00	10.00	11.46	42.46	43.46	45.18	45.18	45.18	51.18
Capital Projects & Facilities (new FY2009) [3]	37.00	37.00	39.00	37.00	0.00	0.00	6.00 [4]	1.60 [4]	0.00	0.00
Public Safety										
Police	77.54	77.98	77.99	78.02	75.00	73.00	74.75	74.75	77.75	78.75
Physical and economic environment [2]	13.00	13.00	14.00	12.00	15.00	15.00	16.00	18.00 [5]	18.00	18.00
Transportation	26.87	26.62	26.60	26.23	25.00	25.00	24.00	24.00	24.00	24.00
Health and welfare	1.25	1.25	2.00	2.00	2.50	3.00	3.00	2.50	2.50	3.20
Culture and recreation [1]	86.88	86.26	97.67	97.92	91.99	92.04	91.15	89.23	90.23	93.78
Business-type activities										
Joint Utilities										
Electric	54.00	52.00	54.44	54.02	55.02	51.02	50.56	50.30	52.30	54.65
Gas	23.40	25.17	24.04	24.18	24.05	29.07	30.49	27.91	26.79	24.45
Water	10.25	10.25	10.25	10.25	10.25	9.25	9.25	9.49	9.49	10.75
Wastewater	9.13	9.00	9.00	9.00	9.00	9.00	8.00	9.90 [6]	10.02	9.80
Environmental Services	19.00	18.50	18.00	18.17	17.17	17.24	17.24	18.24	18.24	18.24
Golf [1]	12.48	12.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Airport	1.50	1.50	1.50	2.08	1.00	1.00	1.00	1.00	1.00	1.00
Transit (new FY2008)	31.75	32.00	40.00	39.37	36.20	36.41	38.13	38.13	38.13	38.13
Equipment-internal service	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Risk-internal service	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Totals	683.17	681.53	692.02	687.08	670.28	667.41	676.92	670.31	675.08	692.34 [7]

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

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

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

[4] In FY2017, Capital Projects personnel are limited term relating to the implementation of a new Enterprise Resource Planning (ERP) system to replace the existing

[5] The two FTE's for Economic Development are a part of the County Manager's Office, but are in the FY2019 CAFR under the Physical and economic environment function.

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

[7] The 15.75 increase to regular FTE is due to the following changes. A total increase of 2.5 FTEs in Administrative Services made up of 0.05 for a payroll specialist in Finance, 1.0 for a Deputy Chief Purchasing Officer in Procurement and 1.0 in IM/Records for a Sr. Records Specialist. An increase of 4.0 FTEs in CSD, made up of 1.0 in Library for a Program Specialist and 3.0 in Parks for White Rock crew. An increase of 0.25 FTE was added to HCAP due partially to expanded duties due to COVID-19. An increase of 1.0 FTE in CMO/Risk for an additional Safety Specialist. An increase of 1.0 FTE in Police for an Animal Shelter Public Service Aide. In Public Works, an increase of 6.0 FTEs were added to Facilities for a 5 FTE construction crew and a new superintendent, functions previously handled via an outside contractor and 1.0 FTE in Fleet for a Mechanic II. The 3.0 FTE increase in limited term positions is due to a HR Tech in Human Resources and both an Engineering Associate and GWS trainee in the Department of Public Utilities. The 1.49 FTE reduction in temp/casual positions is due to 0.54 reduction in temp/casual hours in Administrative Services, Information Management and a 0.95 reduction in the Department of Public Utilities

Source: Administrative Services Department

**INCORPORATED COUNTY OF LOS ALAMOS
OPERATING INDICATORS BY FUNCTION/PROGRAM**

Table 24

LAST TEN FISCAL YEARS

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Government										
Assessor-number of parcels by tax year	9,079	9,047	9,194	9,189	9,165	9,169	9,207	9,224	8280	9416
Clerk-number of elections managed	2	3	2	2	2	4	1	1	2	1
Sheriff-number of processes administered [b]	169	138	151	148	154	n/a	n/a	n/a	n/a	n/a
IT-Number of networked devices supported	1,585	1,592	1,453	1,480	1,770	1,514	1,310	1,450	1,915	1,322
IT-Number of virtual networked devices supported	n/a	n/a	n/a	n/a	n/a	677	912	600	610	435
Public Safety										
Police-Part 1 UCR Offenses [a]	258	358	204	187	169	124	141	125	92	94
Police-number of service call responses	17,513	17,647	16,700	14,316	18,319	17,151	15,393	13,533	13,439	13,452
Police-number of reported traffic accidents	366	310	305	229	239	224	180	212	205	149
Police-number animal control cases	265	385	182	98	130	130	103	63	56	41
Police-number of processes administered [b]	n/a	n/a	n/a	n/a	n/a	125	156	154	125	99
Physical & Economic Development										
Number of construction permits issued	96	578	681	579	697	801	827	795	940	918
Transportation										
Traffic-miles of lane lines striped	84	84	84	51	141	70	73	49	71	45
Culture and Recreation										
Library-Number of circulations	413,291	389,719	396,768	379,991	391,992	392,213	412,745	367,065	332,770	287,654
Number of park acres maintained	936	944	944	944	944	944	944	944	944	945
Number of cemetery interments	59	55	55	41	67	57	51	50	43	53
Number of aquatic center visits	91,972	134,143	135,916	193,398	194,946	164,366	172,527	175,444	114,533	41,261
Number of rink visits	22,817	28,286	30,150	30,805	27,228	23,016	24,258	18,962	23,846	3,254
Sr. Center-number of seniors served	3,790	2,787	3,732	3,898	4,047	4,695	1,528	4,633	4,639	9,958
Joint Utility System										
EP-Number of megawatt hrs supplied	589,362	570,883	531,796	514,619	566,018	572,260	592,980	558,287	537,002	517,689
ED-Number of electric utility customers	8,660	8,741	8,900	8,647	8,796	8,830	8,774	8,561	8,701	8,745
Gas-Number of therms delivered	8,475,984	8,711,200	9,389,410	8,446,420	8,580,270	7,649,471	7,890,930	9,449,825	8,973,360	8,469,605
WP-K gallons water produced	1,382,268	1,376,746	1,166,692	1,105,780	1,176,804	1,186,747	1,245,609	1,175,972	1,212,690	1,274,494
WD-K gallons of water sold	876,360	842,344	683,637	706,356	693,335	755,656	781,818	670,815	834,930	834,519
WW-K gallons sewage conveyed	479,870	429,117	421,319	437,938	408,234	426,898	429,129	397,929	450,124	392,000
Golf Course										
Number of golf rounds provided	24,249	22,186	27,284	29,359	29,733	24,455	17,370	20,745	14,437	19,500
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	491,315	573,967	517,638	548,331	494,444	454,755	448,366	451,793	321,140	42,739
Number of miles of service provided	675,157	785,697	714,815	721,357	704,072	617,566	636,210	621,744	452,962	217,652
Fire Protection Services										
Number of responses	1,951	1,841	1,838	1,766	1,804	2,252	2,367	2,294	2,197	2,113

Sources: County departments.

[a] Only calendar year data available

[b] Responsibility for process service was transferred by the County Council from the Sheriff's Office to the Police Department in June 2016.

[c] Beginning in FY2017, Information Management began reporting the virtual vs. physical networked devices supported.

**INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Table 25

LAST TEN FISCAL YEARS

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	47	47	47	43	45	45	45	45	45	45
County owned fire stations	5	5	5	5	5	5	5	5	5	5
Dept. of Energy owned fire stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets, miles	106.5	106.5	106.5	106.5	106.5	106.5	106.5	108.3	108.5	110.5
Sidewalk, square yards	245,440	245,440	245,440	246,009	246,009	246,009	247,997	248,531	248,531	248,531
Street lights, county owned	1292	1292	1292	1292	1414	1466	1473	1476	1476	1476
Traffic signals	11	11	11	12	12	12	12	12	12	12
School and station flashers	10	10	10	10	10	10	10	10	10	10
Public Parking Lots	37	38	38	39	40	40	40	40	39	39
Culture and Recreation										
Senior centers	2	2	2	2	2	2	2	2	2	2
Public libraries	2	2	2	2	2	2	2	2	2	2
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Rinks	1	1	1	1	1	1	1	1	1	1
Parks and play lots	35	35	35	35	35	35	35	35	35	35
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer fields	7	7	7	7	7	7	7	7	7	7
Tennis courts	9	9	9	9	9	9	9	9	9	9
Joint Utility System										
Electric generating capacity, owned resources MW	61	61	62	62	62	62	62	62	62	62
Electric distribution line miles	143.0	143.0	144.0	144.0	144.0	144.0	144.0	144.0	144.0	144.0
Water production wells	12	12	12	12	12	12	12	12	12	12
Water distribution line miles	148.5	149.5	149.5	149.8	150.7	150.7	150.7	150.7	150.7	150.7
Gas distribution line miles	122.0	125.0	125.5	125.5	125.5	125.5	125.5	125.5	125.5	125.5
Wastewater collection line miles	118.0	118.0	118.9	118.9	118.9	118.9	118.9	118.9	118.9	118.9
Environmental Services										
Collection trucks	10	10	10	10	10	10	10	11	11	12
Golf Course										
Holes	18	18	18	18	18	18	18	18	18	18
Airport										
Tie down spaces	98	98	98	98	98	98	98	98	98	98

Sources: County departments

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM PROFIT TRANSFER AND IN LIEU PAYMENTS
TO THE GENERAL FUND
LAST TEN FISCAL YEARS

Table 26

Fiscal Year	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL JOINT UTILITY SYSTEM
	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	
2012	235,444	108,900	2,474	181,565	49,922	457,600	282,776	1,318,681
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	1,322,416
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	1,364,356
2015	247,143	107,219	17,208	206,136	77,004	484,485	297,390	1,436,585
2016	279,200	97,940	100,338 [d]	231,536	81,666	524,540	246,867	1,562,087
2017	251,845	107,486	70,055	297,050	97,875	594,681	226,475	1,645,467
2018	241,046	80,107	63,146	248,680	103,080	574,246	207,175	1,517,480
2019	272,331	107,965	59,318	269,828	104,179	567,249	194,513	1,575,383
2020	267,537	91,985	27,082	285,824	101,719	575,620 [e]	254,014 [e]	1,603,781
2021	273,201	112,791	20,037	266,521	96,089	582,224 [e]	217,504 [e]	1,568,366

Sources: County financial records

Notes:

[a] Franchise Fees are 2% of all Electric Distribution and Gas revenue from all rate classes.

[b] In Lieu of Property Tax is the net book value of Electric and Gas fixed assets divided by three, times the Los Alamos County property tax rate.

In Lieu excludes San Juan, El Vado and Abiquiu assets located outside Los Alamos County.

[c] Profit Transfer is 5% of Electric Distribution and Gas retail revenues excluding sales to schools and the County.

[d] Began paying in lieu tax for solar assets

[e] Per Council Ordinance 02-302 Section 40-63 (c)(12), Council approved the redirecting of the DPU profit transfer from the General Fund to remain within the Department of Public Utilities for the purpose of investing in utility infrastructure to facilitate coordination with road projects.



LOS ALAMOS

where discoveries are made



Other Supplementary Information

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF RECONCILIATION OF TAX RECEIPTS AND DISBURSEMENTS**

Year ended June 30, 2021

PROPERTY TAX RECEIVABLE, JUNE 30, 2020	\$ 248,403
Net taxes charged to treasurer	20,995,484
Collections	(20,937,723)
Adjustments	(4,236)
PROPERTY TAX RECEIVABLE, JUNE 30, 2021	<u><u>\$ 301,928</u></u>

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2021, LISTED BY YEAR:	<u>TOTAL</u>	<u>INCORPORATED COUNTY OF LOS ALAMOS</u>	<u>STATE OF NEW MEXICO</u>	<u>UNIVERSITY OF NEW MEXICO</u>	<u>LOS ALAMOS PUBLIC SCHOOLS</u>	<u>MIRADOR PID</u>
2011	1,114	403	66	47	598	0
2012	348	116	30	15	187	0
2013	1,095	414	87	44	550	0
2014	1,403	520	85	59	739	0
2015	2,505	1,085	154	96	1,170	0
2016	4,413	1,825	257	175	2,156	0
2017	8,221	3,207	477	627	3,910	0
2018	23,673	9,327	1,312	1,793	11,241	0
2019	65,706	26,371	3,509	4,876	30,950	0
2020	193,450	76,944	10,327	14,355	91,824	0
	<u><u>\$ 301,928</u></u>	<u><u>120,212</u></u>	<u><u>16,304</u></u>	<u><u>22,087</u></u>	<u><u>143,325</u></u>	<u><u>0</u></u>

DISTRIBUTION OF COLLECTED PROPERTY TAXES:	
Incorporated County of Los Alamos	\$ 8,061,615
State of New Mexico	1,132,051
University of New Mexico	1,575,443
Los Alamos Schools	10,117,374
Mirador PID	51,240
	<u><u>\$ 20,937,723</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS
COUNTY TREASURER'S PROPERTY TAX SCHEDULE**

Year ended June 30, 2021

<u>Agency</u>	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	Receivable at Year End
Incorporated County of Los Alamos:							
2011	5,312,320	0	5,311,917	0	5,311,917	0	403
2012	5,401,108	0	5,400,993	0	5,400,993	0	116
2013	5,460,016	0	5,459,602	0	5,459,602	0	415
2014	5,477,743	0	5,477,223	0	5,477,223	0	521
2015	7,160,040	51	7,158,955	44	7,158,948	7	1,085
2016	7,188,409	50	7,186,584	50	7,186,584	0	1,824
2017	7,366,509	1,224	7,363,302	1,224	7,363,302	0	3,207
2018	7,645,001	5,091	7,635,674	4,734	7,635,318	356	9,327
2019	7,939,749	42,843	7,913,378	41,604	7,912,138	1,240	26,371
2020	8,180,548	8,002,738	8,103,604	7,924,332	8,025,198	78,406	76,943
	67,131,443	8,051,996	67,011,231	7,971,987	66,931,222	80,009	120,212
State of New Mexico:							
2011	969,215	0	969,149	0	969,149	0	66
2012	964,738	0	964,709	0	964,709	0	29
2013	955,454	0	955,367	0	955,367	0	87
2014	920,281	0	920,197	0	920,197	0	85
2015	940,389	7	940,235	7	940,235	0	155
2016	954,153	7	953,896	7	953,896	0	257
2017	992,886	164	992,409	(211)	992,034	375	477
2018	1,039,303	656	1,037,991	628	1,037,962	28	1,312
2019	1,095,220	5,558	1,091,711	5,427	1,091,580	131	3,509
2020	1,149,521	1,124,264	1,139,194	1,114,872	1,129,802	9,392	10,327
	9,981,160	1,130,656	9,964,857	1,120,730	9,954,931	9,926	16,304

University of New Mexico:

2011	671,321	0	671,275	0	671,275	0	47
2012	689,880	0	689,866	0	689,866	0	15
2013	702,075	0	702,031	0	702,031	0	44
2014	676,320	0	676,262	0	676,262	0	59
2015	691,048	5	690,953	5	690,952	0	96
2016	693,975	5	693,801	5	693,801	0	175
2017	1,440,068	238	1,439,440	238	1,439,440	0	627
2018	1,494,880	945	1,493,087	905	1,493,047	41	1,793
2019	1,552,904	7,865	1,548,028	7,689	1,547,852	176	4,876
2020	1,599,391	1,564,418	1,585,035	1,551,279	1,571,896	13,139	14,356
	10,211,863	1,573,477	10,189,776	1,560,121	10,176,420	13,356	22,087

Los Alamos Public Schools:

2011	8,747,934	0	8,747,335	0	8,747,335	0	599
2012	8,749,323	0	8,749,135	0	8,749,135	0	188
2013	8,657,150	0	8,656,601	0	8,656,601	0	550
2014	8,492,229	0	8,491,490	0	8,491,490	0	739
2015	8,396,982	62	8,395,812	62	8,395,811	1	1,170
2016	8,573,006	62	8,570,849	62	8,570,849	0	2,156
2017	8,976,497	1,482	8,972,587	1,482	8,972,587	0	3,910
2018	9,374,378	5,923	9,363,138	5,668	9,362,883	255	11,241
2019	9,837,452	49,941	9,806,502	48,821	9,805,382	1,120	30,950
2020	10,272,148	10,047,417	10,180,326	9,963,357	10,096,266	84,060	91,822
	90,077,099	10,104,887	89,933,775	10,019,452	89,848,340	85,435	143,325

Mirador PID:

2020	51,240	51,240	51,240	49,428	49,428	1,812	0
	51,240	51,240	51,240	49,428	49,428	1,812	0

Grand Total \$ **177,452,806** **20,912,256** **177,150,879** **20,721,719** **176,960,342** **190,538** **301,928**

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2021

	<u>ENTERPRISE BANK & TRUST</u>	<u>WELLS FARGO</u>	<u>TOTAL</u>
TOTAL AMOUNT OF DEPOSITS (bank balances)	\$ 20,423,389	982	20,424,371
Less: FDIC coverage	250,000	250,000	500,000
TOTAL UNINSURED PUBLIC FUNDS	<u>20,173,389</u>	<u>(249,018)</u>	<u>20,173,389</u>
COLLATERAL REQUIRED			
Deposits	10,086,694 [a]	(124,509)	9,962,185
COLLATERAL			
Letters of Credit, Agencies, Municipal Bonds	30,564,746 [b]	0	30,564,746
OVER(UNDER) SECURED	<u>\$ 20,478,052</u>	<u>124,509</u>	<u>20,602,561</u>

Notes:

[a] Collateral requirement is 50% per New Mexico state law. County requirement is 100%.

[b] Letter of Credit - Federal Home Loan Bank of Dallas

**INCORPORATED COUNTY OF LOS ALAMOS
 DETAIL OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION**

EXHIBIT 3a

June 30, 2021

	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP NUMBER</u>	<u>TYPE</u>	<u>PAR VALUE</u>	<u>BOOK/MARKET PER BANK</u>
ENTERPRISE BANK & TRUST						
Agency Notes/Bonds	09/16/19	02/01/29	3128MDYV9	FREDDIE MAC GOLD POOL #G155399	1,851,354	1,936,696
	01/28/21	01/01/36	3132D56U1	FREDDIE MAC POOL #SB8083 5399	2,835,213	2,868,315
	06/14/21	04/01/42	31417BPX9	FANNIE MAE POOL #AB4937 5399	2,487,436	2,698,444
	12/11/19	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	909,639	920,628
	05/07/20	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	1,070,164	1,083,091
	05/05/20	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	121,733	123,204
	02/19/21	02/01/49	3136B74E8	FANNIE MAE CMO SERIES 19-85399	1,801,583	1,881,300
	05/13/19	04/15/48	3137F5AE9	FREDDIE MAC CMO SERIES 4795399	5,476,506	5,772,398
	09/23/20	03/15/45	3137FCBJ2	FREDDIE MAC CMO SERIES 4745399	1,328,668	1,368,406
	11/20/20	03/15/45	3137FCBJ2	FREDDIE MAC CMO SERIES 4745399	2,214,447	2,280,676
	02/23/21	04/15/49	3137FLDH4	FREDDIE MAC CMO SERIES 4875399	2,583,984	2,669,424
	02/19/21	10/20/47	38380KUN3	GINNIE MAE CMO SERIES 20175399	1,664,325	1,666,720
	06/15/21	07/30/27	3130AM2G6	FEDERAL HOME LOAN BANK 5399	300,000	299,304
	06/15/21	10/30/26	3130AM5G3	FEDERAL HOME LOAN BANK 5399	5,000,000	4,996,140
					29,645,052	30,564,746
TOTAL PLEDGED COLLATERAL					\$ 29,645,052	30,564,746

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where discoveries are made

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF DEPOSITORY ACCOUNTS**

June 30, 2021

<u>NAME OF DEPOSITORY</u>	<u>ACCOUNT NAME</u>	<u>TYPE OF ACCOUNT</u>	<u>TOTAL DEPOSITORY BALANCES</u>
Alliance Benefits Group	L.A.C. Employee Pension Plan	Participant Investment	\$ 71,282,071
Bank of Albuquerque	Los Alamos County	FFCB	1,998,480
Bank of Albuquerque	Los Alamos County	FNMA	8,050,840
Bank of Albuquerque	Los Alamos County	T-Bill	1,999,237
Bank of Albuquerque	Los Alamos County	T-Note	59,431,280
Enterprise Bank & Trust	Employee Fund	Checking	12,808
Enterprise Bank & Trust	Employee Fund	C.D.	9,784
Enterprise Bank & Trust	Flexible Spending Account	Checking	10,372
Enterprise Bank & Trust	General County	Checking	11,699,412
Enterprise Bank & Trust	GRT Bonds Debt Service	Checking	36,719
Enterprise Bank & Trust	Landfill Closure	Checking	358,670
Enterprise Bank & Trust	Municipal Court Bond	Checking	4,460
Enterprise Bank & Trust	Police Operations	Checking	3,798
Enterprise Bank & Trust	Small Purchase	Checking	16,436
Enterprise Bank & Trust	Manual Checks	Checking	20,001
Enterprise Bank & Trust	Utility Resource Pool	Checking	7,986,792
Enterprise Bank & Trust	Deposit Held for Others - Pebbles Lab	Checking	264,137
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	532,410
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	4,210,458
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	898,846
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	901,981
State Investment Council	Permanent Fund	Pool	38,435,986
State Investment Council	General Fund	Pool	25,227,562
State Investment Council	Cemetery Perpetual Care	Pool	1,386,457
NM Local Government Investment Pool	LGIP	Pool	24,500,000
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,419,872
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	982
Total Depository Balances			260,699,851
Reconciling items to Bank Reconciliation			(1,963,438)
Petty Cash and Change Funds			4,700
Total Deposits and Investments reported in financial statements			\$ 258,741,113

INCORPORATED COUNTY OF LOS ALAMOS SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS

June 30, 2021

Incorporated County of Los Alamos (the County) and the New Mexico State Investment Council (SIC)

The parties entered into this agreement in order to establish a relationship between the County and the SIC. Under this agreement, the SIC acts as the investment manager for County funds deposited with the SIC, and invests County funds in accordance with the guidelines provided in the County's Investment Policy; provided however that the investment policies in the SIC Long-term Pooled Investment Funds Operations Manual shall be controlling in the event of a conflict between the policies therein and the County's Investment Policy.

This agreement was entered into on October 3, 2000. There is no ending day specified in the agreement. Either party may terminate the agreement with thirty (30) days written notice to the other party.

As of June 30, 2021, the County had approximately \$65 million invested with the SIC. The County paid approximately \$111,000 in fees, which are netted in the investment gain. The County is responsible for all audits of its financial records. The Pooled Investment Funds are included in the SIC's annual fiscal year-end audit.

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

The parties entered into this Joint Powers Agreement (JPA) to formalize the NMEMNRD and the County's agreement and commitment to mutual wildland fire suppression and management assistance and cooperation. NMEMNRD is the designated state agency responsible for coordinating wildland fire suppression services among county and municipal fire departments, cooperating state agencies, and cooperating federal agencies. The County is responsible for wildland fire suppression on lands within the boundaries of its designated fire protection districts. The agreement addresses the County's role in the statewide Resource Mobilization Plan (RMP) and also defines non reimbursable and reimbursable assistance for initial or extended attack expenses. As such, the agreement establishes the County reimbursement rates and billing procedures for personnel and equipment.

This agreement does not obligate NMEMNRD or the County to expend money in excess of appropriations authorized by state or local laws. The terms of this agreement are contingent upon sufficient appropriation and authorization being granted by the New Mexico State Legislature and the County; otherwise, either party may terminate or suspend this agreement upon 90 days written notice. The agreement was entered into by the County on February 23, 2010 and supersedes JPA Agreement # 97-521-2300-0073 (Wildfire Suppression).

Incorporated County of Los Alamos (the County) and the City of Santa Fe, Santa Fe County, City of Espanola, Rio Arriba County, the Town of Taos, Taos County, Ohkay Owingeh, and Jemez Pueblo together known as "coalition members"

Members of the coalition entered into this Joint Powers Agreement (JPA) to memorialize a shared interest in assuring that LANL missions remain sustainable and diversified, while assuring protection of the environment, affecting federal and state government policy decisions that affect LANL, and promoting economic development throughout the region. This agreement establishes the Regional Coalition of LANL Communities (RCLC), a separate entity from coalition members, which develops and implement plans and approaches for carrying out the purposes of the coalition. Governance of the Regional Coalition is stated in the agreement; the County of Los Alamos is the acting fiscal agent for implementation and administration of the agreement.

This agreement was entered into by Los Alamos County on May 18, 2011 and approved by the New Mexico Department of Finance and Administration and made effective on October 13, 2011. Ohkay Owingeh joined the coalition in October 2012; Jemez Pueblo joined the coalition in November 2014. The term of this agreement is perpetual unless terminated by mutual consent of the coalition members.

On May 21, 2021, the RCLC governing body voted to dissolve the RCLC, pending final approval from the New Mexico Department of Finance and Administration.

Incorporated County of Los Alamos (the County) and the North Central New Mexico Economic Development District (NCNMEDD), Santa Fe County, the City of Espanola, Rio Arriba County, Ohkay Owingeh, the Pueblo of Santa Clara, the Pueblo of Pojoaque, and the Pueblo of Tesuque.

This Joint Powers Agreement (JPA) is entered into by all parties for the management of the Redi Middle-Mile Broadband Network (REDI Net), a high-speed, open access broadband network deployed within the jurisdictional boundaries of all parties involved. NCNMEDD was awarded federal funding from the Broadband Technology Opportunities Program (BTOP), National Technology and Information Administration (NTIA), United States Department of Commerce, to implement the REDI Net project. The project has an estimated total cost of \$13.4 million of which \$10.6 million will be paid with federal funds, and the remaining \$2.8 million is contributed by the various jurisdictional parties in the form of cash and in-kind contributions. REDI Net consists of approximately 150 miles of fiber optic cable and associated equipment and will be installed primarily on existing electric utility poles of all jurisdictional parties, subject to securing necessary easements and rights of way, for construction, permitting, and other construction-related activity. REDI Net will offer high-speed wholesale bandwidth to qualified service providers and anchor institutions that operate within the range of its network.

This agreement establishes a governance structure that includes a representative from each jurisdictional party on the Board of Directors and establishes powers and duties to oversee construction, implementation, and long-term management of the REDI Net project. This agreement obligates the County to contribute \$400,000 into NCNMEDD's interest-bearing project account. This agreement was entered into by the County on November 9, 2011 and is effective for a period of 20 years thereafter. Amendments to this agreement shall be in writing and subject to approval by the New Mexico Department of Finance and Administration.

Incorporated County of Los Alamos (the County) by and among the City of Las Cruces, the City of Gallup, and the City of Farmington establishing the New Mexico Municipal Energy Acquisition Authority (NMMEAA)

This Joint Powers Agreement (JPA) was entered into by and among the City of Las Cruces and the City of Gallup on June 19, 2008. The County entered this JPA by adoption of Amendment Number 1 on September 30, 2008. The JPA establishes the NMMEAA to act as the administering agency to acquire long-term energy supplies, including the purchase of natural gas for retail gas customers or for sale to other municipal or governmentally-owned utilities, to produce electricity for retail customers or for sale to other municipal or governmentally-owned utilities; and to fuel the pipeline and related transportation costs of gas supply. This agreement establishes the governance structure that includes a representative from each party.

This agreement is perpetual unless terminated by mutual consent of the parties.

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2021

FEDERAL GRANTOR /ASSISTANCE LISTINGS PROGRAM TITLE	FEDERAL ASSISTANCE LISTINGS NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2020	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2021
MAJOR FEDERAL FINANCIAL ASSISTANCE LISTINGS						
United States Department of Energy:						
National Nuclear Security Administration						
Fire protection, emergency medical and rescue services	81.140					
Cooperative Agreement begin October 1, 2013	DE-NA0002067/000	4,342,795	19,665,527	4,199,779	[1] 24,488,728	4,966,218
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	0	0	0	285,103	285,103
United States Department of the Treasury:						
American Rescue Plan Act	21.019	0	1,881,101	0	0	(1,881,101)
Flow through the New Mexico Department of Finance and Administration						
CARES Act Funding						
Individual Grants	21.019	0	169,486	0	169,486	0
Small Business Grants		0	1,551,763	0	1,551,763	0
Flow through the New Mexico Office of Cultural Affairs						
New Mexico State Library Grants-in-Aid						
CARES Act Funding	21.019	0	2,106	0	2,106	0
United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
Federal Aid Project-Canyon Rim Trail Underpass-Design	20.205	21,006	21,006	0	0	0
Federal Aid Project-Canyon Rim Trail Underpass-Construction	20.205	0	0	0	1,033,943	1,033,943
Federal Aid Project-TLPA; Multi-Use Urban Trail-Phase II	20.205	0	2,114	0	15,479	13,365
TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE		4,363,801	23,293,103	4,199,779	27,546,608	4,417,528
NONMAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5311						
FY21 Contract MO1725	20.509	0	1,763,445	0	2,131,888	368,443
FY20 Contract MO1657	20.509	488,243	1,184,643	0	696,400	0
FY19 Contract MO1599	20.509	591,528	591,528	0	0	0
United States Department of Agriculture:						
10-665						
United States National Forest Reserve	Public Law 106-393	0	3,700	0	3,700	0
Flow through the New Mexico Energy, Minerals, and Natural Resources Department						
Volunteer Fire Assistance Program	10.664	0	20,000	0	20,000	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
Emergency Management Performance Grant (FY20)	97.042	17,979	38,383	0	20,404	0
Emergency Management Performance Grant (FY21)	97.042	0	52,842	0	73,665	20,823
State Homeland Security Grant-LETPA Equipment	97.067	0	10,213	0	10,213	0
State Homeland Security Grant-EOC Equipment	97.067	17,308	24,143	0	52,525	45,690
Wildfire Mitigation and Education Project-Phase 2	97.039	148,116	148,116	0	0	0
Flood Mitigation Grant-Canyon Road Stabilization-Phase 1	97.039	3,931	3,931	0	0	0
FEMA 4529, COVID-19 Emergency Protection, Public Assistance Program	97.036	75,000	24,710	75,000	[2] 24,710	0
FEMA 4079, Flood Disaster Declaration, Public Assistance Program	97.036	(12,107)	0	0	0	(12,107)
FEMA 4152, Flood Disaster Declaration, Public Assistance Program	97.036	691,296	548,503	0	0	142,793

United States Department of Interior, Bureau of Land Management:	15,226						
Bureau of Land Management							
Section 1 Payment for Federal-Owned Entitlement Land	Public Law 100-343	0	96,754	0	96,754	0	
United States Department of Justice:							
Office of Justice-Bulletproof Vest Partnership	Public Law 106-517	0	3,290	0	3,290	0	
Flow through New Mexico Crime Victims Reparation Commission							
STOP Violence Against Women Formula Grant Program (FY20)	16,588	2,282	2,282	0	0	0	
STOP Violence Against Women Formula Grant Program (FY21)	16,588	0	10,100	0	10,100	0	
Victims of Crime Assistance Formula Grant Program (FY20/21)	16,575	2,432	5,621	0	3,189	0	
Victims of Crime Assistance Formula Grant Program (FY21/22)	16,575	0	6,877	0	9,378	2,501	
Flow through the National Association of VOCA Assistance Administrators							
National Crime Victim's Rights Week Community Awareness	16,582	0	0	0	4,221	4,221	
TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE		<u>2,026,008</u>	<u>4,539,081</u>	<u>75,000</u>	<u>3,160,437</u>	<u>572,364</u>	
TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE		<u>\$ 6,389,809</u>	<u>27,832,184</u>	<u>4,274,779</u>	<u>30,707,045</u>	<u>4,989,892</u>	
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:							
Change in dererred revenue and reserved balances					2,030,244		
Federal Subsidy Build America Bonds					122,279		
Ambulance billing and other receipts DOE Cooperative Agreement for fire services					(471,648)		
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000					(3,728,130)		
North Central Regional Transit District revenues					418,940		
INTERGOVERNMENTAL REVENUES - FEDERAL					<u>29,078,730</u>		
INTERGOVERNMENTAL REVENUES - STATE					<u>29,753,722</u>		
TOTAL INTERGOVERNMENTAL REVENUES					<u>\$ 58,832,452</u>		
INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:							
Governmental funds					\$ 34,384,924		
Proprietary funds							
Intergovernmental charges for services					20,288,950		
Intergovernmental - non capital revenue					3,729,617		
Other sources and uses - intergovernmental capital revenue					428,961		
TOTAL INTERGOVERNMENTAL REVENUES					<u>\$ 58,832,452</u>		

Notes to Supplemental Schedule of Expenditures of Federal Awards

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Incorporated County of Los Alamos (County).

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note (1)D to the County's basic financial statements. The amounts received from the federal government are recorded as intergovernmental revenues of the County. There were no sub recipients of these grant awards.

Other Notes

- [1] County's share of NNSA Cooperative agreement expenditures, ambulance billing and other receipts
- [2] Prior period adjustment

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Year ended June 30, 2021

<u>STATE GRANTOR /PROGRAM TITLE</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2020</u>	<u>CASH RECEIVED</u>	<u>OTHER (SEE NOTES)</u>	<u>STATE PARTICIPATING EXPENDITURES</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2021</u>
STATE OF NEW MEXICO:					
Fire Marshal's Office:					
Fire Protection Fund Distribution - FY21	(656,124)	815,906	57,232 [1]	580,354	(948,908)
Fire Protection Grant - FY20	(90,000)	0	0	90,000	0
Total Fire Marshal's Office	<u>(746,124)</u>	<u>815,906</u>	<u>57,232</u>	<u>670,354</u>	<u>(948,908)</u>
Children, Youth and Families Department					
Juvenile Justice Continuum - FY21	0	115,487	0	119,848	4,361
Juvenile Justice Continuum - FY20	2,972	2,972	0	0	0
Total Children, Youth and Families Department	<u>2,972</u>	<u>118,459</u>	<u>0</u>	<u>119,848</u>	<u>4,361</u>
Department of Finance and Administration:					
LDWI-Local Distribution (FY21)	0	78,855	(20,455) [2]	58,400	0
DWI Grant - FY21	0	11,000	0	11,000	0
DWI Grant - FY20	4,895	4,895	0	0	0
Enhanced E911 - FY21	0	0	168,131 [3]	168,131	0
Law Enforcement Protection Fund Distribution - FY21	(2,933)	39,800	0	34,181	(8,552)
Capital Grant-Affordable Housing Infrastructure-Canyon Walk	59,007	59,007	0	0	0
Capital Grant-Affordable Housing Infrastructure-The Bluffs	215,076	275,000	0	59,924	0
2020 Census Outreach Grant	(10,000)	0	(9,440) [2]	560	0
Total Department of Finance and Administration	<u>266,045</u>	<u>468,557</u>	<u>138,236</u>	<u>332,196</u>	<u>(8,552)</u>
Department of Health - Public Health Office					
Primary Care and EMS Distribution - FY21	(94)	10,154	0	10,248	0
Los Alamos Community Health Council - FY21	(5,846)	9,462	0	0	(15,308)
Total Department of Health	<u>(5,940)</u>	<u>19,616</u>	<u>0</u>	<u>10,248</u>	<u>(15,308)</u>
Transportation Department					
Selective Traffic Enforcement Program (STEP) - FY21	0	3,317	0	3,317	0
Buckle Up/Click It Or Ticket Program (CIOT) - FY21	0	1,590	0	1,590	0
Selective Traffic Enforcement Program (STEP) - FY22	0	0	0	156	156
Community DWI Program - FY20	702	702	0	0	0
Cooperative Agreement, Local Government Road Funds-Barranca Mesa Road	0	50,000	0	50,000	0
Cooperative Agreement, County Arterial Program-Barranca Mesa Road	0	25,752	0	25,752	0
Cooperative Agreement, School Bus Route-Barranca Mesa Road	0	98,611	0	98,611	0
Airport New Fuel Farm - Design Phase	0	0	0	71,947	71,947
Total Transportation Department	<u>702</u>	<u>179,972</u>	<u>0</u>	<u>251,373</u>	<u>72,103</u>

Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA DR 4079	(781)	0	0	0	(781)
Disaster Assistance - FEMA DR 4152	115,171	91,417	0	0	23,754
Executive Order 2019-008 (Severe Winter Storms)	3,381,766	3,031,563	56,092 [4]	130,639	424,750
Executive Order 2019-009 (Severe Wind Event)	28,904	0	21,703 [4]	0	7,201
Total Homeland Security Department	<u>3,525,060</u>	<u>3,122,980</u>	<u>77,795</u>	<u>130,639</u>	<u>454,924</u>
New Mexico Aging and Long Term Services Department					
Capital Outlay Grant - Betty Ehart Senior Center Van	0	118,000	0	118,000	0
Capital Outlay Grant - Betty Ehart Senior Center Meal Truck	0	54,758	0	54,758	0
Total Aging and Long Term Services Department	<u>0</u>	<u>172,758</u>	<u>0</u>	<u>172,758</u>	<u>0</u>
New Mexico Administrative Office of the Courts					
Municipal Automation Fund	0	8,580	0	8,580	0
New Mexico Public Education Department					
Summer Internship Program	0	18,040	0	2,504	(15,536)
New Mexico Tourism Department					
Clean and Beautiful Grant - FY20	5,476	5,476	0	0	0
Clean and Beautiful Grant - FY21	0	0	0	12,300	12,300
Total Secretary of State Office	<u>5,476</u>	<u>5,476</u>	<u>0</u>	<u>12,300</u>	<u>12,300</u>
New Mexico Secretary of State Office					
2020 Primary Election-COVID-19 Supply Assistance	25,227	25,227	0	0	0
2020 General Election-COVID-19 Supply Assistance	0	21,889	0	21,889	0
Total Secretary of State Office	<u>25,227</u>	<u>47,116</u>	<u>0</u>	<u>21,889</u>	<u>0</u>
Office of Cultural Affairs:					
New Mexico State Library 2018 General Obligation Bond	0	22,497	(7,529) [4]	14,968	0
New Mexico State Library Grant - Operations	0	14,243	0	14,243	0
Total Office of Cultural Affairs	<u>0</u>	<u>36,740</u>	<u>(7,529)</u>	<u>29,211</u>	<u>0</u>
TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE	\$ <u>3,073,418</u>	<u>5,014,200</u>	<u>265,734</u>	<u>1,761,900</u>	<u>(444,615)</u>

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:

State-shared Revenues	23,799,131
State-Emergency Mutual Aid Deployment Revenues	532,066
Change in reserved balances	105,809
Change in Deferred Revenue	<u>3,554,816</u>

TOTAL INTERGOVERNMENTAL REVENUES - STATE

\$ 29,753,722

NOTES:

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

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

EXHIBIT 8

Year ended June 30, 2021

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
ASSETS AND OTHER DEBITS					
UTILITY PLANT					
Utility plant in service	\$ 180,837,493	16,455,946	94,246,940	46,491,805	338,032,184
Construction work in progress	5,666,342	2,176,404	4,273,924	1,190,997	13,307,667
Less accumulated depreciation	(118,650,775)	(6,366,239)	(34,848,705)	(15,153,826)	(175,019,545)
NET PLANT IN SERVICE	67,853,060	12,266,111	63,672,159	32,528,976	176,320,306
OTHER PROPERTY AND INVESTMENTS					
Investments and special funds	14,629,857	0	167,145	0	14,797,002
	14,629,857	0	167,145	0	14,797,002
CURRENT AND ACCRUED ASSETS					
Cash and short-term investments	1,818,433	3,525,721	9,697,120	7,287,257	22,328,531
Customer accounts receivable	5,722,805	419,050	573,140	490,177	7,205,172
Less provision for uncollectible accounts	(20,071)	(9,429)	(11,304)	(11,029)	(51,833)
Due from other governments	0	0	0	0	0
Due from associated subfunds (not included in total column)	0	0	174,227	0	174,227
Fuel stock	38,905	0	0	0	38,905
Materials and supplies	1,095,578	23,788	161,990	10,198	1,291,554
Prepayments	168,349	0	21,774	0	190,123
Accrued utility revenues	621,964	80,676	379,176	272,469	1,354,285
Miscellaneous current and accrued assets	0	0	0	0	0
	9,445,963	4,039,806	10,996,123	8,049,072	32,530,964
OTHER NONCURRENT ASSETS AND DEFERRALS					
Advances to associated subfunds (not included in total column)	0	0	270,507	0	270,507
Deferred pension & OPEB	3,696,206	719,859	485,470	430,578	5,332,113
Deferred San Juan Decommissioning Costs	3,712,335	0	0	0	3,712,335
Unamortized deferral on refunding of debt	230,807	0	0	0	230,807
	7,639,348	719,859	755,977	430,578	9,545,762
TOTAL ASSETS AND OTHER DEBITS	\$ 99,568,228	17,025,776	75,591,404	41,008,626	233,194,034

LIABILITIES AND OTHER CREDITS

EQUITY					
Retained earnings	\$ 54,516,761	12,408,058	69,934,692	31,641,825	168,501,336
LONG-TERM DEBT					
Bonds	12,441,514	0	1,263,486	0	13,705,000
Plus unamortized premium on long-term debt	324,018	0	2,628	0	326,646
Contracts and intergovernmental debt payable	0	0	1,118,523	6,642,110	7,760,633
	<u>12,765,532</u>	<u>0</u>	<u>2,384,637</u>	<u>6,642,110</u>	<u>21,792,279</u>
OTHER NONCURRENT LIABILITIES AND DEFERRALS					
Accumulated provision for benefits	208,272	95,360	71,331	23,382	398,345
Advances from associated subfunds (not included in total column)	0	0	0	270,506	270,506
Asset retirement obligations	11,576,303	0	0	0	11,576,303
Pension & OPEB liability	11,881,390	3,289,633	1,625,747	1,447,269	18,244,039
Deferred pension & OPEB	1,704,576	388,065	322,800	240,443	2,655,884
	<u>25,370,541</u>	<u>3,773,058</u>	<u>2,019,878</u>	<u>1,981,600</u>	<u>33,145,077</u>
CURRENT AND ACCRUED LIABILITIES					
Accounts payable	4,757,197	562,810	818,298	89,092	6,227,397
Customer deposits	137,979	115,766	135,330	0	389,075
Tax collections payable	69,456	24,225	39,183	24,130	156,994
Current portion of revenue bonds payable	1,190,512	0	54,488	0	1,245,000
Current portion of contracts and other debt	0	0	103,723	368,583	472,306
Interest accrued	55,365	0	7,687	32,709	95,761
Due to associated subfunds (not included in total column)	0	0	0	174,227	174,227
Miscellaneous current and accrued liabilities	704,885	141,859	93,488	54,350	994,582
	<u>6,915,394</u>	<u>844,660</u>	<u>1,252,197</u>	<u>743,091</u>	<u>9,755,342</u>
TOTAL LIABILITIES AND OTHER CREDITS	\$ <u>99,568,228</u>	<u>17,025,776</u>	<u>75,591,404</u>	<u>41,008,626</u>	<u>233,194,034</u>

**INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS**

EXHIBIT 9

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY CAPITAL - INDUSTRY FORMAT

Year ended June 30, 2021

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
UTILITY OPERATING REVENUES					
Sales for resale	\$ 31,625,987	0	0	0	31,625,987
Residential	7,634,575	4,232,945	4,930,764	5,249,857	22,048,141
Commercial and industrial	4,059,412	1,059,474	538,537	786,962	6,444,385
Sale to public authorities	1,978,989	349,863	2,030,827	0	4,359,679
Street lighting	95,549	0	0	0	95,549
Other operating revenues	631,782	59,307	118,939	9,676	819,704
TOTAL OPERATING REVENUES	46,026,294	5,701,589	7,619,067	6,046,495	65,393,445
OPERATING EXPENSES					
Purchased power or natural gas	(17,559,741)	(3,269,116)	0	0	(20,828,857)
Distribution	(746,138)	(1,042,562)	(2,202,770)	(598,186)	(4,589,656)
Administrative and general	(4,367,361)	(1,017,595)	(1,997,891)	(1,280,234)	(8,663,081)
Customer accounts	(15,449)	(64,964)	0	(2,586)	(82,999)
Steam power generation	(9,034,233)	0	0	0	(9,034,233)
Transmission	(5,057,235)	0	0	0	(5,057,235)
Other production expenses	(1,954,541)	0	0	0	(1,954,541)
Hydraulic power generation	(266,734)	0	0	0	(266,734)
	(39,001,432)	(5,394,237)	(4,200,661)	(1,881,006)	(50,477,336)
MAINTENANCE EXPENSES					
Distribution	(1,555,967)	(324,946)	(1,084,840)	(1,660,244)	(4,625,997)
Steam power generation	(1,198,065)	0	0	0	(1,198,065)
Hydraulic power generation	(524,202)	0	0	0	(524,202)
Carbon free generation	(170,119)	0	0	0	(170,119)
Transmission	(405,092)	0	0	0	(405,092)
	(3,853,445)	(324,946)	(1,084,840)	(1,660,244)	(6,923,475)
DEPRECIATION AND AMORTIZATION EXPENSE	(3,773,140)	(397,106)	(2,045,314)	(854,397)	(7,069,957)
TAXES	(539,721)	0	0	0	(539,721)
TOTAL UTILITY OPERATING EXPENSES	(47,167,738)	(6,116,289)	(7,330,815)	(4,395,647)	(65,010,489)

UTILITY OPERATING INCOME	<u>(1,141,444)</u>	<u>(414,700)</u>	<u>288,252</u>	<u>1,650,848</u>	<u>382,956</u>
Other income (investment loss)	590,166	222,211	579,769	376,048	1,768,194
Other deductions	<u>149,440</u>	<u>971</u>	<u>591,026</u>	<u>(131)</u>	<u>741,306</u>
UTILITY INCOME	(401,838)	(191,518)	1,459,047	2,026,765	2,892,456
Interest on long-term debt	<u>(718,952)</u>	<u>0</u>	<u>(80,034)</u>	<u>(167,111)</u>	<u>(966,097)</u>
INCOME BEFORE EXTRAORDINARY ITEMS	(1,120,790)	(191,518)	1,379,013	1,859,654	1,926,359
Proprietary capital, beginning of year	55,637,551	12,599,576	68,555,679	29,782,171	166,574,977
Prior year restatement - GASB Statement 83	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROPRIETARY CAPITAL, END OF FISCAL YEAR	\$ <u>54,516,761</u>	<u>12,408,058</u>	<u>69,934,692</u>	<u>31,641,825</u>	<u>168,501,336</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Incorporated County of Los Alamos, New Mexico (County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements

will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2021-002.

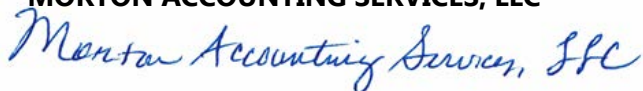
County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

MORTON ACCOUNTING SERVICES, LLC

A handwritten signature in blue ink that reads "Morton Accounting Services, LLC". The signature is written in a cursive, flowing style.

Santa Fe, New Mexico
November 30, 2021



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Incorporated County of Los Alamos' (County) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Mr. Randall Ryti, Chair, County Council
Members of the Council, and Mr. Steven Lynne, County Manager
Los Alamos, New Mexico 87544 and
Mr. Brian S. Colón, New Mexico State Auditor

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MORTON ACCOUNTING SERVICES, LLC

Morton Accounting Services, LLC

Santa Fe, New Mexico
November 30, 2021

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
1. Material weaknesses identified	Yes
2. Significant deficiencies identified	No
3. Noncompliance material to the financial statements noted	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
1. Material weaknesses identified	No
2. Significant deficiencies identified	
3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program</u>
81.140	Fire Protection, Emergency Medical and Rescue Services – Cooperative Agreement
21.019	CARES Act Funding
20.205	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B Programs	\$921,211
Auditee qualified as a Low-Risk Auditee	Yes

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION II – FINDINGS

A. Current Year Findings Pertaining to the Financial Statements Which are Required to be Reported

2021-001 Landfill Closure Costs Liability (Material Weakness, Financial Reporting)

Condition:

During management's midyear review, management re-visited assumptions for the calculations of landfill closure costs long-term liability and determined that there was an error in how the estimate should have been recorded on the general ledger at June 30, 2020, resulting in a restatement decreasing beginning net position and increasing long-term liability in the amount of \$929,237.

Criteria:

GASB Statement 18 requires state and local governments to accrue a liability for closure and post closure care costs that are required by federal, state, and local laws and regulations.

Cause:

In fiscal year 2020, the New Mexico Environment Department Solid Waste Bureau approved and updated the post-closure cost estimate for the County Landfill for the remaining 22 years of the post closure care period. Finance staff recorded the five-year reserve as long-term liability rather than the amount per the study which estimated the liability through the life of the landfill post-closure.

Effect:

Beginning net position was overstated and long-term liability for landfill closure costs were understated by \$929,237.

Recommendation:

We recommend that the County implement additional review and approval of significant estimates and underlying calculations, specifically at fiscal year-end, to ensure accurate financial reporting.

Management Response:

Management agrees that this correction of an error merits a restatement of beginning net position in Fiscal Year 2020. Finance worked with Environmental Services and NMED to initiate an estimate of the remaining 22 years of our post closure liability during FY2020, after raising concerns that the prior year estimates may have been too low.

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION II – FINDINGS, continued

A. Current Year Findings Pertaining to the Financial Statements Which are Required to be Reported, continued

2021-001 Landfill Closure Costs Liability (Material Weakness, Financial Reporting), continued

Management Response, continued:

The County solidified the methodology of accruing a reserve fund along with the NMED required financial assurance for the means to support the future post closure costs. This resulted in restricting a minimum of 5 years of reserve cash to match 5 years of the liability within the Environmental Services fund to meet any costs that could occur. In the past, accounting staff used to record a liability based on estimated contractual services and would match the recording of the reserve based on this estimate. The County fully disclosed the new \$1.2M estimate in the footnotes to the financial statements, but realized there was a misunderstanding in recording of the matching reserve liability versus recording the full amount of the long term liability in FY2020.

Management discovered the error shortly after the publishing of the FY2020 Annual Comprehensive Financial Report, and recorded the full amount of the long term liability in FY2021 and brought it to the attention of the auditors during this audit. Due to the materiality of the liability, management agrees that this error needs to be properly reflected at June 30, 2020 instead of the current year. The CFO will continue to monitor estimates and ensure that these are properly recorded in the respective accounting period thereafter in accordance with Generally Accepted Accounting Principles. The CFO has implemented procedures over significant estimates which includes three levels of review from the Accounting Operations Manager(s), the Deputy CFO, and the CFO.

B. Other Matters as Required by New Mexico State Statute 12-6-5, NMSA 1978

2021-002 Internal Control over Cash Receipts (Other Matter)

Condition:

We tested a sample of twenty-five cash receipts during internal control test work. One of the receipts in the sample was not deposited within the period of time required by the County's cash management policy. The receipt was deposited to the bank six weeks from the date the transaction received and recorded on the general ledger. The amount for this receipt was \$1,169.32.

Criteria:

Per the County's cash management policy, cash received shall be deposited at the Customer Care Center intact by the next business day following receipt. Further, a department may request to securely hold deposits for a period of time, not to exceed one week.

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION II – FINDINGS, continued

B. Other Matters as Required by New Mexico State Statute 12-6-5, NMSA 1978, continued

2021-002 Internal Control over Cash Receipts (Other Matter), continued

Cause:

The deposit was held in Customer Care Center in a secure lock box and overlooked for the six-week duration due to a miscommunication between staff in Finance and Customer Care Center regarding the transaction type.

Effect:

Noncompliance with the County's cash management policy. Further, maintaining receipts on hand may increase risk of loss due to error or fraud.

Recommendation:

We recommend that the County perform closing procedures, i.e., review the balanced drawers at the end of each work shift and tie to the totals in the settlement report in each department to make sure each deposit is completed.

Management Response:

The County agrees with this finding and has determined it was an oversight by County staff. The Customer Care Center placed the deposit in a lock box due to a miscommunication with Finance. When Finance performed the monthly bank reconciliation, they realized that this deposit had not been deposited in the bank, so they contacted Customer Care and explained the situation. Customer Care then deposited the funds in the bank immediately. Customer Care Center has since put into place that checks will not be held for departments. Departments must bring checks to customer care center only when the checks are ready for deposit and researched for proper timely receipting within the cash management policy. The Deputy Utilities Manager in Finance and Administration will be overseeing compliance in Customer Care and the Accounting Operations Manager(s) in Finance along with the Deputy CFO and CFO will also work to ensure compliance.

SECTION III – PRIOR YEAR FINDINGS

There were no prior findings reported.

INCORPORATED COUNTY OF LOS ALAMOS
EXIT CONFERENCE
June 30, 2021

An exit conference was held on Tuesday, November 23, 2021. The conference was held over Zoom due to the COVID-19 pandemic. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

INCORPORATED COUNTY OF LOS ALAMOS

Audit Committee:

David Izraelevitz, County Councilor
Steven Lynne, County Manager
Helen M. Perraglio, Acting ASD Director/Chief Financial Officer
Heather Garcia, Acting Deputy Utilities Manager - Finance and Administration

County Staff:

Melissa Dadzie, Deputy Chief Financial Officer
Beatrice Odezulu, Accounting Operations Manager
Reese Chavarria-Quam, Accounting Operations Manager
Monther Jubran, Budget and Performance Manager

MORTON ACCOUNTING SERVICES, LLC:

Janet Pacheco-Morton, Principal



LOS ALAMOS



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